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INTERSTATE COMMERCE COMMISSION

I hereby certify that the attached document is a true copy of the original.

Dated this 5th day of Jan. 1973.

Robert C. Cates

Notary Public

(NOTARIAL SEAL)

My commission expires Aug 1975

CHICAGO FREIGHT CAR LEASING CO.

The Executive Plaza

PARK RIDGE, ILLINOIS

CHICAGO TELEPHONE:
774-1223
AC 312

MAIL ADDRESS:
205 W. TOUHY
PARK RIDGE, ILL.

December 12, 1972

Mr. M.M. Adams
Secretary-Treasurer
ERIE LACKAWANNA RAILWAY COMPANY
Midland Building
Cleveland, Ohio 44115

Dear Mr. Adams,

We thank you for the prompt forwarding to us of the lease agreement which you have executed on December 8, 1972, which has been approved by an order of the court on December 7, 1972, covering the leasing to you of fifty railway covered hopper cars initialled and numbered EL 45800 thru 45849 inclusive.

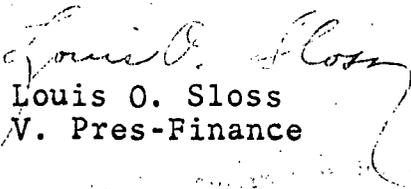
As requested by you, we have executed these lease agreements on our part and are returning to you one copy for your files.

In as much as all cars were on hand and in your possession as of the date this agreement was executed by you, the termination date of the initial term of this lease will be December 7, 1977, as provided for in item (2) of the lease agreement.

This letter has been written in duplicate so that you can acknowledge this initial termination date so that it can become an official part of this lease agreement.

Yours very truly,

CHICAGO FREIGHT CAR LEASING CO.


Louis O. Sloss
V. Pres-Finance

AGREED & ACCEPTED:


For ERIE LACKAWANNA RAILWAY COMPANY

LOS:jig

LESSORS OF REFRIGERATOR • TANK • COVERED HOPPER • AND ALL TYPES OF RAILWAY CARS

STATE OF ILLINOIS)
COUNTY OF COOK) SS

On this 11th day of Dec., 1972, before me personally appeared ROBERT M. SASSER to me personally known, who being by me duly sworn, says that he is President of the CHICAGO FREIGHT CAR LEASING CO., that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

Robert C. Oates
Notary Public

My commission expires Aug. 1975

STATE OF Ohio)
COUNTY OF Cuyahoga) SS

On this 8th day of December 1972, before me personally appeared R. S. Tyler to me personally known, who, being by me duly sworn, says that he is one of the Trustees of the property of the Erie Lackawanna Railway Company, that the foregoing instrument was signed by him on behalf of and by authority of the Trustees of the property of the Erie Lackawanna Railway Company, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Trustees.

(Notarial Seal)

S. E. Baker
Notary Public

My commission expires August 29, 1972

LEASE OF RAILROAD COVERED HOPPER CARS

THIS AGREEMENT, made and entered into this 8th day of December, 1972, by and between CHICAGO FREIGHT CAR LEASING CO., a corporation of Delaware, hereinafter called "Car Company" as Lessor, and T. F. PATTON and R. S. TYLER, JR., Trustees, of the property of ERIE LACKAWANNA RAILWAY COMPANY, a corporation of Delaware, hereinafter called "Lessee."

WITNESSETH:

WHEREAS, the aforesaid T. F. Patton and R. S. Tyler, Jr., have been duly appointed Trustees of the property of the Railroad by an order of the United States District Court for the Northern District of Ohio in a proceeding under Section 77 of the Bankruptcy Act, and said appointment has been duly ratified by an order of the Interstate Commerce Commission, and said Trustees have duly qualified as such and are now in possession of and operating the property of the Railroad pursuant to the provisions and directions contained in orders of said Court; and

WHEREAS, by an order of said Court dated December 7, 1972, the form and terms of this lease were approved by said Court in substantially the present form hereof, and Lessees were duly authorized and directed to execute and deliver this lease, and otherwise to make and carry out the covenants and agreements on their part herein contained; and

WHEREAS, Car Company is willing to lease fifty (50), 100 ton railway covered hopper cars of 4750 cubic foot capacity, initialed EL and numbered 45800 thru 45849, inclusive, and Lessee is desirous of leasing said cars.

