

CONNELL LEASING, INC.

A SUBSIDIARY OF CONNELL RICE & SUGAR CO., INC.

45 CARDINAL DRIVE WESTFIELD, N. J. 07092

TWX 710 997-9602
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RECORDATION NO. 2845-1A
Filed & Recorded

JUN 3 1977-10 11 AM

May 20, 1977

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Secretary

Gentlemen:

RECORDATION NO. 2845
JUN 3 1977-10 11 AM
INTERSTATE COMMERCE COMMISSION
FEE OPERATIONS BR
RECEIVED
JUN 3 1977
ICC Washington, D. C.

Enclosed herewith for filing and recording, pursuant to Section 20c of the Interstate Commerce Act, are eight (8) executed counterparts of the following:

1. Lease of Railroad Equipment dated as of May 12, 1977, between Connell Leasing, Inc. and Lake Erie, Franklin & Clarion Railroad Company; and
2. Assignment of Purchase Agreement dated as of May 12, 1977, between Connell Leasing, Inc., Lake Erie, Franklin & Clarion Railroad Company and Greenville Steel Car Company.

The foregoing documents relate to the purchase and financing of:

100-ton (3,420 cu. ft.) triple hopper cars (Car Nos. LEF 3500 through 3599, both inclusive).

Enclosed is our check in the amount of \$60 in payment of the applicable recording fees.

Please deliver five (5) counterparts, each bearing recordation data with respect to the filing pursuant to the provisions of Section 20c of the Interstate Commerce Act, to the bearer of this letter.

continued.../

C. Deeney
Joseph P. Ryan

Interstate Commerce Commission
Page 2
May 20, 1977

For your records, the names and addresses of the parties to the several instruments are as follows:

Connell Leasing, Inc. *Lessee*
45 Cardinal Drive
Westfield, NJ 07092
Attention: Mr. Grover Connell
President

Greenville Steel Car Company *(Bulder)*
Greenville
Pennsylvania 16125
Attention: Mr. John T. Egbert
Vice President - Sales

Lake Erie, Franklin & Clarion Railroad Company *(Lessee)*
Post Office Box 430
Clarion, PA 16214
Attention: Mr. Joseph L. Hartle
Vice President - Operations

Sincerely,

CONNELL LEASING, INC.

William T. Guinee

William T. Guinee
Vice President

/bjb

enc.

945-14

RECORDED & INDEXED

JUN 8 1977-10 22 AM

ANNEX B to
PURCHASE AGREEMENT

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF PURCHASE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that as of May 12, 1977, LAKE ERIE, FRANKLIN & CLARION RAILROAD COMPANY, a Pennsylvania corporation (hereinafter called the Assignor), in consideration of the sum of \$10 and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, DOES HEREBY SELL, ASSIGN, TRANSFER AND SET OVER UNTO CONNELL LEASING, INC., a New Jersey corporation (hereinafter called the Assignee), and its assigns for its and their own use forever, all of the Assignor's right, title and interest in and to that certain Purchase Agreement dated as of May 12, 1977, (hereinafter called the Purchase Agreement), between the Assignor and GREENVILLE STEEL CAR COMPANY, a Pennsylvania corporation (hereinafter called the Builder), in so far as it relates to the 100 units of railroad equipment (hereinafter called the Equipment) described in Annex A hereto, together with, all and singular, the Equipment and all right, title and interest now owned or hereafter acquired by the Assignor in and to the Equipment and in and to the Purchase Agreement, to have and to hold, all and singular, the Equipment and the Purchase Agreement.

1. The Assignor does hereby represent that it is the lawful owner, free from all liens, security interests and encumbrances, of all the rights of the Assignor under the Purchase Agreement in respect of the Equipment, that it has the right to sell and assign such rights of the Assignor under the Purchase Agreement as set forth herein and that it will warrant and defend this Assignment against the claims and demands of all persons.

The Assignee hereby appoints the Assignor its agent for inspection and acceptance of the Units under the Purchase Agreement. The Assignee will cause each Unit to be delivered to the Assignor at the point or points specified in Annex A hereto.

2. The Assignee accepts the assignments herein contained, and assumes the obligations of the Assignor under the Purchase Agreement to purchase the Equipment and agrees to pay for the Equipment as provided in the Purchase Agreement, subject to compliance by the Builder with the provisions of the Purchase Agreement relating to construction, delivery and acceptance of equipment under the Purchase Agreement, without limitation, but no

other duties or obligations of the Assignor thereunder; provided, however, that the Builder shall not deliver any unit of the Equipment hereunder subsequent to, and the Assignee shall have no obligation to purchase and pay for any unit of the Equipment not delivered prior to, receipt of a written notice from the Assignor or the Assignee notifying the Builder of (i) the commencement of any proceedings specified in clause (e) of § 10 of the Lease dated the date hereof between the Assignor and the Assignee (hereinafter called the Lease) (ii) the occurrence of any event of default as described in § 10 of the Lease, or event which with lapse of time and/or demand, could constitute such Event of Default, (iii) the material falseness of any of the representations and warranties of the Lessee made by it in § 15(a) of the Lease at and as of the time such representations and warranties were so made or (iv) the fact that any of the conditions contained in § 15(b) of the Lease have not been met or waived. In addition, the Builder shall not deliver any unit of the Equipment hereunder subsequent to, and the Assignee shall have no obligation to purchase and pay for any unit of Equipment not delivered prior to, December 16, 1977, (hereinafter called the Cut-Off Date). The Assignor affirms hereunder that it shall be solely obligated to purchase and pay for pursuant to the Purchase Agreement any unit of the Equipment which is excluded from this assignment because (A) delivered after the Builder shall have received any notice described in the provision to the first sentence of this Paragraph 2.

