

151.00

SANWA BUSINESS CREDIT CORPORATION
One South Wacker Drive
Chicago, Illinois 60606

16855
RECORDATION NO. _____ FILED 1400

APR 30 1990 -12 05 PM

INTERSTATE COMMERCE COMMISSION

16855/A
RECORDATION NO. _____ FILED 1400

APR 30 1990 -12 05 PM

April 27, 1990

INTERSTATE COMMERCE COMMISSION

0-120A011

Ms. Noretta P. McGee, Secretary
Interstate Commerce Commission
Twelfth Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Secretary:

I have enclosed for recording pursuant to Section 11303 of Title 49 of the U.S. Code an original and one counterpart of (i) the Railcar Assignment Agreement dated April 27, 1990 (the "Assignment") between Quaker State Corporation, Petrowax PA Inc. and Union Tank Car Company, a primary document and two originals of (ii) the Security Agreement dated as of April 27, 1990 (the "Security Agreement"), between Petrowax PA Inc. and Sanwa Business Credit Corporation, a secondary document.

All capitalized terms used herein without definition have the meanings assigned thereto in the Security Agreement.

We request that this assignment be cross-indexed under the name of Union Tank Car Company.

The names and addresses of the parties to the Assignment are as follows:

Quaker State Corproation
255 Elm Street
Oil City, Pennsylvania 16301,
as assignor

Petrowax PA Inc.
230 Park Avenue, Suite 610
New York, New York 10169,
as assignee

Union Tank Car Company
71 Arch Street
Greenwich, CT 06830
as lessor

Ms. Noreta R. McGee, Secretary
Interstate Commerce Commission
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The names and addresses of the parties to the Security Agreement are as follows:

Petrowax PA Inc.
230 Park Avenue, Suite 610
New York, New York 10169,
as Grantor

Sanwa Business Credit Corporation
One South Wacker Drive
Chicago, Illinois 60606,
as Secured Party

A description of the equipment covered by the Assignment follows:

Eight railcars of DOT 111-A-100-W-1 class, heater-piped, non-insulated, equipped with safety dome platforms, with the following numbers and sizes:

<u>UTLX Tank Car Numbers:</u>	<u>Approximate size in gallons:</u>
58581	26,000
58950 - 58951 (2 cars)	23,500
57990 - 57994 (5 cars)	26,000

A description of the equipment covered by the Security Agreement follows:

Eight railcars of DOT 111-A-100-W-1 class, heater-piped, non-insulated, equipped with safety dome platforms, with the following numbers and sizes:

<u>UTLX Tank Car Numbers:</u>	<u>Approximate size in gallons:</u>
58581	26,000
58950 - 58951 (2 cars)	23,500
57990 - 57994 (5 cars)	26,000

Included in the property covered by the aforesaid Security Agreement is all Equipment of Grantor, including Equipment intended for use in interstate

Ms. Noreta R. McGee, Secretary
Interstate Commerce Commission
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commerce, or interests therein, owned by Grantor at the date of said Security Agreement or thereafter acquired by it.

A fee of \$30.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Morgan, Lewis & Bockius, 101 Park Avenue, New York, New York 10178, Attention: Devon Woodward Russ.

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

Primary Document. Railcar Assignment Agreement, dated April 27, 1990, among Quaker State Corporation ("QSC"), Petrowax PA Inc. ("Petrowax") and Union Tank Car Company ("Union"), pursuant to which QSC assigns to Petrowax its interest in the Car Service Agreement dated August 1, 1985 between Union as lessor and QSC as lessee.

A copy of the Car Service Agreement between Union and QSC, which is not recorded, is attached to each copy of the Assignment for reference.

A short summary of the Security Agreement to appear in the index follows:

Secondary Document. Security Agreement dated as of April 27, 1990 between Petrowax PA Inc. ("Borrower") and Sanwa Business Credit Corporation ("Lender"), pursuant to which Borrower assigns and grants to Lender a security interest in the assignment, made pursuant to the Railcar Assignment Agreement, of lessee's interest in the railcar lease between Union Tank Car Company as lessor and Quaker State Corporation as lessee, which security interest is granted to secure Borrower's obligation to Lender under the Senior Secured Loan Agreement dated as of April 27, 1990.

Please acknowledge receipt of this letter of transmittal and its enclosures by appropriately stamping the enclosed copy of this letter and by returning it to Morgan, Lewis

Ms. Noreta R. McGee, Secretary
Interstate Commerce Commission
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& Bockius, 101 Park Avenue, New York, NY 10178, Attention: Devon
Woodward Russ in the addressed envelope enclosed for your
convenience.

Very truly yours,

SANWA BUSINESS CREDIT CORPORATION

By 
Name: *ROBERT H. DAMM*
Title: *VICE PRESIDENT*

Enclosures: Railcar Assignment Agreement - Original and
Notarized Copy
Security Agreement - Original and Notarized Copy
Transmittal Letter (copy)
Check (\$30.00)

Interstate Commerce Commission
Washington, D.C. 20423

5/7/90

OFFICE OF THE SECRETARY

Sanwa Business Credit Corp.
One South Wacker Drive
Chicago, Illinois 60606

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/30/90 at 12:05^{pm}, and assigned recordation number(s). 16855 & 16855-A, 16856, 16856-A, 16856-B & 16856-C

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

RAILCAR ASSIGNMENT AGREEMENT

16855
RECORDATION NO. _____ FILED 1990
APR 3 1990-12 05 PM
INTERSTATE COMMERCE COMMISSION

This Railcar Assignment Agreement (the "Agreement") is made as of April 27, 1990 by and among Quaker State Corporation, a Delaware corporation ("QSC"), Petrowax PA Inc., a Delaware corporation ("Petrowax"), and Union Tank Car Company, a Delaware corporation ("Union").

