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COUNTERPART NO. 1 OF
4 COUNTERPARTS.

THIS SUPPLEMENTAL AGREEMENT, dated as of August 19, 1974, between CHEMICAL BANK, a New York banking corporation, as Agent (hereinafter sometimes called "Agent"), party of the first part, and SEABOARD COAST LINE RAILROAD COMPANY, a corporation of the State of Virginia (hereinafter sometimes called "Railroad"), party of the second part.

W I T N E S S E T H:

WHEREAS, under a Conditional Sale Agreement dated as of December 1, 1971, by and between B. H. HANSEN (hereinafter sometimes called the "Vendor") and the Railroad, the Vendor agreed to construct, sell and deliver to the Railroad and the Railroad agreed to buy from Vendor and to accept delivery of two hundred (200) gondola cars (hereinafter called "Equipment").

WHEREAS, the parties hereto desire to amend the Conditional Sale Agreement to provide for replacement of Equipment in the event of Casualty Occurrences.

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements herein contained, the parties hereto agree as follows:

following receipt of the certificate referred to in the first paragraph of this Article 7 by the Vendor, or to prepay installments of the Purchase Price of the Equipment thereafter falling due in the inverse order of their maturities, whether or not such amount shall be sufficient to prepay one or more entire installments (or portions thereof) of the Purchase Price or (ii) to or toward the cost of a unit or units of standard gauge railroad equipment (other than work or passenger equipment) first put into service no earlier than December 1, 1971, and of equal or better quality than the unit or units having suffered a Casualty Occurrence, to replace such unit or units having suffered a Casualty Occurrence; provided, however, that if the Railroad shall pay to the Vendor a sum less than \$150,000 as provided above, such sum may only be applied to replace such unit or units having suffered a Casualty Occurrence.

Whenever the Railroad shall file with the Vendor, pursuant to the foregoing provisions of this Article 7, a written direction to apply money to or toward the cost of a replacement unit of such standard gauge railroad equipment, the Railroad shall file therewith:

(1) a certificate of a Vice President or an Assistant Vice President or the Comptroller or other Chief Accounting Officer of the Railroad certifying that such replacement unit is standard gauge railroad equipment (other than work or passenger equipment) first put into service no earlier than December 1, 1971, and of equal or better quality than the unit or units having suffered a Casualty Occurrence, that it conforms to all Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards recommended by the Association of American Railroads applicable to equipment of the character of such replacement unit, that it has been plated or marked and numbered as required by the provisions of Article 6 and certifying the cost of such replacement unit;

(2) an opinion of counsel for the Railroad that title to such replacement

unit is vested in the Vendor free and clear of all claims, liens, security interests and other encumbrances, and that such unit has come under and become subject to this Agreement as Equipment; and

(3) such other documentation as may reasonably be required by the Vendor.

The Railroad will cause any replacement unit or units to be marked as provided in Article 6 hereof. Any and all such replacements of Equipment shall constitute accessions to the Equipment and shall be subject to all appropriate terms and conditions of this Agreement as though part of the original Equipment delivered hereunder and shall be included in the term "Equipment" as used in this Agreement. Title to all such replacement units shall be free and clear of all liens and encumbrances and shall be taken initially and shall remain in the name of the Vendor subject to the provisions hereof, and the Railroad shall execute, acknowledge, deliver, file, record or deposit all such documents and do any and all such acts as may be necessary to cause such replacement units to come under and be subject to this Agreement. All such replacements shall be warranted in like manner as is customary for equipment of the same type, and the manufacturer of such replacements shall, if other than the Vendor, duly consent to the subjection thereof to this Agreement and agree to be bound by all the terms and provisions contained herein with respect to such replacements in like manner as the Vendor is with respect to the original Equipment delivered hereunder.