NOW THEREFORE, in consideration of the premises, the covenants, promises and undertakings of the parties hereto, as hereinafter contained, it is agreed as follows:

1. Car Company agrees to deliver to Lessee at Youngstown, Ohio, in lots as cars are completed, the above listed railway covered hopper cars. Car Company guarantees that the cars shall meet all current mechanical requirements of the Association of American Railroads Interchange Rules. Lessee shall make any mechanical inspection desired at the shipping point.

2. This lease shall become effective as of the date hereof and shall continue in full force and effect for sixty (60) calendar months after the average in-service date of all cars delivered, and thereafter for successive extension periods of one year unless either party shall terminate by giving the other party not less than ninety (90) days and not more than one hundred fifty (150) days notice in writing prior to termination date of its intention to terminate the lease.

3. Lessee covenants and agrees to pay rent to the Car Company for the use of the said leased cars at the rate of \$225.00 per car per calendar month during the term of this lease beginning on the date of receipt on lines of the Lessee until actual return of cars to Car Company at termination of the lease. Payment shall be due on the first day of each month for the same month.

4. Subject to the provisions of this lease, Lessee shall have the exclusive use and control of the cars during this lease. The rental rate stipulated above is subject to maintenance cost adjustment based on the AAR Freight Car Labor Rate, Job Code #4450, Rule 75, as specified in the AAR Interchange Rules Manual. Effective after the first ensuing AAR Car Labor Rate change, the basic rental rate charge on said leased cars shall be increased up to, but not exceeding, 15¢ per car per month, for each 1¢ per hour increase of the AAR Car Labor Rate.

5. The Car Company shall be responsible for the cost of maintaining said leased cars. The Lessee will perform any running or minor repairs and bill the Car Company in accordance with AAR Rules. The Lessee further agrees to cause the cars or any of them to be delivered to the Car Company's Chicago, Illinois shops when in need of general maintenance, without cost to the Car Company, and to accept delivery at that point when the repairs have been made. On any car needing such maintenance, rentals shall be waived five days after the date cars are received in Car Company's shops and until car is released for service from Car Company's shops.

6. In the event any car covered by the lease is destroyed or damaged, in the opinion of the Car Company, beyond economical repair, Car Company shall be compensated by the responsible party for the loss of the car in accordance with the applicable Association of American Railroads rules. Rental for any such car destroyed or damaged shall cease effective with date of destruction or damage. Car Company, at its option, may or may not replace any such destroyed or damaged car with a car of comparable size or capacity.

7. It is expressly understood that the Lessee assumes responsibility for:

- (a) Damage to all or any of said leased cars
- (b) Any claims or expenses arising out of or through the operation of said cars under this lease by the Lessee for or on account of damage to or destruction of any other property or for or on account of personal injuries (whether or not resulting in death or otherwise) to any person whether or not an employee of the Lessee
- (c) Excess empty mileage claims, switching or other transportation charges of any other railroad or terminal company
- (d) Damage to or loss of the whole or any part of any shipment carried in any of said cars.

The Lessee will indemnify, protect and hold Car Company harmless against any and all such claims, charges, costs, expenses, suits or actions.

8. Provided Lessee shall not be in default under any provisions of this lease, Lessee shall be entitled to receive and retain mileage, per diem and/or other car rentals and charges which may accrue upon or in connection with any of said leased cars while on the rails of any other railroad or company. To accomplish the above, the Lessee shall cause said leased cars to be listed under its name in the "Official Railroad Equipment Register," and shall be entitled to receive all mileage, junction, per diem and other reports normally received by the car owner or any railroad or terminal company.