R E C I T A L S

A. Union leases to QSC the railcars (the "Cars") listed on Exhibit A hereto pursuant to a Car Service Agreement dated August 1, 1985 (with amendments and riders, the "Lease").

B. Petrowax plans to buy, and QSC plans to sell, certain refinery and petroleum wax plant assets located primarily in McKean County and Venango County, Pennsylvania pursuant to an Asset Purchase and Sale Agreement (the "Asset Purchase and Sale Agreement").

C. Pursuant to the Asset Purchase and Sale Agreement, QSC plans to assign to Petrowax its interest in the Cars. QSC and Petrowax wish to obtain the written consent of Union to this assignment.

D. Union is willing to give this consent in consideration for Petrowax assuming QSC's obligations under the Lease.

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth in this Agreement and the Asset Purchase and Sale Agreement, QSC, Petrowax and Union agree as follows:

1. Assignment. QSC hereby sells, assigns, conveys, transfers sets over and delivers to Petrowax the entire interest of QSC in, to and under the Lease. Except as provided in the Asset Purchase and Sale Agreement with regard to title, Petrowax acknowledges that it is taking the Cars on an AS IS, WHERE IS basis.

2. Assumption of Obligations. Petrowax hereby agrees to perform, and expressly assumes, all the obligations of QSC under the Lease and will indemnify, defend and hold QSC harmless from and against any and all losses, costs, damages, expenses (including reasonable attorney's fees), liabilities, claims or causes of action

arising out of the Lease (except with respect to any liabilities or obligations of QSC incurred prior to the date hereof).

3. Further Assurances. From time to time, at Petrowax's request and without further consideration, QSC will execute and deliver such other instruments and documents as Petrowax reasonably may request to evidence the sale, conveyance, transfer and assignment of the Lease to Petrowax, to perfect or record Petrowax's interest in the Cars, to enable Petrowax to use the Cars or otherwise to carry out the purposes and intent of this Agreement. QSC will indemnify, defend and hold Petrowax harmless from and against any and all losses, costs, damages, expenses (including reasonable attorney's fees), liabilities, claims or causes of action arising out of liabilities or obligations incurred under the Lease prior to the date hereof.

4. Consent to Assignment. Union hereby grants written consent to the assignment of the Lease and to the use of any Car by Petrowax pursuant to this Agreement. Union agrees to release QSC from, and to accept performance by Petrowax of, all obligations arising under the Lease from and after the date hereof. Union hereby acknowledges that the Lease is in full force and effect as of the date hereof, that QSC is not in breach of or default under any of the terms and conditions of the Lease and that this Agreement supersedes any restrictions on assignments, subcontracting or subleasing contained therein.

5. Notices. Notices given pursuant to the provisions of this Agreement shall be sent by certified mail, overnight courier or telecopier to the following addresses:

If to Petrowax:

c/o U. S. Petroleum Corp.
230 Park Avenue
Suite 610
New York, NY 10169
Telephone: (212) 818-1771
Facsimile: (212) 818-1988

Attention: Mr. Roger Mark

With a copy to:

Kavanagh & Associates, Inc.
33 Route 31 North - 2
Annandale, NJ 08801
Telephone: (201) 730-7005
Facsimile: (201) 730-9466

Attention: Mr. Glenn Kavanagh

If to Quaker State Corporation:

Quaker State Corporation
255 Elm Street
Oil City, PA 16301
Telephone: (814) 676-7676
Facsimile: (814) 676-7030

Attention: Richard Winkler, Esq.

If to Union:

Union Tank Car
71 Arch Street
Greenwich, CT 06830

Telephone: (203) 661-8000
Facsimile: (203) 661-5103

Attention: Mr. James J. Malone

The parties hereto may from time to time designate any other address to which any such notice to it shall be sent. Any such notice shall be deemed to have been delivered upon receipt.

6. Miscellaneous.

(a) Petrowax shall have the right to assign this Agreement to any entity which is controlled by, controls or is under common control with Petrowax, or to any lender, group of lenders or other persons or entities which provide financing with respect to the Asset Purchase and Sale Agreement. This Agreement otherwise may not be assigned by any party hereto without the prior written consent of the other parties hereto, such consent not to be unreasonably withheld.

(b) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York.

(c) This Agreement may be executed in two or more counterparts and by the different parties on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

PETROWAX PA INC.

By: *Gene R. Bludermann*
Name: Gene R. Bludermann
Title: President

QUAKER STATE CORPORATION

By: *W. C. Heibley*
Name: W. C. Heibley
Title: Vice President

UNION TANK CAR COMPANY

By: *K. P. Fischl*
Name: Kenneth P. Fischl
Title: VP-Fleet Management

NY:4118P

STATE OF New York)
COUNTY OF New York) SS.

