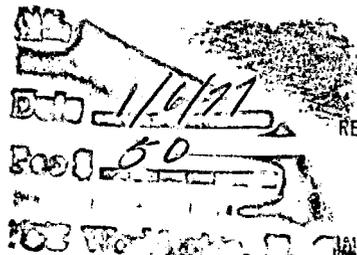


JOHN MARISCOTTI  
EXECUTIVE VICE PRESIDENT



**NATIONAL RAILWAY UTILIZATION CORP.**  
1247 Suburban Station / 1617 John F. Kennedy Blvd., Phila., Pa. 19103 / (215) 569-2220



RECORDATION NO. 8649 Filed & Recorded

JAN 6 1977 1 05 PM

INTERSTATE COMMERCE COMMISSION

January 5, 1977

Pickens Railroad Company  
402 Cedar Rock Street  
Pickens, South Carolina 29671

RECEIVED  
I.C.C.  
OPERATION BR.  
JAN 6 12 55 PM '77

Mr. Robert L. Oswald, Secretary  
Interstate Commerce Commission  
Washington, D. C. 20423

Dear Mr. Oswald:

Pursuant to the provisions of Section 20c of the Interstate Commerce Act, as amended, and the regulations of the Interstate Commerce Commission promulgated thereunder, we are transmitting for filing and recording originals or executed counterparts of the following document:

1. A Lease Agreement dated as of December 7, 1976, between Pickens Railroad Company, Lessor, and New Hope & Ivyland Railroad Company, Lessee.

The names and addresses of the parties to the transaction are listed below under the titles of the document to which they are parties:

LEASE AGREEMENT:

Pickens Railroad Company (Lessor)  
402 Cedar Rock Street  
Pickens, South Carolina 29671

New Hope & Ivyland Railroad Company (Lessee)  
P. O. Box 196  
Pennel, Pennsylvania, 19047

A general description of the equipment covered by the Lease Agreement is contained in Exhibit A attached to this letter.

*Rw. Oswald*  
*C. [Signature]*

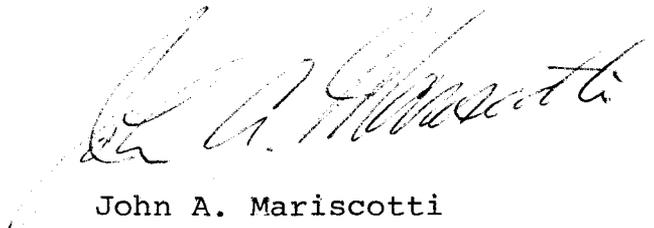


Mr. Robert L. Oswald, Secretary  
January 5, 1977  
Page Two

The above identified document has not heretofore been recorded with the Interstate Commerce Commission. Please accept for recordation two counterparts of each document, stamp the remaining counterparts with the appropriate recordation number and return them with your fee receipt and letter confirming receipt to my delivering messenger.

The necessary filing and recordation fees for the document are submitted herewith.

Very truly yours,



John A. Mariscotti

Exhibit A  
LEASE SCHEDULE NO. 1

Lease Schedule, dated this 7th day of December, 1976, by and between The Pickens Railroad Company (Pickens), and New Hope and Ivyland Railroad Company ("Lessee").

The Boxcars described herein are leased to Lessee subject to the terms and conditions of that certain Lease of which this Schedule is a part between Pickens and Lessee, dated December 7, 1976.

DESCRIPTION OF CAR: 50 ft. XM General Purpose Boxcar

NUMBER OF CARS: fifty

REPORTING NUMBERS AND MARKS: NHIR 601-650

TERM Ten (10) years from the date of delivery and acceptance of each Boxcar covered by this Schedule.

SPECIFICATION DESIGNATED BY LESSEE:

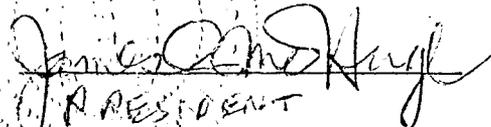
McHugh Brothers Green paint  
Dupont 93-77763, or equivalent

New Hope & Ivyland R.R. markings

PLACE OF DELIVERY: Berwick, PA.

