

#15

# SOCIÉTÉ GÉNÉRALE FINANCIAL CORPORATION

March 8, 1991

50 ROCKEFELLER PLAZA  
NEW YORK, N Y 10020

(212) 698-0500

TELEX 825 860 SOGEL UF  
FAX (212) 698-0597

1-070A059

17249

COMMUNICATED TO \_\_\_\_\_ RE: \_\_\_\_\_

MAR 11 1991 -2 50 PM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission  
12th & Constitution Avenue NW  
Washington DC. 20423

Attn: Mildred Lee  
Room 2303

Dear Ms. Lee:

As per our conversation on 3/4/91, I am enclosing the following documents in their original and notarized forms for immediate filing with the ICC:

- 1) Equipment Lease Agreement
- 2) Purchase Option
- 3) Equipment Schedule No. 1
- 4) Stipulated Loss Table

Kindly note that it is imperative that I have this documentation filed and original documents returned to my attention in the enclosed Federal Express envelope.

Do not hesitate to contact me at (212) 698-0568 with any questions that may arise. Thank you in advance for your assistance and cooperation in this matter.

Very truly yours,

Sylvia Medina  
Contracts Administrator

Encl.

MAR 11 2 44 PM '91  
MOTOR CITY - INGVN11

**Interstate Commerce Commission**  
Washington, D.C. 20423

3/12/91

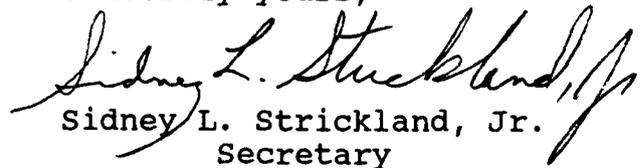
OFFICE OF THE SECRETARY

Sylvia Medine  
Contracts Administrator  
Societe Generale Financial Corporation  
50 Rockefeller Plaza  
New York, N.Y. 10020

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 3/11/91 at 2:50pm, and assigned recordation number(s). 17249

Sincerely yours,

  
Sidney L. Strickland, Jr.  
Secretary

# SOCIÉTÉ GÉNÉRALE FINANCIAL CORPORATION

## EQUIPMENT LEASE AGREEMENT

RECORDATION NO 17249  
INTERSTATE COMMERCE COMMISSION  
FEB 11 1991 2:50 PM

EQUIPMENT LEASE AGREEMENT dated February 22nd, 1991 between SOCIETE GENERALE FINANCIAL CORPORATION, having an office at 50 Rockefeller Plaza, New York, New York 10020 ("Lessor"), and Raritan River Steel Company, having its principal place of business at 225 Elm Street, Perth Amboy, NJ 08862 ("Lessee")

1 LEASE Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, all machinery, equipment and/or other personal property described in the Schedule executed concurrently herewith or described in any Schedule from time to time hereafter executed by the parties hereto, with all replacement parts, additions, repairs and accessories incorporated therein and/or affixed thereto (collectively, the "Equipment")

2 TERM The term of the Lease of each item of Equipment hereunder shall commence on the date specified in the Schedule describing such item and shall continue for the period specified in such Schedule

3 RENT The rent payable for the items of Equipment throughout the term of this Lease shall be the aggregate of the amounts set forth in the Schedule. Such rent shall be payable on the dates specified in the Schedule, shall be payable to Lessor or such other persons or corporations, and at such addresses, as Lessor may from time to time designate in writing to Lessee, and unless otherwise specified in the Schedule, shall be payable in advance. Any late payment of rent shall bear interest at the rate of 1 5% per month, or if lower the maximum rate permitted by law

4 LEASE This Lease is a net lease and Lessee shall not be entitled to any abatement of rent or reduction thereof whatsoever including, but not limited to, abatements or reductions due to any present or future claims of Lessee against Lessor under this Lease or otherwise or against the manufacturer of the Equipment or any other person or party nor, except as otherwise expressly provided herein, shall this lease terminate, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 9 hereof, or until the Equipment is surrendered at the end of the term pursuant to Section 11 hereof