On this 26 day of April, 1990, before me personally appeared, Gene Blendermann, to me personally known, who being by me duly sworn, says that he is the ~~his~~ President of Petrowax PA Inc., a Delaware corporation, that he duly executed the foregoing Railcar Assignment Agreement on behalf of such corporation, and that the facts stated therein are true.

Norma Torres
Notary Public

STATE OF New York)
COUNTY OF New York) SS.

NORMA TORRES
NOTARY PUBLIC, State of New York
No. 31-489337
Qualified in New York County
Commission Expires June 22, 1991

On this 26 day of April, 1990, before me personally appeared, WC. Hetsley, to me personally known, who being by me duly sworn, says that he is the Vice President of Quaker State Corporation, a Delaware corporation, that he duly executed the foregoing Railcar Assignment Agreement on behalf of such corporation, and that the facts stated therein are true.

Norma Torres
Notary Public

STATE OF Illinois)
COUNTY OF Cook) SS.

NORMA TORRES
NOTARY PUBLIC, State of New York
No. 31-489337
Qualified in New York County
Commission Expires June 22, 1991

On this ___ day of April, 1990, before me personally appeared, K.P. Fischl, to me personally known, who being by me duly sworn, says that he is the VP-Fleet Mgmt. of Union Tank Car Company, a Delaware corporation, that he duly executed the foregoing Railcar Assignment Agreement on behalf of such corporation, and that the facts stated therein are true.

Suzanne C. Johnson
Notary Public

4118P

OFFICIAL SEAL
GWYNETH A JOHNSON
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION-EXP SEPT. 14, 1991

EXHIBIT A

RAILCARS TO BE ASSIGNED

<u>UTLX Tank Car Number</u>	<u>Service Type</u>	<u>Contract Number</u>	<u>Lease Expiration Date</u>	<u>Approximate Size in Gallons</u>	<u>Monthly Rent</u>
57990	Product	981	1/1/95	26,000	405
57991	Product	981	1/1/95	26,000	405
57992	Product	981	1/1/95	26,000	405
57993	Product	981	1/1/95	26,000	405
57994	Product	981	1/1/95	26,000	405
58581	Product	981	9/1/90	26,000	395
58950	Product	981	6/1/90	23,000	375
58951	Product	981	6/1/90	23,000	375

NY:4118P

UNION TANK CAR COMPANY
CAR SERVICE AGREEMENT

Effective this 1st day of August, 1985, UNION TANK
CAR COMPANY, a Delaware corporation ("Lessor"), and
QUAKER STATE OIL REFINING CORPORATION

a Pennsylvania corporation ("Lessee"), agree as follows:

ARTICLE I

LEASE OF CARS

SECTION 1.01. *Lease* Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, upon the terms and conditions set forth herein, the railway cars described in riders which may from time to time be added to this Agreement by agreement of the parties. (Such cars are referred to herein as the "cars" or "car") This Agreement will be effective from the date hereof and will expire upon the expiration of the term of lease of the last car leased hereunder, except that all obligations of Lessee which have not been satisfied in full by that time shall continue until so satisfied

SECTION 1.02. *Term*. The term of lease of each car shall be that specified in the rider with respect to such car and shall commence on the date the car is forwarded to Lessee or, in the case of a car which is to be lined, coated or otherwise modified at Lessee's cost, the facility where such work is to be done. Lessor shall not be liable for delays due to causes beyond its reasonable control and, in the event of any such delay, Lessor shall forward the car to such location as soon as reasonably possible thereafter.

SECTION 1.03 *Rental*. The monthly rental rate for each car shall be that specified in the rider with respect to such car. Except as otherwise provided herein, Lessee shall pay Lessor such rental from the date the car is forwarded pursuant to Section 1.02 to the date the car is released to Lessor in the manner provided in Section 1.07. Lessor will allow Lessee mileage credits against such rental in the manner provided in Section 1.05.

SECTION 1.04. *Payments* Lessor will invoice Lessee for rental monthly. Lessee shall pay all rental and other amounts required to be paid by it hereunder within ten (10) days of Lessor's invoice therefor.

SECTION 1.05 *Mileage Credits*. (a) All compensation paid by the railroads with respect to the use of any car shall be paid to and retained by Lessor, but Lessor shall credit mileage allowances earned by the car while on lease hereunder and actually received by it against rental hereunder to the extent and in the manner herein provided. Lessor will credit such mileage payments to Lessee's rental account as soon as practicable after receipt from Lessee of the information to be furnished by Lessee pursuant to Section 1.06.

(b) Credits for each movement for which mileage payments are made by a railroad will be computed using the applicable mileage rate of the railroad in effect on the date of movement and the distance as published in the mileage tariffs of such railroad, as follows: (i) for railroads allowing equal payments for each loaded and empty mile, credits will be based on double the loaded mileage rate times the number of loaded miles, and (ii) for railroads allowing for loaded miles only, credits will be based on loaded miles only

(c) Credits will first be applied against rental for the entire calendar year in which such credits accrued. Excess credits, if any, will then be applied against rental for the preceding period this

Form 981

Agreement was in effect to the extent not previously covered by credits. Any remaining credits will then be applied against rental for the five (5) succeeding calendar years, or such shorter period as this Agreement may remain in effect, but only after allowance of credits earned by the cars while on lease to Lessee during such period. Upon termination of this Agreement, any unused credits will be canceled and will remain the property of Lessor.