3. The Builder hereby consents to and accepts the terms of this Assignment, including, without limitation, its duties as to termination of deliveries. The Builder agrees that, as a result of this assignment, the Assignee shall be solely responsible for payment of the aforesaid units of railroad equipment (hopper cars). Builder further waives any and all rights to recover from Assignor any and all amounts due for the aforesaid units of railroad equipment (hopper cars), except as provided in the final sentence of Paragraph 2 hereof.

4. The Builder and the Assignee hereby agree that the Purchase Agreement and this Assignment will not be amended in a manner affecting the Assignor as a party thereto or hereto, as the case may be, without the written consent of the Assignor to such amendment.

5. The Assignor represents and warrants that none of the units of the Equipment has been delivered by the Builder or placed in service by any person prior to the date hereof.

6. The parties hereto hereby agree that all rights and obligations under this Assignment shall be governed by the laws of the State of Pennsylvania; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

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

LAKE ERIE, FRANKLIN & CLARION RAILROAD COMPANY

BY Jay L. Miller
President

(Corporate Seal)

Attest:

J. L. Hartle
Assistant Secretary

CONNELL LEASING, INC.

BY J. J. Jell
President

(Corporate Seal)

Attest:

[Signature]
Secretary

GREENVILLE STEEL CAR COMPANY

BY J. T. Egbert (SEAL)
Vice President

(Corporate Seal)

Attest:

[Signature]
Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA,)
COUNTY OF *Mercer*) ss.:

On this *16th* day of *May*, 1977, before me personally appeared **Jay F. Miller**, to me personally known, who, being by me duly sworn, says that he is President of LAKE ERIE, FRANKLIN & CLARION RAILROAD COMPANY, that one of the seals 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.

Laura Smith

Notary Public

(Notarial Seal)

LEORA SMITH, Notary Public
GREENVILLE, MERCER COUNTY

My Commission expires ~~My Commission Expires Feb. 23, 1981~~

STATE OF NEW JERSEY,)
) ss.:
COUNTY OF UNION,)

On this 13th day of May, 1977, before me personally appeared Grover Connell, to me personally known, who, being by me duly sworn, says that he is the President of CONNELL LEASING, INC., that one of the seals 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.

Virginia Anter

Notary Public

(Notarial Seal)

My Commission expires

VIRGINIA ANTER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 22, 1979

COMMONWEALTH OF PENNSYLVANIA,)
) ss.:
COUNTY OF *Mercer*)

On this *16th* day of *May*, 1977, before me personally appeared **John T. Egbert**, to me personally known, who, being by me duly sworn, says that he is Vice President of GREENVILLE STEEL CAR COMPANY, that one of the seals 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.

Leora Smith

Notary Public

(Notarial Seal)

LEORA SMITH, Notary Public
GREENVILLE, MERCER COUNTY
My Commission Expires Feb. 23, 1981

My Commission expires

ANNEX A TO ASSIGNMENT OF PURCHASE AGREEMENT

<u>Type</u>	<u>Place of Delivery</u>	<u>Quantity</u>	<u>Road Numbers (Both Inclusive)</u>	<u>Unit Price</u>	<u>Purchase Price</u>
Coal Hopper Cars	Greenville, Pennsylvania	100	3500 to 3599	\$27,338.99	\$2,733,899.00

Total Purchase Price shall mean the following: (a) the invoice cost of the Equipment; plus (b) all of the following costs incurred in connection with the acquisition of the Units by the Lessor: sales taxes, transportation, and delivery charges.

ANNEX C

CERTIFICATE OF ACCEPTANCE

Dated: , 1977

TO PITTSBURGH FORGINGS COMPANY (Greenville Steel Car Company):

I, a duly appointed inspector and authorized representative of LAKE ERIE, FRANKLIN & CLARION RAILROAD COMPANY, (hereinafter called the "Company"), do hereby certify that, pursuant to the Purchase Agreement dated as of **May 12**, 1977, between you and the Company, I have inspected, received, approved and accepted delivery on behalf of the Company or its assigns for which the Company is acting as agent of the following units of railroad equipment:

Type: Coal Hopper Cars
Place Accepted:
Dated Accepted:
Number of Units:
Numbered:

I do further certify that the foregoing Coal Hopper Cars are in good order and condition and conform to the specifications applicable thereto and to all applicable Federal Railroad Administration requirements and specifications and to all standards recommended by the Association of American Railroads reasonably interpreted as being applicable to new railroad equipment of the character of such coal hopper cars.

I do further certify that the foregoing Coal Hopper Cars have not been placed in service by the Company prior to the execution of this certificate.

The execution of this certificate will in no way relieve the manufacturer of its duty or decrease its responsibility to produce and deliver the railroad equipment indicated above in accordance with the terms of the manufacturing agreement covering such equipment, subject to any warranties therein contained.

Inspector and Authorized
Representative
LAKE ERIE, FRANKLIN & CLARION
RAILROAD COMPANY