5 USE Lessee will cause the Equipment to be operated at all times in accordance with all applicable manufacturer's manual or instructions by competent and duly qualified personnel only and in accordance with applicable governmental laws and regulations, if any, (including those with respect to the registration, licensing, use, maintenance and operation of the Equipment) and all policies of insurance relating to the Equipment, and if such compliance requires changes or additions to be made on or to the Equipment, Lessee shall make such changes or additions at its own cost and expense. Lessee will use the Equipment for business purposes only and will not change the location of any Equipment as specified in the Schedule without the prior written consent of Lessor

6 DELIVERY AND ACCEPTANCE Lessee will make, at its own expense, all necessary inspections and tests of the Equipment to determine if the Equipment complies with the provisions of all applicable purchase agreements and orders. If the Equipment is in compliance with all such purchase agreements and orders, Lessee shall accept the Equipment on behalf of Lessor and execute and deliver a Certificate of Delivery and Acceptance (in the form annexed hereto) with respect thereto

Lessor shall have no obligations under any purchase agreement or order other than to pay the purchase price for the Equipment covered thereby, such obligation to arise only after execution and delivery by Lessee to Lessor of the Schedule and Certificate of Delivery and Acceptance covering the Equipment to which such purchase agreement or order relates. Lessee shall be responsible for the performance of all other obligations under each purchase agreement or order. Lessor shall have no responsibility or liability to Lessee or any other person for the adequacy or accuracy of any specifications set forth in any purchase agreement or order or for the failure on the part of any seller to make delivery of any Equipment covered thereby in accordance with the terms thereof

The delivery of any Equipment to Lessee and the delivery by Lessee to Lessor of the Certificate of Delivery and Acceptance with respect thereto shall constitute Lessee's acknowledgement that (a) Lessee has fully inspected such Equipment, (b) such Equipment is in good condition and repair, is of the manufacture, design and specifications selected by Lessee and is suitable for Lessee's purposes, and (c) such Equipment is in full compliance with this Lease and Lessee has accepted such Equipment hereunder

Lessee shall (a) pay all costs and expenses of freight, packing, insurance, handling, storage, shipment and delivery of the Equipment and (b) furnish, at its own cost and expense, such labor, equipment and other facilities and supplies as may be required to install the Equipment, which installation shall be in accordance with manufacturer's specifications and requirements

7. LESSOR'S INSPECTION Lessee agrees that Lessor or its authorized representatives may at all reasonable times inspect the Equipment and the books and records of Lessee relating thereto, but Lessor shall have no duty to make any such inspection and shall incur no liability by reason of not making the same

8 MAINTENANCE AND REPAIR. Lessee shall use the Equipment only for the manufacturer's intended purposes. Lessee, at its own expense, will keep and maintain, or cause to be kept and maintained, the Equipment in good operating order and condition, ordinary wear and tear excepted, and will provide all necessary maintenance and service and repairs. The Lessor hereby transfers and assigns to the Lessee for and during the terms of this Lease, so long as no event of default has occurred, all its right, title and interest in, under and to any manufacturer's warranty in respect to each item of Equipment, to the extent the same is assignable, all proceeds of which are to be used for the repair of the Equipment or applied as a prepayment of future rentals and agrees to execute and deliver such further instruments as may be reasonably necessary to enable the Lessee to obtain warranty service furnished by the manufacturer. In addition, if any parts or accessories forming part of the Equipment shall from time to time become worn out, lost, destroyed, damaged beyond repair or otherwise permanently rendered unfit for use, Lessee, at its own expense, will, within a reasonable time, replace such parts or accessories, or cause the same to be replaced, by replacement parts or accessories which are free and clear of all liens, encumbrances or rights of others and have a value and utility at least equal to the parts or accessories replaced. All such replacement parts and accessories shall immediately become the property of Lessor and part of the Equipment for all purposes hereof. Lessee may also from time to time add further parts or accessories to the Equipment provided that such addition does not impair the value or utility of the Equipment, and any parts or accessories so added, may be removed by Lessee at any time prior to the expiration of the Lease, provided (a) such removal does not impair the value or utility of the Equipment and (b) no Event of Default hereunder shall then have occurred and be continuing. Except as required or permitted by this Section 8, Lessee shall not make any alterations to any Equipment without the prior written consent of Lessor