SECTION 1.06. Reports. In order to assist Lessor in the collection and crediting of mileage allowances pursuant to Section 1.05, Lessee shall promptly report to Lessor the point and date of shipment, routing and destination of each loaded car movement. If Lessee fails to provide such information to Lessor within three (3) years of the date of such movement, Lessee will not be entitled to any mileage credits with respect to such movement. Lessee shall provide Lessor such other information concerning any car as Lessor may from time to time reasonably request.

SECTION 1.07 Return of Cars. Promptly upon the expiration or earlier termination of this Agreement as to any car, Lessee shall release such car to a forwarding railroad within the boundaries of the continental United States (excluding Alaska) in accordance with disposition instructions furnished by Lessor. Lessee shall release such car empty, clean, free of all residue and otherwise in the same condition in which it was furnished except for ordinary wear and tear and such maintenance and repairs as are the responsibility of Lessor hereunder; and if the car is not released in such condition, rental shall continue until the required cleaning, maintenance and repairs have been completed at Lessee's expense. If any car is not so released within twenty-one (21) days after the expiration of the term of lease of such car, Lessee shall pay Lessor rental until the car is so released at a rate equal to ~~three times the rate specified in the rider~~ as to such car. Such payment shall be in addition to any other remedies Lessor may have hereunder.

Lessor's then currently quoted renewal rate

ARTICLE II

CONDITION AND CARE OF CARS

SECTION 2.01 Condition of Cars. Lessee shall be solely responsible for determining that each car is in proper condition for loading and shipment.

SECTION 2.02. Cleaning of Cars. Any cleaning of cars that may be necessary to prepare them for shipment of commodities by or for Lessee shall be done at Lessee's expense and responsibility unless otherwise agreed in writing.

SECTION 2.03. Maintenance of Cars; Lessor. Except as otherwise provided in this Agreement, Lessor is responsible for maintaining and repairing the cars in accordance with the Code of Interchange Rules of the Association of American Railroads and the regulations of the U.S. Department of Transportation and other U.S. federal authorities having jurisdiction. Lessor shall have no such responsibility until informed of the need for such maintenance or repair. If any car requires maintenance or repairs which are Lessor's responsibility hereunder, Lessee shall so notify Lessor and shall cause such car to be delivered empty to a repair location designated by Lessor; and if requested by Lessor, Lessee shall cause the car to be cleaned of all residue at Lessee's expense. If Lessor determines that the car requires repairs the cost of which, in Lessor's opinion, could not be recovered economically over the remaining useful life of the car, Lessor shall have the right to terminate this Agreement with respect to such car upon notification to Lessee.

SECTION 2.04. Maintenance of Cars; Lessee. Lessee may make repairs to the lining or coating of any car but shall not otherwise modify or repair any car without first obtaining the prior written approval of Lessor.

SECTION 2.05. Modification. If at any time after the effective date of any rider, a modification to any car covered thereby should be required by any governmental, railroad or other authority, Lessor may (but shall not be required to) make such modification. If Lessor elects to make such modification, (i) Lessee shall deliver the car to such shop and at such time as Lessor shall designate for the

purpose thereof, (ii) rental as to such car shall abate for the same period as is specified under Section 2.08 for a car requiring repairs, and (iii) rental as to such car shall be increased by an amount determined as provided in the rider covering such car commencing on the first day of the month immediately following the month in which such modification is completed. If Lessor elects not to make such modification, Lessee may, with Lessor's prior written consent, make such modification at its own expense.

SECTION 2.06. Interior Coatings or Linings. If the interior of any car is to be newly coated or lined prior to the initial use of such car by Lessee or at any other time during the term of lease of such car, the application or installation of any such coating or lining shall be at Lessee's expense. Lessee will maintain, repair or replace any coating or lining (whether newly installed or previously used) as may be required in connection with its use of any car. If requested by Lessor, Lessee will, at Lessee's expense, remove any coating or lining prior to the return of the car to Lessor.

SECTION 2.07. Lessee Improvements. All additions and improvements to any car made at Lessee's request, including without limitation parts, accessories, linings, coatings and modifications, shall be considered accessions to such car, and title thereto shall immediately vest in Lessor without cost or expense to Lessor. If requested by Lessor, Lessee shall, at Lessee's expense, remove any such additions or improvements prior to the release of any car.

SECTION 2.08. Abatement of Rental. (a) Except as provided in Sections 2.08(b) and 2.10, if any car is reported as bad order and requires repairs, or if any car is removed from service at Lessor's request for preventive maintenance, inspection or testing, rental as to such car shall cease as of the date Lessor receives notice from Lessee that the car has been forwarded empty to a shop designated by Lessor and shall resume upon completion of such repairs, preventive maintenance, inspection or testing.

(b) There shall be no abatement of rental when (i) modifications or other work to a car which are not the responsibility of Lessor hereunder are performed at Lessee's request, (ii) a car is out of service for coating or lining application, maintenance or removal, (iii) a car is reported bad order at a time when it is overdue for inspection, testing or maintenance and Lessor has given Lessee reasonable advance notice of such requirement, (iv) the repairs are the responsibility of Lessee hereunder or (v) performance of the repairs is the responsibility of a railroad and such repairs are not made at a shop designated by Lessor.

SECTION 2.09. Damage to Cars; Lost or Damaged Parts. (a) Lessee shall be liable for all damage to any car which (i) is caused by the negligence or misconduct of Lessee or its agents or customers or (ii) occurs while such car is located on the premises of Lessee, its agents or customers, regardless of the cause thereof.