9. Lessee shall prepare and file at its own expense, all schedules, reports, or statements, as required by any local, state or provincial taxing or regulating authority, boards, or commissions, in the United States, Republic of Mexico, and Commonwealth of Canada with respect to said leased cars. Lessee will pay directly at its own expense, any taxes levied on or with respect to any of said cars or the use thereof. It is understood and agreed that the above taxes are of the property tax type whether based on valuation, mileage or other basis.

10. Lessee shall not pledge, mortgage or otherwise encumber or dispose of the cars, and shall suffer no lien or encumbrance to attach or remain thereon. Lessee shall not allow the name of any person, association or corporation to be placed on the cars in such a way that it might be in the claim of ownership by any person other than the car owner, but Lessor shall letter these cars with reporting marks customarily used by Lessee and other required AAR stenciling, including ACI labels. Lessee shall maintain such markings thereafter.

11. Upon termination of this lease in accordance with provisions hereto, or upon failure of Lessee to cure the breach of any condition or covenant herein by it within thirty (30) days after written notice thereof by Car Company to Lessee, Lessee shall deliver said leased cars in such a condition as to meet interchange requirements for safe movement free and clear of any and all transportation charges to the Car Company in Chicago, Illinois. If Lessee shall fail or refuse to deliver said cars as aforesaid, Car Company shall have the right, without further notice or demand, and, in addition to, and without constituting waiver of any other remedy, claim or right hereunder or at law, to terminate this lease and to take possession of said cars wherever found and remove them at Lessee's expense, and for such purpose only Lessee authorizes Car Company to enter any premises occupied by the Lessee.

12. This lease and the terms, provisions and covenants herein contained shall extend to and be binding upon, and shall inure to the benefit of the respective successor and assigns of the respective parties hereto.

IN WITNESS WHEREOF, Car Company and Lessee respectively, each pursuant to due corporate authority, have caused these presents to be executed and the respective corporate seals to be hereunder affixed, duly attested, as of the day and year first above written.

CHICAGO FREIGHT CAR LEASING CO.

ATTEST:

By *R. M. Laska*
President

Louis O. Sloss
Secretary

T. F. PATTON and R. S. TYLER, JR. TRUSTEES
OF THE PROPERTY OF THE
ERIE LACKAWANNA RAILWAY COMPANY

WITNESS:

By *T. F. Patton*
One of the Trustees

M. M. Adams

FILED

DOCUMENT No. 128

Dec 7 3 53 PM THE UNITED STATES DISTRICT COURT
THE NORTHERN DISTRICT OF OHIO
CLERK, U.S. DISTRICT COURT EASTERN DIVISION
NORTHERN DISTRICT OF OHIO

In the Matter of) In Proceedings for the
) Reorganization of a
ERIE LACKAWANNA RAILWAY COMPANY) Railroad
)
Debtor) No. B72-2838

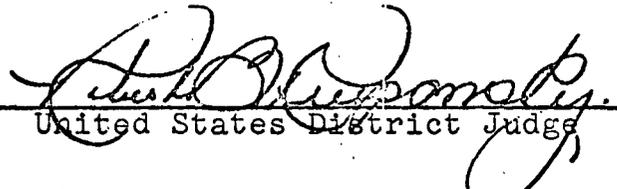
ORDER NO. 40

ORDER AUTHORIZING TRUSTEES TO LEASE
50 COVERED HOPPER CARS

The Court, upon consideration of the Petition of Thomas F. Patton and Ralph S. Tyler, Jr., Trustees of the Debtor's property, for an Order authorizing the Trustees to lease fifty (50) covered hopper cars, is of the opinion that the leasing of said cars is in the best interests of the Debtor and necessary because of the competitive nature of the Debtor's business.

Accordingly, the Trustees are hereby authorized to enter into a lease agreement, substantially in accordance with the terms of the lease agreement attached to their Petition, for the lease of fifty (50) covered hopper cars.

IT IS SO ORDERED.


United States District Judge

Dated: December 7, 1972