New Hope & Ivyland R.R. Company  
Lessee

BY:

  
PRESIDENT

The Pickens Railroad Company  
Lessor

BY:

  
PRESIDENT



in writing of this acceptance. The Boxcars shall be deemed delivered to Lessee upon acceptance by Lessor. Due to the nature of railroad operations in the United States, Lessor can neither control nor determine when the Boxcars leased hereunder will actually be available to Lessee for its use on its railroad tracks. Notwithstanding that Lessee may not have immediate physical possession of the Boxcars leased hereunder, Lessee agrees to pay to Lessor the rental charges set forth in this Agreement. To move the Boxcars to Lessee's railroad line and insure optimal use of the Boxcars after the first loading of freight for each Boxcar on the railroad line of Lessee (the "initial loading"), Lessor agrees to monitor Boxcar movements and, when deemed necessary by Lessee for cars on Lessee's line, Lessor will issue movement orders with respect to such Boxcars to other railroad lines in accordance with ICC and AAR interchange agreements and rules.

B. Lessee shall give preference to Lessor and shall load the Boxcars leased from Lessor prior to loading Boxcars owned or leased by Lessee during the term of this lease or from other parties or interchanged with railroads; provided, however, that this shall in no event prevent or prohibit Lessee from fulfilling its obligations to provide transportation and facilities upon reasonable requests therefore to shippers on its railroad tracks. Unless NHIR agrees to the contrary, cars provided under this lease shall run under AAR Car Service Rules I and II, provided off-line service of 85% or more is achieved.

C. Additional Boxcars may be leased from Lessor by Lessee only upon the mutual agreement of the parties hereto. Upon such agreement, such additional Boxcars shall be identified in Schedules to this Agreement and shall benefit from and be subject to this Agreement upon execution of the Schedules by Lessor and Lessee.

#### 4. Railroad Markings and Record Keeping

A. Lessor agrees that on or before delivery of the Boxcars to Lessee, the Boxcars may be lettered with the railroad markings of Lessee, and the name and/or other insignia used by Lessee. Such name or insignia shall comply with all applicable regulations. The NRUC logotype insignia shall be affixed to each side of the cars in standard size. "McHugh Brothers Line" may be affixed to the cars at Lessee's expense. If it should be deemed illegal, removal will be at Lessee's expense.

B. Lessor shall prepare all documents for filing relating to the registration, maintenance and record keeping functions normally performed by Lessee with respect to the Boxcars and shall perform all record keeping functions related to the use of the Boxcars by Lessee and other railroads in accordance with AAR railroad interchange agreements. Such matters shall include but are not limited to the preparation of the following documents: (i) appropriate AAR interchange agreements with respect to the Boxcars; (ii) registration for each Boxcar in the Official Railway Equipment Register and the Universal Machine Language Equipment Register; and (iii) such reports as may be required from time to time by the ICC and/or other regulatory agencies with respect to the Boxcars.

C. Lessee shall register each and every Boxcar leased hereunder in the Official Railway Equipment Register and the Universal Machine Language Equipment Register. Such registration shall direct that correspondence from railroads using such Box cars shall be addressed to Lessor.

D. Any record keeping performed by Lessee hereunder and all record of payments, charges, and correspondence related to Scheduled Boxcars shall be separately recorded and maintained by Lessee in a form suitable for reasonable inspection by Lessor from time to time during regular business hours of Lessee. Lessee shall supply Lessor with such reports regarding the use of Boxcars by Lessee on its railroad line as Lessor may reasonably request.

#### 5. Maintenance, Taxes and Insurance

A. Lessor will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each Boxcar during its lease term and any extension thereof, including but not limited to repairs, maintenance, and servicing unless the same was occasioned by the fault of Lessee while a Boxcar was in the physical possession of Lessee. Lessee shall be responsible to inspect all Boxcars interchanged to it to insure that such Boxcars are in good working order and condition and shall be liable to Lessor for any repairs required for damage not noted at the time of interchange. Lessee hereby transfers and assigns to Lessor for and during the lease term of each Boxcar all of its right, title and interest in any warranty in respect to the Boxcars. All claims or actions on any warranty so assigned shall be made and prosecuted by Lessor at its sole expense and Lessee shall have no obligation to make any claim on such warranty. Any recovery under such warranty shall be made payable to Lessor. All proceeds from such recovery shall be used to repair or replace the Boxcars.

B. Lessee shall make minor repairs only with Lessor's permission to facilitate continued immediate use of a Boxcar, but shall not otherwise make any alterations, improvements, or additions to the Boxcars without Lessor's prior written consent. If Lessee makes an alteration to any Boxcar without Lessor's prior written consent, Lessee shall be liable to Lessor for any revenues lost due to such alteration. Title to any such alteration, improvement, or addition occurring in the course of or as a result of normal and customary maintenances shall be and remain with Lessor.