(b) In addition, if any car part (including, but not limited to, outlet caps, valves, dome coverings and fittings) is damaged, lost or removed without the consent of Lessor, Lessee shall be liable therefor, regardless of the cause thereof, unless (i) full responsibility therefor has been assumed by one or more railroads or (ii) such loss or damage occurs while the car is located at a repair facility of Lessor and is the result of the negligence or misconduct of Lessor or its agents.

(c) If any car suffers corrosion or other damage related to or connected with the commodity or other material placed or allowed to accumulate in or on the car, or to which the car is exposed, Lessee shall be liable for such damage, regardless of how caused and whether or not due to Lessee's negligence. Such damage shall not be considered "ordinary wear and tear." Prior to the commencement of the term of lease of any car Lessor will, if requested by Lessee, arrange a joint inspection of the car at a repair shop designated by Lessor. Unless prior to the first loading of the car by Lessee a joint inspection report setting forth the nature and amount of any then existing damage is signed by both parties, it shall be conclusively presumed that the car was free of corrosion or other commodity-related damage at the time of commencement of the term of lease of such car.

SECTION 2.10 Destroyed Cars If any car is destroyed (including damage which, in Lessor's opinion, would require repairs the cost of which could not be recovered economically over the re-

maining useful life of the car), rental therefor will cease on the later of (i) the date of such destruction, (ii) the date the commodity, if any, loaded therein has been unloaded by Lessee or (iii) if Lessee is liable for such loss hereunder, the date Lessee pays to Lessor the depreciated value of such car determined in accordance with the AAR Interchange Rules.

SECTION 2.11. *Substitution of Cars.* If any car is destroyed or requires repairs which Lessor determines would be uneconomical to perform, Lessor may, but shall not be obligated to, furnish Lessee a replacement car of the same type and upon the same terms. If Lessor elects to furnish a replacement car, such car shall become subject to the terms hereof on the date such car is forwarded to Lessee. All provisions of this Agreement shall apply to any replacement car; and upon request of Lessor, Lessee shall execute such documents as may be necessary to effect the substitution.

ARTICLE III

USE OF CARS

SECTION 3.01. *Commodities.* Lessee shall not use any car for the transportation or handling of any commodity or other material which may damage the car.

SECTION 3.02. *Area of Use.* Each car shall be used exclusively within the boundaries of the continental United States of America, Canada and Mexico. Lessee shall be responsible for all customs duties, taxes and other charges made by any governmental or other authority or any railroad and for complying with all governmental and other requirements arising in connection with any car leaving, operating outside of or returning to the boundaries of the continental United States; and Lessee shall indemnify Lessor against and hold it harmless from any damages, losses, liabilities, costs and expenses connected therewith.

SECTION 3.03. *Compliance With Laws.* Lessee shall use the cars in compliance with all laws and regulations of all federal, state, local and foreign authorities having jurisdiction thereof.

SECTION 3.04. *High Mileage.* Lessee shall not, without the prior written consent of Lessor, use any car or permit such car to be used in such a manner that in any calendar year it accumulates in excess of the maximum mileage (loaded and empty) specified in the rider as to such car. If the mileage specified is exceeded, Lessee shall pay Lessor a mileage charge in the amount specified in such rider for each mile such car moves in excess of such limitation.

SECTION 3.05. *Sublease and Assignment.* Lessee shall not loan or sublet any car or transfer or assign any of its interests or obligations under this Agreement, whether by operation of law or otherwise, without the prior written consent of Lessor, except that Lessee may loan or sublet cars to (i) its affiliated companies, or (ii) its consignees or suppliers in connection with the handling of commodities sold, bought or supplied for the account of Lessee and transported therein. No sublease, assignment or transfer of any car or any interest in this Agreement shall relieve Lessee of any of its obligations hereunder.

SECTION 3.06. *Empty Mileage.* Lessee shall use its best efforts to minimize the empty mileage traveled by the cars on each railroad over which they move. With respect to each calendar year or portion thereof during the term of this Agreement, Lessee shall pay Lessor an amount equal to the charges, if any, that Lessor would have had to pay railroads or other parties by reason of the empty mileage traveled by the cars if the cars (i) had been the only railway cars which either were owned by Lessor or carried its reporting marks and (ii) had been in use during such year only while they were on lease hereunder.

SECTION 3.07. *Use of Cars Under AAR Circular OT-5.* Whenever approval of the originating line haul carrier(s) is required in order that cars may be placed in service pursuant to AAR Circular OT-5 and any revisions or successors thereto, Lessor shall, upon written request of Lessee, use reasonable efforts to aid Lessee in obtaining such approval. In no event shall Lessor be liable if any such approval is not obtained for any reason or is withdrawn or modified, and this Agreement shall continue

in full force and effect notwithstanding such withdrawal or modification or the failure to obtain such approval.

SECTION 3.08 Additional Charges Lessee shall use each car in compliance with the tariffs and other requirements from time to time applicable to such car or its use, and if any charges are made against Lessor by any railroad in connection with the use of such car, Lessee shall pay Lessor for such charges within the period prescribed by, and at the rates and under the conditions established by, said tariffs. Lessee shall pay (or reimburse Lessor upon demand for) all costs, charges and expenses relating to switching, demurrage, detention, storage, special handling, transportation or movement of any car, including but not limited to freight and switching charges for movement to and from repair shops, storage or terminal facilities. Lessee's tracks shall be considered home tracks for the cars and Lessor shall have the use thereof without charge.