9. LOSS AND DAMAGE. In the event of the actual or constructive total loss of any item of Equipment, or in the event any item of Equipment shall otherwise become lost, stolen, destroyed, damaged beyond repair or rendered permanently unfit for use for any reason, or in the event of any condemnation, confiscation, theft or seizure or requisition of title to or use of any of the Equipment, Lessee shall promptly give Lessor written notice of such event and shall pay to Lessor the sum of (a) all rentals and other amounts due and owing as of the date of such payment and (b) Lessor's initial purchase price of the Equipment multiplied by the percentage listed as of the last preceding rental payment date on the Stipulated Loss Value table attached to the subject Schedule

10 **INSURANCE** Lessee will at times during the term of this Lease maintain public liability and property damage insurance, at its own cost and expense, in such amounts, against such risks, in such form and with such insurance carriers, underwriters or funds as shall be satisfactory to Lessor from time to time, **provided, however,** that the amount of property damage insurance in effect for the Equipment from time to time shall in no event be less than the greater of the full replacement cost of the Equipment or the sum specified in Section 9, and **provided, however,** that Lessee will maintain coverage against loss by fire, windstorm, theft, and explosion and with extended coverage against such other risks as are customarily insured against by companies owning property of a similar character and engaged in a business similar to that engaged in by the Lessee. All insurance policies (including liability policies) shall name both Lessor and its assigns and Lessee as insured and loss payee, as their respective interests may appear, under a loss payable clause satisfactory to Lessor and such assignee. Unless Lessor shall otherwise agree in writing, each liability policy shall provide for all losses to be paid to Lessor (and/or Lessor's assignee, as the case may be) and Lessee as their respective interests may appear, and each direct damage policy shall provide for all losses to be paid directly to Lessor (and/or Lessor's assignee, as the case may be). With respect to proceeds received (a) any such proceeds resulting from an actual or constructive total loss or theft of any item of the Equipment will be applied toward Lessee's obligation to pay the sum specified in Section 9 hereof, and (b) any such proceeds resulting from a loss other than an actual or constructive total loss or theft of Equipment will be applied in payment for repairs or for replacement parts in accordance with the terms of Section 8 hereof, if not paid by Lessee. Lessee will cause each insurer under a policy required by the terms of this Section to agree (either by endorsement upon such policy or by letter addressed to Lessor) to give Lessor at least thirty (30) days' prior written notice of any alteration in the terms of such policy or of the cancellation thereof in whole or in part and the option to pay premiums with respect to such policy in order to prevent the cancellation thereof. Lessee agrees to provide to Lessor at any time and from time to time upon its request therefore, copies of all policies or certificates with respect to such policies or with other evidence satisfactory to Lessor of compliance by Lessee with the terms of this Section.

11 **RETURN OF EQUIPMENT** Upon the expiration of the lease of any of the Equipment, Lessee, at its own expense, will return such Equipment forthwith to Lessor by whichever of the following means Lessor may specify (a) the delivery of such Equipment at Lessee's premises, (b) the delivery of such Equipment at such other location as Lessor shall designate, (c) the loading of such Equipment on board such carrier as Lessor shall specify and the shipping of such Equipment, freight charges prepaid, to such destination as Lessor may designate within the Continental United States. Upon any such return of the Equipment, Lessee will remove from such Equipment any name or other identification of Lessee, and such Equipment will be in good operating order and condition, ordinary wear and tear excepted, and free and clear of all liens, encumbrances or rights of others whatsoever except liens and encumbrances created by act of Lessor. If Lessor shall so request, Lessee shall permit Lessor to store such Equipment free of charge on Lessee's premises for at least ninety (90) days after termination of this Lease.