C. Lessor shall make or cause to be made such inspections of and maintenance and repairs to the Boxcars as may be required. Lessor shall also make, at its expense, all alterations, modifications, or replacements of parts as shall be necessary to maintain the Boxcars in good operating condition, as determined by Lessor, throughout the term of the lease of such Boxcars. Lessee shall immediately notify Lessor of any necessary maintenance and repairs transmitted to Lessee by any other railroad or shipper. Lessor shall be responsible for arranging repairs and maintenance at its expense except as noted in 5A.

D. Lessee will at all times while this Agreement is in effect and at its own expense, cause to be carried and maintained insurance with respect to all Boxcars subject hereto, and property damage and public liability insurance in amounts and against risks customarily insured against by railroad companies on similar equipment. The insurance required by this Section 5D may be satisfied by a self-insurance program acceptable to Lessor and maintained by Lessee in accordance with sound actuarial principles. Lessee will furnish Lessor concurrently with the execution hereof and thereafter at intervals of not more than 12 calendar months proof of insurance coverage for the ensuing year. Lessee will agree to advise Lessor promptly of any lapse of any such insurance or of any default of payment of any premium and of any other act or omission of Lessee of which it has knowledge which might, in its opinion, invalidate or render unenforceable, in whole or in part, any insurance on the Boxcars. All insurance shall be taken out in the name of Lessee and Lessor (or its assignee) as their interests may appear. The policies or certificates shall provide that there shall be no recourse against Lessor for the payment of premiums and shall provide for at least 20 business days prior written notice to be given to Lessor by the underwriters in the event of cancellation. If the Lessee shall default in the payment of any premium in respect of any such insurance policies, Lessor may, but shall not be obliged to, pay such premium, and if Lessor does so, the Lessee shall repay the amount thereof to Lessor on demand.

E. Lessor agrees to reimburse Lessee for all taxes, assessments and other governmental charges of whatsoever kind or character paid by Lessee relating to each Boxcar and on the Lease delivery of operation thereof which may be accrued, levied, assessed or imposed during the lease term or which remain unpaid as of the date of delivery of such Boxcar to Lessee, except taxes on net income imposed on Lessee. Lessor and Lessee will comply with all state and local laws requiring the filing of ad valorem tax returns on the Boxcars. Lessor shall review all tax returns prior to filing.

## 6. Rental Charges

A. In consideration of the use of the leased Boxcars to improve its freight revenues, Lessee agrees to pay the following rental charges to Lessor for the use of Lessor Boxcars:

(i) Lessor shall receive all of the mileage charges and car hire revenues (including both straight and incentive per diem) payable to Lessee by other railroad companies.

B. Lessee shall have no liability for any reclaims by any railroad of any car hire charges at any time.

C. In the event the utilization rate in any calendar quarter, averaged for all Boxcars is less than 85%, or the rental payable to Lessor for all Boxcars during any calendar quarter averages less than \$ \_\_\_\_\_ \* \_\_\_\_\_ per car per day, Lessor may, at its option, and upon not less 30 days prior written notice to Lessee, terminate this Agreement in its entirety or terminate this Agreement as to any group of Boxcars covered by a Schedule.

D. Lessor may, at its option, terminate this Agreement if the ICC shall, at any time, (1) issue an order reducing incentive per diem for Boxcars on an annual basis to three months or less without a commensurate increase in straight per diem or other revenues available to both Lessor and Lessee; or (2) determine that Lessee may not apply its net credit balance from incentive per diem settlements in payment of the rental charges set forth in this Section.

E. If any Boxcar remains on Lessee's railroad tracks for more than seven days, Lessor may, at its option and upon not less than 24 hours prior to written notice, terminate this Agreement and withdraw such Boxcars from Lessee's railroad tracks, except when such Boxcar is awaiting its initial loading.

F. Pickens is hereby designated as the collection and disbursing agent for all revenues including per diem, mileage, and incentive per diem, and repair bills.

## 7. Possession and Use

A. So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Boxcars in accordance with the terms of this Agreement and in the manner and to the extent Boxcars are customarily used in the railroad freight business. Lessee agrees that to the extent it has physical possession and can control use of the Boxcars, the Boxcars will at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same may be located and in compliance with all lawful acts, rules and regulations and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either Lessor or Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation, or order in any reasonable manner at the expense of the contesting party.