So long as none of the events of default specified in Article 17 hereof shall have happened and be continuing, any money paid to the Vendor pursuant to this Article 7 shall, if the Railroad shall in writing so direct, be invested, pending its application as hereinabove provided, in (i) such direct obligations of the United States of America or obligations for which the faith of the United States is pledged to provide for the payment of principal and interest, (ii) open market commercial paper rated prime by a national credit agency, or (iii) certificates of deposit of commercial banks in the United States of America having capital and surplus aggregating at least \$25,000,000, in

each case maturing in not more than one year from the date of such investment (all such investments being hereinafter called "Investments"), as may be specified in such written direction. Any such obligations shall from time to time be sold and the proceeds reinvested in such Investments as the Railroad may in writing direct. Any interest or earned discount received by the Vendor on any Investments shall be held by the Vendor and applied as herein provided. Upon any sale or the maturity of any Investments, the proceeds thereof, plus any interest received by the Vendor thereon, up to the cost (including accrued interest or earned discount) thereof, shall be held by the Vendor for application pursuant to this Article 7, and any excess shall be paid to the Railroad. If such proceeds (plus such interest or earned discount) shall be less than such cost, the Railroad will promptly pay to the Vendor an amount equal to such deficiency. The Railroad will pay all expenses incurred by the Vendor in connection with the purchase and sale of Investments.

The Railroad will pay to the Vendor on the date of such application interest then accrued and unpaid on the indebtedness so prepaid.

If one of the events of default specified in Article 17 hereof shall have happened and be continuing, then so long as such event of default shall continue, all money then held by the Vendor pursuant to this Article 7 shall be applied by the Vendor as if such money were money received upon the sale of Equipment pursuant to Article 18 hereof.

In order to facilitate the sale, or other disposition of any Equipment suffering a Casualty Occurrence, the Vendor shall upon request of the Railroad, after deposit by the Railroad of a sum equal to the Casualty Value of such Equipment, execute and deliver to the Railroad's vendee, assignee or nominee, a bill of sale (without warranties) for such Equipment, and such other documents as may be required to release such Equipment from the terms and scope of this Conditional Sale Agreement, in such form as may be reasonably requested by the Railroad.

ARTICLE TWO

In addition to the items required by Article 7 of the Conditional Sale Agreement, as hereby amended, to be delivered in respect of each replacement unit of equipment, it is hereby agreed that the obligation of the Agent to apply moneys paid under Article 7 of the Conditional Sale Agreement at the Railroad's direction to the purchase of replacement equipment shall be subject, in the case of the first such application, to the receipt by the Agent of an opinion of counsel for the Railroad to the effect that (i) this Agreement has been duly authorized, executed and delivered by the Railroad, (ii) no approval by the Interstate Commerce Commission or any other governmental authority is necessary for the execution and delivery of this Agreement and (iii) this Agreement has been duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act (or that such filing is not necessary) and that no other filing or recording is necessary for the protection of the rights of the Agent in any State of the United States of America or the District of Columbia.

ARTICLE THREE

Except as heretofore and hereby expressly amended, the Conditional Sale Agreement is in all respects ratified

and confirmed, and all the terms and conditions thereof shall be and remain in full force and effect.

IN WITNESS WHEREOF, the Agent and the Railroad have caused this instrument to be executed in their respective names by their respective officers thereunto duly authorized, and their respective corporate seals to be affixed, duly attested, as of the day, month and year first above written.

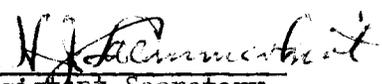
CHEMICAL BANK, as Agent

By


Vice President

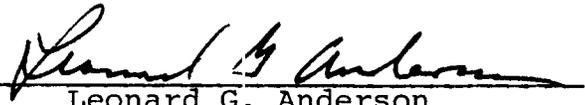
(CORPORATE SEAL)

ATTEST:


Assistant Secretary

SEABOARD COAST LINE RAILROAD COMPANY

By


Leonard G. Anderson
Vice President and Treasurer

(CORPORATE SEAL)

ATTEST:


Assistant Secretary