12. **TAXES** Lessee shall pay all assessments, license fees, taxes (including sales, use, excise, personal property, ad valorem, stamp, documentary and other taxes) and all government charges, fees, fines or penalties whatsoever, whether payable by Lessor or Lessee, on or relating to the Equipment or the use, registration, rental, shipment, transportation, delivery, ownership or operation thereof, or on or relating to this Lease or any payments made or Schedules executed in connection herewith, and in case any report or return is required to be made with respect to any of the foregoing obligations, Lessee will make such report or return in such manner as will show the ownership of the Equipment in Lessor and send a copy of such report or return to Lessor, in such manner as shall be satisfactory to Lessor, **provided, however,** that the foregoing shall not include any federal or state income taxes of Lessor. The obligations of Lessee under this Section shall survive the termination of this Lease.

13 **TITLE OF LESSOR, LIENS, ENCUMBRANCES AND RIGHTS OR OTHERS** Title to the Equipment shall at all times remain in Lessor. Lessee, at its own cost and expense, will protect and defend Lessor's title to the Equipment and will keep the Equipment free and clear from any and all claims, liens, encumbrances and legal process of Lessee's creditors and other persons. Lessee shall have no right, title or interest in the Equipment except the use and quiet enjoyment thereof as Lessee in accordance with the terms and provisions of this Lease.

14 **LESSOR'S PAYMENT** If Lessee fails to perform or comply with any of its agreements contained herein, Lessor may, in addition to all of its other remedies, perform or comply with such agreement, and the amount of such payment and the amount of the reasonable expenses of Lessor incurred in connection with such payment or the performance of or compliance with such agreement, shall be deemed additional rent, payable by Lessee upon Lessor's demand.

15 **NO WARRANTIES BY LESSOR. THE LESSEE LEASES THE EQUIPMENT "AS IS" AND LESSOR, NOT BEING THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT, MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE DESIGN OR CONDITION OF THE EQUIPMENT, THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE WORKMANSHIP IN THE EQUIPMENT, COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO, OR PATENT, TRADEMARK, OR COPYRIGHT INFRINGEMENT.**

16 **INDEMNITY** Lessee hereby assumes liability for, and hereby agrees to indemnify, protect, save and keep harmless Lessor and its agents and servants, from and against, and to pay Lessor promptly upon demand the amount of, any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including legal expenses, of whatsoever kind and nature, imposed on, incurred by or asserted against Lessor in any way relating to or arising out of this Lease or the enforcement hereof or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of the Equipment, including without limitation, claims arising from latent and other defects, whether or not discoverable by Lessee, and any claim for patent, trademark or copyright infringement. The indemnities contained in this Section shall continue in full force and effect notwithstanding the expiration or other termination of this Lease. For the purpose of this Section, the term "Lessor" shall include (a) its directors, officers and employees and any agents acting for it or them, and (b) its successors and assigns.

17 **DEFAULT** Each of the following events ("Events of Default") shall constitute a default under this Lease:

- (a) Lessee shall fail to make any rent payment within five (5) days after the same shall become due,
- (b) Lessee shall fail at any time to maintain the insurance required by Section 10 hereof,
- (c) Lessee shall fail to make any other payment or perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure shall continue unremedied for a period of ten (10) days after written notice thereof by Lessor,
- (d) any representation or warranty made by Lessee herein or in any document or certificate furnished Lessor in connection herewith or pursuant hereto shall be incorrect at any time in any material respect,
- (e) Lessee shall suspend or terminate the operation of its business,
- (f) Lessee shall consent to the appointment of a receiver, trustee or liquidator of itself or of a substantial part of its property or shall make a general assignment for the benefit of creditors,
- (g) Lessee shall fail to pay its debts generally as they become due or Lessee shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization or arrangement in a proceeding under any bankruptcy laws (as may or hereafter be in effect) or an answer admitting the material allegation of a petition filed against the Lessee in any such proceeding, or
- (h) bankruptcy, reorganization or insolvency proceedings shall be instituted by or against Lessee and, if instituted against Lessee, shall not be dismissed within sixty (60) days.