B. Lessee will not directly or indirectly create, incur, assume or suffer to exist, any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Boxcars or any interest therein or in this Agreement or Schedule thereto. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrances, security interest, or claim if the same shall arise at any time.

\* September - February, Eighteen dollars and fifty cents (\$18.50)  
March - August, Ten dollars and sixty cents (\$10.60)

8. Remedies Upon Default

A. The occurrence of any of the following events shall be events of default:

(i) The nonpayment by Lessee of any sum required hereunder to be paid by Lessee within ten days after notice thereof;

(ii) The default by Lessee under any other term, covenant, or condition of this Agreement which is not cured within ten days after notice thereof from Lessor.

(iii) Any affirmative act of insolvency by Lessee, or the filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency, or moratorium law, or any other law or laws for the relief of, or relating to, debtors.

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against Lessee that is not dismissed within sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment.

(v) The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency which substantially impairs Lessee's capacity to fulfill its performance under this Agreement.

B. Upon the occurrence of any event of default, Lessor may, at its option, terminate this Agreement and may:

(i) Proceed by appropriate court action to enforce performance by Lessee of this Agreement or to recover direct financial damages which result from a breach thereof (and Lessee agrees to bear Lessor costs and expenses, including reasonable attorney's fees, in securing such enforcements) ;  
or

(ii) By notice in writing to Lessee, terminate Lessee's right of possession of the Boxcars, whereupon all right and interest of Lessee in the Boxcars shall terminate; and thereupon Lessor may by its agents enter upon any premises where the Boxcars may be located and take possession of them and henceforth hold, possess and enjoy the same free from any right of Lessee.

(iii) Upon the occurrence of breach of this Agreement by Lessor, Lessee may proceed by appropriate court action to enforce performance by Lessor of this Agreement or to recover direct financial damages which might result from a breach thereof (and Lessor agrees to bear Lessee costs and expenses, including reasonable attorney's fees, in securing such enforcements).

## 9. Termination

A. At the expiration or termination of this Agreement as to any Boxcars set forth on a Schedule attached herein, Lessee will surrender possession of such Boxcars to Lessor by delivering the same to Lessor. The assembling, delivery, storage and transporting of the Boxcars shall be at the expense and risk of Lessor. A Boxcar shall be deemed terminated and no longer subject to this Agreement upon the removal of Lessee's railroad markings from the Boxcar and the placing thereon of such markings as may be designated by Lessor, either at the option of Lessor (1) upon delivery of such Boxcars to Lessee's railroad line subsequent to termination of such Boxcar's lease term; or (2) removal and replacement of the markings by another railroad line which has physical possession of the Boxcar at the time of or subsequent to termination of the lease term as to such Boxcar.

B. If such Boxcars are on the railroad line of Lessee upon such expiration or termination or are subsequently returned to Lessee's railroad line, Lessee shall grant immediate access to Lessor or Lessor's agents to remove Lessee's railroad markings from the Boxcars and place thereon such markings as may be designated by Lessor. After the removal and replacement of markings, Lessee shall use its best efforts to load such Boxcars with freight and deliver them to a connecting carrier for shipment.

C. If such Boxcars are not on the railroad line of Lessee upon termination, all costs of assembling, delivering, storing, and transporting such Boxcars, except as provided above, to Lessee's railroad line or the railroad line of a subsequent lessee shall be borne by Lessor.

D. If requested by Lessor, Lessee shall provide three months uninterrupted, free storage, on its tracks for Boxcars as to which this Agreement is terminated, provided that risk of loss during such storage shall be on Lessor. After three months, storage shall be at the rate of \$1 per day per car.

E. From and after termination of this Agreement with respect to any Boxcar and until its return to Lessor, all revenues earned by such Boxcar shall be paid to Lessor as additional rental for use of the Boxcar during the term hereof.

## 10. Indemnities

Lessor will defend, indemnify and hold harmless Lessee from and against (1) any and all loss or damage of or to the Boxcars, usual wear and tear excepted, unless occurring through the fault of Lessee while Lessee has physical possession of Boxcars; and (2) any claim, cause of action, damage, liability, cost or expense (including legal fees and costs) to which the Boxcars may be subject or which may be incurred in any manner by or for the account of any such Boxcar (unless occurring through the fault of Lessee) relating to the Boxcars or any part thereof, including without limitation the construction, purchase, delivery of the Boxcars to Lessee's railroad line, ownership, leasing or return of the Boxcars, or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects, if any, are latent or are discoverable by Lessor or Lessee).