SECTION 3.09. Investment Tax Credit Lessee agrees to use each car predominantly within the United States within the meaning of Section 48(a)(2)(A) of the U.S. Internal Revenue Code of 1954, as amended. If all or any portion of the investment tax credit with respect to such car otherwise allowable to Lessor (or its assigns) pursuant to such Code is disallowed or recaptured as a direct or indirect result of Lessee's violation of this Section, Lessee shall pay Lessor an amount which, after deduction of all federal, state and local taxes in respect of the amount payable by Lessee to Lessor under this Section, shall be equal to such credit or portion thereof so disallowed or recaptured.

ARTICLE IV

MISCELLANEOUS PROVISIONS

SECTION 4.01 Marking. No marking of any kind shall be placed upon any car without the prior written consent of Lessor, except that (i) Lessee may cause any car to be stencilled, boarded or placarded with letters not to exceed two inches (2") in height to indicate to whom the cars are leased and (ii) any car may be marked in accordance with the applicable requirements of the Association of American Railroads or any governmental or other regulatory authority having jurisdiction over such car. If requested by Lessor, Lessee will remove any such markings at the termination of the lease of such car.

SECTION 4.02. Damage to or by Commodities. Lessor shall not be liable for any loss of or damage to any commodity loaded or shipped in any car, regardless of how such loss or damage may be caused. Lessee shall indemnify Lessor against and hold Lessor harmless from all claims, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees) arising out of or resulting from the loss of or damage to any such commodity or the loading, unloading, spillage, leakage, emission or discharge of commodity in or from the car, including without limitation any liability for injury, death, property damage or environmental pollution, unless any such claim, liability, loss, or damage is caused by the negligence or misconduct of Lessor, its agents, or employees.

SECTION 4.03. Taxes and Liens. Lessor shall be liable for and pay all personal property taxes properly imposed on or measured by the cars or the mileage thereon by any jurisdiction within the United States and file all property tax returns relating thereto. Lessee shall be liable for and shall pay or reimburse Lessor for the payment of other taxes and governmental charges arising out of the ownership, possession, lease, rental, sale, use, operation, storage or delivery of any car (including, but not limited to, sales, use, leasing or excise taxes but not including any tax which is based upon or measured by Lessor's net income), together with any penalties, fines and interest thereon. Lessee shall keep the cars free from all liens and encumbrances other than those created by or resulting from the actions of Lessor.

SECTION 4.04 Subordination. This Agreement and all rights of Lessee (and of any persons claiming or who may hereafter claim under or through Lessee) are hereby made subject and subordinate to any security agreements, chattel mortgages, conditional sale agreements, lease agreements, equipment trust agreements and other security instruments heretofore or hereafter created by Lessor with respect to any cars. Any sublease of cars made by Lessee and otherwise permitted by Section 3.05

shall contain language which expressly makes such sublease subject to the subordination contained herein. At Lessor's election, any car may be marked to indicate the rights of Lessor, or of a trustee, mortgagee, pledgee, assignee or other holder of a security interest in such car, or a lessor to Lessor.

SECTION 4.05. *Indemnification.* Lessee shall defend (if such defense is tendered to Lessee), indemnify and hold Lessor harmless from and against all claims, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees) arising out of or in connection with the use of any car during the term of this Agreement, except claims, liabilities, losses, damages, costs and expenses (i) for which one or more railroads has assumed full responsibility or (ii) which result solely from the active negligence or willful misconduct of Lessor.

SECTION 4.06. *Past Due Payments.* Any rental or other sum payable to Lessor under this Agreement and not paid when due shall (whether or not Lessor shall then be entitled to exercise its rights under Section 4.07) thereafter bear interest at a rate per annum equal to the greater of (a) 12% or (b) the prime rate in effect from time to time at The First National Bank of Chicago (but not in excess of the maximum rate permitted by law).

SECTION 4.07. *Default.* If (a) Lessee defaults in the payment when due of any rental or other sum required to be paid by it under this Agreement or defaults in the performance or observance of any other term or condition to be performed or observed by it under this Agreement and any such default continues for fifteen (15) days after Lessor shall have mailed written notice to Lessee specifying such default and demanding the same to be remedied, or (b) any bankruptcy, reorganization, arrangement, insolvency, receivership or similar proceeding is instituted by or against Lessee or substantially all of its property (and, in the case of a proceeding instituted against Lessee and not consented to by Lessee, such proceeding shall remain undischarged or unstayed for thirty (30) days), then Lessor shall have the right, at its option, to do any one or more of the following: (i) proceed by appropriate court action to enforce performance by Lessee of the terms of this Agreement, to recover damages for the breach thereof, or both, (ii) terminate this Agreement with respect to any or all of the cars and Lessee's rights thereunder with respect to such cars, and (iii) immediately take possession of the cars without demand or notice and without hearing, court order or other process of law (Lessee hereby waiving all damages occasioned by such taking of possession).