18 **REMEDIES** Upon the occurrence of any Event of Default and at any time thereafter, Lessor may, at its option, declare this Lease and any or all Schedules to be in default, and at any time thereafter, Lessor may do one or more of the following as Lessor in its sole discretion shall elect

(a) Lessor upon written notice to Lessee, may cause Lessee to pay to Lessor the total amount of (i) the aggregate amount of any installments of rent, including late charges thereon, and any other sums which are then due and owing, and (ii) as liquidated damages and not as a penalty, an amount equal to the rentals payable under this Lease and applicable Schedules from the date of such notice for the balance of the Initial Term or any Renewal Term, as the case may be, and upon the giving of such notice, the said amount shall immediately become due and payable and accelerated. In addition, Lessee shall pay interest on the foregoing sum, at the highest interest rate permitted by law from the date of notice until paid

(b) Lessor upon written notice to Lessee, may terminate this Lease, whereupon all rights of Lessee to the use of Equipment shall absolutely cease and terminate, but the Lessee shall remain liable for its obligations hereunder for all matters and events occurring prior to such termination as provided in this Lease and as provided in this Section 18 with respect to an Event of Default, and thereupon the Lessee at its expense, shall promptly return all Equipment subject to this Lease to Lessor in accordance with the terms and conditions of Section 11, or the Lessor shall have the right to enter upon the premises where the Equipment is located during normal business hours, and take immediate possession of and remove the Equipment without liability to Lessee for such removal. Lessor may upon ten (10) days prior written notice to Lessee sell the Equipment, and the proceeds of a sale of the Equipment shall be applied as follows: First to the payment of all fees and expenses incurred by Lessor as a result of such Event of Default, including without limitation legal fees, and Second to Lessor for application to all obligations of Lessee hereunder, with any remaining proceeds to be retained by Lessor.

(c) Lessor, without notice to Lessee, may exercise any other right or remedy available to Lessor under applicable law to enforce this Lease or recover damages or any deficiency balance remaining after sale of the Equipment

Lessee shall be liable for all costs, charges, and expenses, including reasonable attorneys' fees and disbursements incurred by Lessor by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto

No remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity. No express or implied waiver by Lessor of any default hereunder shall in any way be, or be construed to be, a waiver of any subsequent default

19 **ASSIGNMENT BY LESSOR AND LESSEE** Without the prior written consent of Lessor, Lessee shall not assign, transfer, pledge, hypothecate or otherwise dispose of any of its rights hereunder, sublet the Equipment or otherwise permit the Equipment to be operated or used by, or in the possession of, anyone but Lessee and its properly trained employees. Lessor may at any time assign all of its right, title and interest hereunder, or any part thereof, to any other person with or without notice to Lessee and such assignee shall have all rights, powers, privileges and remedies of Lessor, but none of the obligations of Lessor