11. Warranties and Covenants

Lessee represents, warrants and covenants that:

A. Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power, authority and is duly qualified and authorized to do business wherever necessary, to carry out its present business and operations and to own or hold under lease its properties and to perform its obligations under this Agreement.

B. The entering into and performance of this Agreement will not violate any judgement, order, law or regulation applicable to Lessee, or result in any breach of or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Boxcars pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

C. There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business properties and assets, or conditions, financial or otherwise, of Lessee.

D. There is no fact which the Lessee has not disclosed to Lessor in writing, nor is Lessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as the Lessee can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of the Lessee or the ability of the Lessee to perform its obligations under this Agreement.

E. Lessee has during the years 1964-1968 not purchased any Boxcars. Lessee is eligible and entitled to collect incentive per diem charges on the Boxcars in the possession of other railroads and to apply the incentive per diem charges to the payment of all rentals due under this lease.

F. Neither Lessee nor its counsel know of any requirements for recording, filing or depositing this Agreement other than pursuant to Section 20c of the Interstate Commerce Act, which is necessary to preserve or protect the title of Lessor or its assignee or mortgagee, in the United States of America.

Upon request of Lessor or its assignee or mortgagee at any time or times, Lessee shall deliver to Lessor an opinion of its counsel addressed to Lessor or its assignee or mortgagee, in form and substance satisfactory to Lessor or its assignee or mortgagee, which opinion shall confirm and be to the effect of the matters set forth in this Paragraph 11 A through F.

12. Lessor shall at any time during normal business hours have the right to enter the premises where the Boxcars may be located for the purpose of inspecting and examining the Boxcars to insure Lessee's compliance with its obligations hereunder. Lessee shall immediately

notify Lessor of any accident connected with the malfunctioning or operation of the Boxcars including in such report the time, place, and nature of the accident and the damage caused to property, the names and addresses of any persons injured and of witnesses and other information pertinent to Lessee's investigation of the accident. Lessee shall also notify Lessor in writing within five (5) days after any attachment, tax lien, or other judicial process shall attach to any Boxcar. Lessee shall furnish to Lessor promptly upon its becoming requested, a copy of its annual report submitted to the ICC and, when requested, copies of any other income or balance sheet statements required to be submitted to the ICC.

### 13. Sublease and Assignment

The right to assign this Lease by either party and the Lessee's right to sublease shall exist only as follows:

A. Lessee shall have no right to assign this Lease or sublease or loan any of the Boxcars without the written consent of Lessor.

B. All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part with or without notice to Lessee. This Lease and Lessee's rights hereunder are and shall be subject and subordinate to any chattel mortgage, security agreement or equipment trust covering the cars heretofore or hereafter created by Lessor. If Lessor shall have given written notice to Lessee stating the identity and post office address of any assignee entitled to receive future rentals and any other sums payable by Lessee hereunder, Lessee shall thereafter make such payments to the designated assignee.

The making of an assignment or sublease by Lessee or an assignment by Lessor shall not serve to relieve such party of any liability or undertaking hereunder nor to impose any liability or undertaking hereunder upon any such assignee or sublessee except as otherwise provided herein or unless expressly assumed in writing by such sublessee or assignee.

14. NHIR shall not lease or otherwise acquire any freight cars for use in interchange service which do not meet with specification approval by NRUC. NHIR shall not put into interchange service (except for NHIR 525-554 boxcars) any presently owned freight cars whose condition is not approved by NRUC. See attachment B.

Any boxcars subsequently acquired or leased by NHIR will be managed as provided in Section 14. To that end, Lessee shall execute a management agreement with NRUC substantially in the form attached hereto as a precondition to this Lease.

### 15. Miscellaneous

A. This Agreement and the Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

B. Any notice required or permitted to be given by one party to another hereunder shall be properly given when made in writing, deposited in the United States mail, registered or certified, postage prepaid, addressed to:

Lessor at: 860 Suburban Station  
1617 John F. Kennedy Boulevard  
Philadelphia, Pennsylvania 19103

Lessee at: New Hope & Ivyland Railroad Company  
P. O. Box 196  
Penndel, Pennsylvania 19047

or such other address as either party may from time to time designate by such notice in writing to the other.