If Lessor elects to proceed under clause (iii) above, Lessor ~~may, at its option (but shall not be required to)~~ lease any of the cars for such rental and upon such terms and conditions as Lessor may deem appropriate. Lessee shall pay Lessor on demand (a) the deficiency, if any, during the balance of the term of this Agreement between the rental provided for under this Agreement and any rental paid by others with respect to the lease of the cars, (b) all costs and expenses of repossessing, storing and renting any cars, (c) cleaning charges and charges for repairing damage to the cars which is Lessee's responsibility under this Agreement, and (d) any other losses, damages, costs and expenses arising from Lessee's default.

The remedies provided herein are not exclusive but are cumulative and in addition to all other remedies existing at law or in equity. Lessee shall pay Lessor on demand all of Lessor's costs and expenses arising from Lessee's default, including reasonable attorneys' fees and costs of collection. No termination, repossession or other act of Lessor after default shall relieve Lessee from any of its aforesaid obligations. No waiver of any default shall be effective unless in writing signed by Lessor.

Lessee shall not be entitled to any mileage credits after any such default and as long as it continues.

SECTION 4.08. *Warranties.* Lessor's obligations with respect to the cars are expressly limited to those set forth in this Agreement, and LESSOR MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, NOR SHALL LESSOR HAVE ANY LIABILITY FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY CAR LEASED HEREUNDER. Lessee shall be solely respon-

shall use its best efforts to

sible for determining that the specifications and design of any car are appropriate for the commodities loaded therein.

SECTION 4.09 *Governing Law.* This Agreement and performance of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Illinois.

SECTION 4.10. *Severability* If any provision of this Agreement shall be held to be invalid or unenforceable by the final judgment of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any other provision but this Agreement shall continue in full force and effect as if such provision had not been a part hereof.

SECTION 4.11. *Headings.* The Article and Section headings used herein are for convenience of reference only and shall not be used in interpreting this Agreement.

SECTION 4.12 *Waiver* This Agreement may not be amended or modified except by written agreement signed by the parties. No waiver of any provision of this Agreement shall be effective unless in writing signed by the party against whom enforcement of such waiver is sought, and unless otherwise expressly so provided such waiver shall be limited only to the specific situation for which it was given.

SECTION 4.13. *Benefit* This Agreement shall be binding upon and inure to the benefit of Lessor and its successors and assigns, and Lessee and (to the extent permitted by Section 3.05) its successors and assigns.

SECTION 4.14. *Entire Agreement* This Agreement, including all riders and other documents attached hereto or incorporated by reference herein, constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all other understandings, oral or written, with respect to the same

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

UNION TANK CAR COMPANY,
Lessor

QUAKER STATE OIL
REFINING CORPORATION
Lessee

By K. F. Full
Title Vice President

By _____
Title _____

It is hereby mutually agreed by Union Tank Car Company (Lessor) and Quaker State Oil Refining Corporation (Lessee) that Car Service Agreement (Form 665) between the parties dated June 14, 1968, including all addenda, amendments and riders which compose a part thereof, shall be canceled effective 11:59 P.M. July 31, 1985 subject to the following terms and conditions:

1. The parties hereto shall on the date hereof enter into a new Car Service Agreement (Form 981) effectively dated August 1, 1985, and will immediately thereupon execute riders to said new Agreement which will provide for the continuation of the leasing arrangements for all cars covered under riders of Agreement (Form 665) at time of its cancelation.
2. After mileage credits for the calendar year of 1985 have been applied against rental to the full extent permitted under Agreement (Form 665) the amounts of rentals for the calendar year of 1983, 1984 and 1985 then not covered by credits under Agreement (Form 665) shall then become a special rental account which shall in turn become a part of preceding period rental under Section 1.05(c) of Agreement (Form 981). Thereafter, excess credits, if any, under Agreement (Form 981) will be applied beginning with the earliest years' rental in the special account.

UNION TANK CAR COMPANY (LESSOR)

QUAKER STATE OIL REFINING CORPORATION
(LESSEE)

BY K. P. J. [Signature]

BY _____

TITLE Vice President - Fleet Management

TITLE _____

DATE 8-1-85

RIDER NO. 3 TO CAR SERVICE AGREEMENT

Effective this first day of August, 1985
this rider shall become a part of the Car Service Agreement between Union Tank Car Company, Lessor, and

QUAKER STATE OIL REFINING CORPORATION

Lessee, dated August 1, 1985, and the cars described herein shall be leased to Lessee subject to the terms and conditions in said Car Service Agreement during the term and for the rental shown below:

<u>CLASS OR TYPE OF CAR</u>	<u>APPROXIMATE CAPACITY (Gallonage)</u>	<u>MONTHLY RENTAL (Per Car)</u>
DOT 111-A-100-W-1 Heater-piped, non-insulated, equipped with safety dome platform.	26,000	\$405.00
UTLX 57950 through 57954, 57957, 57990 through 57994 (11 cars)		

Rental, for cars, begins hereunder on August 1, 1985, however, for the purpose of determining the fulfillment of term, Lessor and Lessee will use January 1, 1980 as the beginning date of the minimum rental period for cars hereunder.

Per Section 2.05. The sum to be added to the monthly rental rate for a modification with a useful life equal to that of the car itself will be 1.45% of the cost of the modification, and the sum to be added to the monthly rental rate for a modification with a useful life less than that of the car will be an amount which will recover the cost of the modification, including the implicit cost of money at 10% per annum, over the estimated life of such a modification.