20 **LESSEE'S OBLIGATIONS UNCONDITIONAL** Lessee agrees to pay all rent and any other amounts owing hereunder on the due date thereof in immediately available funds to Lessor at its address set forth in the opening paragraph hereof or to such other person at such other address as Lessor may from time to time designate in writing, and Lessee hereby agrees that Lessee's obligation to pay such rent and other amounts shall be absolute and unconditional under all circumstances, including, without limitation, the following circumstances, (a) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or any seller or manufacturer of the Equipment or for any reason whatsoever; (b) any defect in the condition, design, operation or fitness for use of the Equipment, (c) any damage to or loss or destruction of the Equipment, (d) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, or (e) any other event or circumstances whatsoever, whether or not similar to any of the foregoing. To the extent permitted by applicable law, Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the Lease of the Equipment hereunder except in accordance with the express terms hereof. If for any reason whatsoever this Lease Agreement shall be terminated in whole or in part by operation of law or otherwise except as specifically provided herein or shall be disaffirmed by any trustee or receiver for Lessee or Lessor, Lessee nonetheless agrees to pay to Lessor an amount equal to each rent payment at the time such payment would have become due and payable in accordance with the terms hereof had this Lease not been terminated or disaffirmed in whole or in part

21. **IDENTIFICATION.** Prior to or concurrently with the delivery of the Equipment, if required by Lessor, Lessee agrees to place on each item of the Equipment, at Lessee's expense, insignia, plates or other identification furnished by Lessor showing Lessor's title to such item of Equipment. The Lessee shall keep the Equipment free from any markings or labeling which might be interpreted as a claim of ownership thereof by the Lessee or any party other than the Lessor or its assigns.

22 **NOT PART OF REALTY** Lessee shall take all such action necessary to assure that the Equipment shall be and at all times remain personal property and not a fixture. Without limitation of the generality of the provisions of Sections 9 and 13 hereof, Lessee agrees to take such action (including the obtaining and recording of waivers), at its own expense, as may be necessary or deemed advisable by Lessor to prevent any third party from acquiring any right to or interest in the Equipment by virtue of the Equipment being deemed to be real property or a part of any real property

23 **DUE AUTHORIZATION AND EXECUTION, NO VIOLATION** Lessee warrants and represents that the execution, delivery and performance of this Lease are within Lessee's corporate powers, have been duly authorized, are not in contravention of law, or the terms of Lessee's charter, by-laws or other corporate documents, or of any indenture, agreement or undertaking to which Lessee is a party or by which it is bound. Lessee further warrants and represents that the execution, delivery and performance of this Lease constitutes the valid and legally binding obligation of the Lessee thereunder, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally

24 **FURTHER ASSURANCES** Lessee at its expense will promptly and duly execute and deliver to Lessor such further documents and assurances and take such further action as Lessor may from time to time request in order to more effectively carry out the intent and purpose hereof and to establish and protect the rights, interests and remedies created, or intended to be created, in favor of Lessor hereby, including, without limitation, (a) the filing or recording of financing or continuation statements with respect hereto, in accordance with the laws of any applicable jurisdiction, and (b) the taking of such further action as Lessor may deem desirable to fully protect Lessor's interest hereunder in accordance with the Uniform Commercial Code or other applicable law. Lessee hereby authorizes Lessor to effect at Lessee's expense any such filing or recording as aforesaid (including the filing of any such financing statements without the signature of Lessee, where permitted by law)

25 **NOTICES** All notices hereunder shall be in writing and shall become effective when deposited in the United States mail, certified mail, return receipt requested, addressed to the respective party at its address set forth in the opening paragraph hereof or at such other address as such party shall from time to time designate in writing to the other party.

26 **MISCELLANEOUS** Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect. No term or provision of this Lease may be changed, waived, discharged or terminated, except by an instrument in writing signed by the party against which enforcement is sought and except that Lessor may insert the serial number of any item of Equipment on the appropriate Schedule when available, and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given. This Lease shall constitute an agreement of lease, and nothing herein shall be construed as conveying to

Lessee any right, title and interest in the Equipment except as a lessee only. The captions in this Lease are for convenience of reference only and shall not define or limit any of the terms or provisions hereof. If more than one entity or person constitutes "Lessee" as defined herein, the obligations of such entities or persons hereunder shall be joint and several. This Lease shall in all respects, including all matters of construction, validity and performance, be governed by, and construed in accordance with, the laws of the State of New York. This Lease shall be binding upon Lessor and Lessee and their successors and assigns. This Lease together with any Schedules, Riders and addenda hereof constitutes the entire agreement between Lessor and Lessee with respect to the subject matter hereof and no understandings, agreements, representations or warranties not herein or therein contained or in a written amendment thereto shall be binding on either Lessor or Lessee.