C. Lessee shall keep the Boxcars free from any encumbrances or liens, which may be a cloud upon or otherwise affect the title of Lessor, which arise out of any suit involving Lessee, or any act, omission or failure of Lessee or Lessee's failure to comply with the provisions of this Lease and shall promptly discharge any such lien, encumbrance or legal process. Lessee shall take all action requested by Lessor to confirm the interest of Lessor in the Boxcars as Lessor and that Lessee has no interest in the Boxcars other than as Lessee hereunder.

D. During the continuance of this Lease, Lessor shall have the right, at its own cost and expense, to inspect the Boxcars at any reasonable time or times wherever the Boxcars may be.

E. No failure or delay by Lessor shall constitute a waiver or otherwise affect or impair any right, power, or remedy available to Lessor nor shall any waiver or indulgence by Lessor or any partial or single exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

F. This Agreement shall be governed by and construed according to the laws of the State of South Carolina.

G. This lease and the rights of Lessee hereunder are subordinate to the rights and remedies of the parties to that certain Conditional Sales Agreement dated December 29, 1976 between Lessor, Whitaker Corporation, Berwick Forge & Fabricating Division, which Agreement is to be assigned to Sun Life Insurance Company of America by Agreement and Assignment dated December 29, 1976. See attachment C.

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

The Pickens Railroad Company

DATE: 12/29/76

BY: *Ch. G. Hawthorn*  
Vice President

ATTEST:  
*Alan W. Baum*  
Asst. Secy

New Hope & Ivyland Railroad Co.

DATE: 12/29/76

BY: *James McHugh*  
President

ATTEST:  
12/29/76  
*Alan W. Baum*  
Asst. Secretary

## ATTACHMENT A

Lessor shall perform, or cause National Railway Utilization Corporation to perform, as part of this lease, at no cost, car accounting services and necessary record keeping functions for 29 boxcars numbers 525-554 and send reports to NHIR on a monthly basis. Lessor shall have no other obligations or responsibilities concerning these cars.

Pickens Railroad is hereby designated as the collection and disbursing agent for all revenues including per diem, mileage, and incentive per diem, and repair bills payable pertaining to both the 29 cars owned by Modrail Corporation, a New Jersey Corporation, 30 Brookside Road, West Orange, New Jersey 07052, and the 50 cars wherein Pickens Railroad is the lessor.

The following revenue collection and payable disbursement procedure will be agreed to by Lessor and Lessee and will be implemented by the Pickens Railroad.

A bank account will be opened in the name of the New Hope & Ivyland Railroad at the South Carolina National Bank. Corporate bank resolutions will be filed by the New Hope & Ivyland Railroad. This account will require two (2) signators for all disbursements which will be any two of the following:

- |                      |   |
|----------------------|---|
| 1. James C. McHugh   | President, New Hope & Ivyland RR                                |
| 2. Ronald K. Gooding | Vice-President-Administration &<br>Controller, Pickens Railroad |
| 3. Marge Brezee      | Assistant Controller, Pickens Rr                                |
| 4. Robert C. McHugh  | Vice-Pres. New Hope & Ivyland RR                                |

This account will also contain the following escrow and protective features for both Lessor and Lessee:

1. For the 29 cars owned by Modrail Corporation:

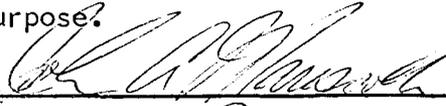
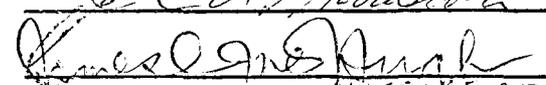
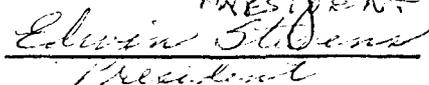
A check will be drawn each month payable to NHIR for 10% of gross receipts. A check will be drawn each month payable to Modrail Corp. for the remaining 90% of gross receipts minus amounts paid out for repair bills and/or reclaims.

- 1A. A monthly report will be issued by the Pickens Railroad Car Accounting Department to the New Hope & Ivyland Railroad and Modrail Corp. itemizing all revenues and payments deducted by car number. This report will reflect an accurate accounting and also be in agreement with the net amount of check referred to in Item 1.