Per Section 3.04. The mileage limitation hereunder is 35,000 miles per calendar year per car. The mileage charge shall be incorporated into this rider as a part of Lessor's written consent that mileage limitation may be exceeded. If mileage limitation is exceeded without request for Lessor's prior consent, mileage charge will be determined by Lessor at close of calendar year accounting period.

The minimum rental period for the cars leased hereunder shall be one hundred eighty (180) months, and the cars will continue under lease thereafter for further successive sixty (60) month terms, at the same rate and under the same conditions, unless notice, in writing, requesting cancelation shall be given by either party to the other at least sixty (60) days prior to the expiration of the initial term or any successive term for cars covered by this rider. Thereafter, this rider will terminate automatically upon the date of release of the last car covered by this rider.

Effective Riders 1 through 10 Cancels Rider No. _____

Union Tank Car Company (Lessor)

QUAKER STATE OIL REFINING CORPORATION (Lessee)

By K. P. [Signature]

By _____

RIDER NO. A7 TO CAR SERVICE AGREEMENT

Effective this first day of September, 1987
 this rider shall become a part of the Car Service Agreement between Union Tank Car Company, Lessor, and

QUAKER STATE OIL REFINING CORPORATION

Lessee, dated August 1, 1985, and the cars described herein shall be leased to Lessee subject to the terms and conditions in said Car Service Agreement during the term and for the rental shown below:

CLASS OR TYPE OF CAR	APPROXIMATE CAPACITY (Gallonage)	MONTHLY RENTAL (Per Car)
DOT 111-A-100-W-1 Hearse-piped, non-insulated, equipped with safety platform.	26,000	\$395.00

UTL: 58579, 58580, 58581

Per Section 2.05. The sum to be added to the monthly rental rate for a modification with a useful life equal to that of the car itself will be 1.45% of the cost of the modification, and the sum to be added to the monthly rental rate for a modification with a useful life less than that of the car will be an amount which will recover the cost of the modification, including the implicit cost of money at 10% per annum, over the estimated life of such a modification.

Per Section 3.04. The mileage limitation hereunder is 35,000 miles per calendar year per car. The mileage charge shall be incorporated into this rider as a part of Lessor's written consent that mileage limitation may be exceeded. If mileage limitation is exceeded without request for Lessor's prior consent, mileage charge will be determined by Lessor at close of calendar year accounting period.

beginning September 1, 1987

The minimum rental period for the cars leased hereunder shall be thirty-six (36)

months, and the cars will continue under lease thereafter for further successive thirty-six (36) month terms, at the same rate and under the same conditions, unless notice, in writing, requesting cancellation shall be given by either party to the other at least sixty (60) days prior to the expiration of the initial term or any successive term for cars covered by this rider. Thereafter, this rider will terminate automatically upon the date of release of the last car covered by this rider.

Effective Riders A5, A6, A7, A8, A9, 1, 2, 3, 4, 10, 11 Cancels Rider No7; Effective August 31, 1987

Union Tank Car Company (Lessor)

QUAKER STATE OIL REFINING CORPORATION (Lessee)

K.P. Jones

By

[Signature] 47E
7-8

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RIDER NO. 10 TO CAR SERVICE AGREEMENT

Effective this first day of August, 1985
this rider shall become a part of the Car Service Agreement between Union Tank Car Company, Lessor, and

QUAKER STATE OIL REFINING CORPORATION

Lessee, dated August 1, 1985, and the cars described herein shall be leased to Lessee subject to the terms and conditions in said Car Service Agreement during the term and for the rental shown below:

<u>CLASS OR TYPE OF CAR</u>	<u>APPROXIMATE CAPACITY (Gallonage)</u>	<u>MONTHLY RENTAL (Per Car)</u>
DOT 111-A-100-W-1 Heater-piped, non-insulated, equipped with safety dome platform.	23,500	\$335.00

UTLX 58950, 58951, 58952

Rental, for cars, begins hereunder on August 1, 1985, however, for the purpose of determining the fulfillment of term, Lessor and Lessee will use June 1, 1985 as the beginning date of the minimum rental period for cars hereunder.

Per Section 2.05. The sum to be added to the monthly rental rate for a modification with a useful life equal to that of the car itself will be 1.45% of the cost of the modification, and the sum to be added to the monthly rental rate for a modification with a useful life less than that of the car will be an amount which will recover the cost of the modification, including the implicit cost of money at 10% per annum, over the estimated life of such a modification.

Per Section 3.04. The mileage limitation hereunder is 35,000 miles per calendar year per car. The mileage charge shall be incorporated into this rider as a part of Lessor's written consent that mileage limitation may be exceeded. If mileage limitation is exceeded without request for Lessor's prior consent, mileage charge will be determined by Lessor at close of calendar year accounting period.

The minimum rental period for the cars leased hereunder shall be thirty-six (36)

months, and the cars will continue under lease thereafter for further successive thirty-six (36) month terms, at the same rate and under the same conditions, unless notice, in writing, requesting cancelation shall be given by either party to the other at least sixty (60) days prior to the expiration of the initial term or any successive term for cars covered by this rider. Thereafter, this rider will terminate automatically upon the date of release of the last car covered by this rider.

Effective Riders 1 through 10

Cancels Rider No. _____

Union Tank Car Company (Lessor)

QUAKER STATE OIL REFINING CORPORATION (Lessee)

By K.P. Jones

By _____