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

*George A. Srou*  
GEORGE A. SROUR  
Notary Public, State of New York  
No 4896503  
Qualified in Richmond County  
Term Expires May 26, 1997

SOCIETE GENERALE FINANCIAL CORPORATION

By *[Signature]*  
Its *President*

(SEAL)

Attest *x* *J. Mac Millan* (Secretary)

Raritan River Steel Company ("Lessee")

By *x* *Robert A. Jurewicz*  
Its *Treasurer*

**CORPORATE ACKNOWLEDGMENT**

STATE OF New Jersey }  
COUNTY OF Middlesex } ss

On this 22nd day of February, 1991, before me personally appeared J. G. MacMillan, to me known, who, being by

me duly sworn, did depose and say that (s)he resides at 225 Elm Street, Perth Amboy, NJ 08862

, that (s)he is the Secretary of Raritan River Steel Company, the corporation described in and which executed the foregoing agreement, that (s)he knows the seal of said corporation, and that the seal affixed to said agreement is such corporate seal, that it was so affixed by the order of the Board of Directors of said corporation, and that (s)he signed her/his name thereto by like order, and that the officer who executed said agreement on behalf of said corporation was duly authorized and empowered to do so by said Board of Directors

*x* *Georgianna V. Pszolka*  
Notary Public

GEORGIANNA V PSZOLKA  
NOTARY PUBLIC OF NEW JERSEY  
MY COMMISSION EXPIRES JAN. 18, 1992

PURCHASE OPTION

This Rider is annexed to and forms a part of the Equipment Lease Agreement dated February 22nd, 1991 by and between SOCIETE GENERALE FINANCIAL CORPORATION as lessor ("Lessor") and Raritan River Steel Company as lessee ("Lessee").

1. Provided that the Lease has not been terminated and that no event of default shall have occurred and be continuing, Lessee shall have the right on one hundred eighty (180) days prior written notice to Lessor to purchase all but not less than all of the equipment on the day after the last day of the initial term for \$ 1.00.

2. Any notice delivered to Lessor pursuant to Paragraph 1 is irrevocable by Lessee.

Dated: February 22, 1991

SOCIETE GENERALE FINANCIAL CORPORATION  
("Lessor")

By: [Signature]  
Its: Treasurer

Raritan River Steel Company  
("Lessee")

By: x [Signature]  
Its: Treasurer

[Signature]

GEORGE A. SROUR  
Notary Public, State of New York  
No. 4896503  
Qualified in Richmond County  
Term Expires May 26, 1991

# SOCIÉTÉ GÉNÉRALE FINANCIAL CORPORATION

## EQUIPMENT SCHEDULE NO. 1

Annexed to and forming a part of the Equipment Lease dated February 22, 1991 by and between the undersigned parties.

### 1 Description of Equipment:

(1) Ohio Model DE-600 55 Ton Diesel Electric Locomotive Crane S/N 5214  
Air operated couplers  
Revolving sheave type  
Fair lead

2. **Term of this Schedule:** The term of the Lease for the Equipment covered by this Schedule shall begin on March 1, 1991, and continue for 60 months thereafter. In the event that the Certificate of Delivery and Acceptance is not executed on or before March 15, 1991, Lessor may elect at any time thereafter not to fund the purchase price of the Equipment, and upon such election any amounts already funded by Lessor shall be immediately repaid by Lessee to Lessor, together with interest at the rate of 150 basis points above the prime rate then declared by Citibank, or if lower the maximum rate permitted by law.