1B. If the monthly repair bills or reclaim charges exceed the revenues collected, Modrail Corp. will forward check or wire transfer funds to the above account in sufficient amount to cover that month's deficiency.

2. For cars leased by Pickens RR to the New Hope & Ivyland RR:

If Pickens RR, without cause, fails to pay repair bills, the New Hope & Ivyland RR shall have the right, upon the proper notification to South Carolina National Bank and to Pickens Railroad to withdraw funds after ten (10) days from proper notification in an amount sufficient to cover payment of said bills. Proper notification shall be a certified "return receipt requested" letter to S.C.N.B. & Pickens RR received by the last day of any given month. James C. McHugh and Robert C. McHugh shall not have right of withdrawal from the bank account for any other purpose.

Lessor		Date	<u>12/29/76</u>
Lessee	 PRESIDENT	Date	<u>12/29/76</u>
Modrail Corp.	 President	Date	<u>12/29/76</u>

STATE OF: PENNA. )

COUNTY OF: Bucks )

On this 29<sup>th</sup> day of DECEMBER, 1976, before me personally appeared JAMES C. McHUGH, to me personally known, who, being by me duly sworn, says that he is President of NEW HOPE & IUYLAND RAILROAD COMPANY and ROBERT GROEGER, to me personally known to be the ASST. Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public EFFIE SHAFFER  
NOTARY PUBLIC  
My Commission expires: P. O. Box 196, Pennadel, Bucks County,  
Pennsylvania 19347  
My Commission Expires August 29, 1977.

STATE OF: PENNA. )

COUNTY OF: Phila )

On this 29<sup>th</sup> day of DECEMBER, 1976, before me personally appeared JOHN A. MARISCOTTI, to me personally known, who, being by me duly sworn, says that he is VICE President of PICKENS RAILROAD, and ALLAN BAUM, to me personally known to be the ASST. Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public EFFIE SHAFFER  
NOTARY PUBLIC  
My Commission Expires: P. O. Box 196, Pennadel, Bucks County,  
Pennsylvania 19347  
My Commission Expires August 29, 1977.

Exhibit A  
LEASE SCHEDULE NO. 1

Lease Schedule, dated this 7th day of December, 1976, by and between The Pickens Railroad Company (Pickens), and New Hope and Ivyland Railroad Company ("Lessee").

The Boxcars described herein are leased to Lessee subject to the terms and conditions of that certain Lease of which this Schedule is a part between Pickens and Lessee, dated December 7, 1976.

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NUMBER OF CARS: fifty

REPORTING NUMBERS AND MARKS: NHR 601-650

TERM Ten (10) years from the date of delivery and acceptance of each Boxcar covered by this Schedule.

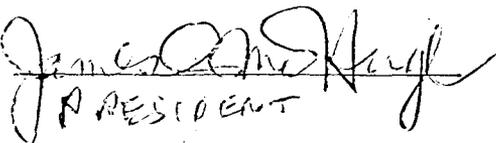
SPECIFICATION DESIGNATED BY LESSEE:

McHugh Brothers Green paint  
Dupont 93-77763, or equivalent

New Hope & Ivyland R.R. markings

PLACE OF DELIVERY: Berwick, PA.

New Hope & Ivyland R.R. Company  
Lessee

BY:   
PRESIDENT

The Pickens Railroad Company  
Lessor

BY:   
Vice President

ATTACHMENT B  
BERWICK FORGE AND FABRICATING  
A DIVISION OF WHITTAKER CORP.  
BERWICK, PENNSYLVANIA 18603

SPECIFICATIONS  
FOR  
50 - 70-TON, 50'-6" SINGLE SHEATHED BOX CARS  
WITH OUTSIDE POSTS, 10'-0" SLIDING DOORS,  
RIGID UNDERFRAME, CLASS XM

FOR  
PICKENS RAILWAY

LOT 34100

BFF EST. C76-0916-1

CAR SERIES NHIR 601-650 INCL.

NOV. 17, 1976

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1.00 GENERAL DESCRIPTION

1.01 This specification describes a Plate "B", 50'-6", 70-Ton Single Sheathed Box Car, with 10'-0" Sliding Doors, Outside Posts, Rigid Underframe, and a 1-3/4" Nailable Steel Floor capable of withstanding a lift truck axle load of 50,000#.