3. **Rent:** Lessee hereby agrees to pay Lessor rent on a monthly basis during the Term of this Schedule, consisting of 60 monthly payments each in the amount of \$14,586.53 for a total of \$875,191.75, with the first rental payment being due on April 1, 1991 and the last on March 1, 1996.

4. **Location:** The Equipment shall be located at 225 Elm Street, Perth Amboy, NJ 08862

5. **Riders:** The following Riders are attached to this Schedule:

Dated February 22, 1991

SOCIÉTÉ GÉNÉRALE FINANCIAL CORPORATION ("Lessor")

By: [Signature]

Its: [Signature]

Raritan River Steel Company ("Lessee")

By:  [Signature]

Its: [Signature]

[Signature]

GEORGE A. SROUR  
Notary Public, State of New York  
No. 4896503  
Qualified in Richmond County  
Term Expires May 26, 1997

# SOCIÉTÉ GÉNÉRALE FINANCIAL CORPORATION

## STIPULATED LOSS TABLE

Annexed to and forming a part of Equipment Schedule No. 1 to the Equipment Lease dated 2/22, 1991 by and between the undersigned parties.

Lessor's Initial Purchase Price: \$696,316.00

| <u>Rental Payment Date</u> |  | <u>Percentage</u> |                       | <u>Percentage</u> |
|----------------------------|--|-------------------|-----------------------|-------------------|
| <u>Payment Number</u>      |  | <u>Percentage</u> | <u>Payment Number</u> | <u>Percentage</u> |
| 1                          |  | 103.00            | 31                    | 58.73             |
| 2                          |  | 101.68            | 32                    | 57.07             |
| 3                          |  | 100.35            | 33                    | 55.40             |
| 4                          |  | 99.01             | 34                    | 53.72             |
| 5                          |  | 97.66             | 35                    | 52.02             |
| 6                          |  | 96.30             | 36                    | 50.31             |
| 7                          |  | 94.93             | 37                    | 48.59             |
| 8                          |  | 93.55             | 38                    | 46.85             |
| 9                          |  | 92.16             | 39                    | 45.10             |
| 10                         |  | 90.76             | 40                    | 43.34             |
| 11                         |  | 89.35             | 41                    | 41.56             |
| 12                         |  | 87.93             | 42                    | 39.77             |
| 13                         |  | 86.50             | 43                    | 37.96             |
| 14                         |  | 85.06             | 44                    | 36.14             |
| 15                         |  | 83.61             | 45                    | 34.31             |
| 16                         |  | 82.14             | 46                    | 32.46             |
| 17                         |  | 80.66             | 47                    | 30.60             |
| 18                         |  | 79.17             | 48                    | 28.72             |
| 19                         |  | 77.67             | 49                    | 27.83             |
| 20                         |  | 76.16             | 50                    | 24.92             |
| 21                         |  | 74.64             | 51                    | 23.00             |
| 22                         |  | 73.10             | 52                    | 21.06             |
| 23                         |  | 71.55             | 53                    | 19.11             |
| 24                         |  | 69.99             | 54                    | 17.14             |
| 25                         |  | 68.42             | 55                    | 15.16             |
| 26                         |  | 66.84             | 56                    | 13.16             |
| 27                         |  | 65.24             | 57                    | 11.15             |
| 28                         |  | 63.63             | 58                    | 9.12              |
| 29                         |  | 62.01             | 59                    | 7.08              |
| 30                         |  | 60.38             | 60                    | 5.02              |

Dated: February 22, 1991

SOCIETE GENERALE FINANCIAL CORPORATION ("Lessor")

Raritan River Steel Company ("Lessee")

By: [Signature]

By: Robert A. Amundson

Its: [Signature]

Its: Treasurer

**GEORGE A. BROUR**  
 Notary Public, State of New York  
 No. 4896503  
 Qualified in Richmond County  
 Term Expires May 26, 1991