1.02 DIMENSIONS:

Length over pulling face of couplers .....	55'-6-7/8"
Length over strikers .....	52'-11-3/8"
Length over end sills .....	50'-7"
Length, inside .....	50'-6"
Truck centers .....	40'-10"
Width, clear door opening .....	10'-0"
Width over side sills .....	9'-7-1/8"
Width, inside .....	9'-6-1/8"
Height, inside .....	10'-6"
Height, clear door opening .....	10'-0"
Height, rail to top of floor .....	3'-8-1/16"
Wheel base .....	5'-8"
Wheel diameter .....	33"
Rail load limit .....	220,000#
Capacity, nominal .....	154,000#
Total limit load .....	160,000#
Light weight (Est.) .....	60,000#
Cubic capacity .....	5037 Cu. Ft.

1.03 CURVE NEGOTIABILITY:

150 Ft. radius horizontal curve uncoupled.      € €  
212 Ft. radius horizontal curve coupled to AAR base car.

2.00 GENERAL SPECIFICATIONS AND DESIGN

This specification is intended to include everything requisite to properly build the car, notwithstanding that everything required may not be mentioned.

2.01 CONSTRUCTION:

The cars shall be fabricated, assembled, and finished in a thoroughly workmanlike manner, according to the true intent and meaning of this specification. All steel parts shall be made to templates to assure interchangeability of parts and to facilitate assembly. Assemblies shall be fabricated in jigs to assure accuracy and uniformity. When completed, each car shall be complete in all respects and ready for service.

The underframe, sides, and corrugated ends shall be separate assemblies of welded construction joined together by means of lock bolts. The corrugated roof shall be joined to the sides and ends by means of rivets. All holes, for lock bolts and rivets, shall not be more than 1/16" larger in diameter than the nominal diameter of the fasteners.

2.02 WELDING:

All welding shall be done by the shielded metal arc method and shall be free of slag and thoroughly inspected before painting. Proper precautions shall be taken to prevent passage of weld current through wheels and roller bearing assemblies.

2.03 REFERENCES:

The car shall be designed and built to the 1-1-76 revision of AAR "Specifications for Design, Fabrication, and Construction of Freight Cars."

Subsequent AAR Letter Ballot revisions shall be handled via alternate proposals.

The limiting dimensions of each car shall be within AAR Plate "B".

The car shall comply with AAR Interchange Rules and the Department of Transportation Safety Appliance Regulations.

2.04 MATERIAL:

All shapes, plates, and bars described in this specification and forming part of the basic body structure shall conform to ASTM or AAR Specifications, unless otherwise specified.

All shapes, plates, and bars, 1/4" and less in thickness, shall be copper bearing steel.

All sheets described in this specification and forming part of the basic body structure shall conform to ASTM Specification A-570, Grade C, unless otherwise specified, and shall have a minimum copper content of 0.20%.

All bolts and nuts shall be A.S.A. regular, having American standard coarse threads, unless otherwise specified.

Locknuts shall be elastic-insert prevailing-torque type steel hex locknuts per Industrial Fasteners Institute Specification IFI-100. Application of locknuts shall be considered as satisfactory where full thread engagement through the elastic insert has been achieved.

All lock bolts shall be comparable to ASTM Specification A-325, while all rivets shall conform to AAR Specification M-110.

Ladder stiles shall conform to ASTM Specification A-575, Grade M-1020. Handholds and sill steps shall conform to ASTM Specification A-576, Grade C-1015.

All lumber shall conform to AAR Specification M-907, latest revision.

2.05 INSPECTION:

Your Quality Control department or other representatives shall have access to our plant during working hours for the purpose of inspecting these cars during construction.

2.06 TESTING:

The following tests shall be performed:

- (1) Curve Test (150 Ft. radius, uncoupled) -- on one car.
- (2) "Golden Shoe" Test on brake system -- on three cars.

All cars shall be water tested and the brake system shall be air tested.

2.07 TOLERANCES:

Unless otherwise specified, all tolerances shall be as specified in AAR "Specifications for Design, Fabrication, and Construction of Freight Cars".

2.08 FIRST PRODUCTION CAR INSPECTION:

The first production car shall be jointly inspected by representatives of the railroad and Berwick Forge and Fabricating.

3.00 UNDERFRAME

3.01 GENERAL:

The underframe shall be a built-up welded design conforming to AAR requirements for a 50,000# lift truck load and a rigid underframe.

The camber in the completed underframe as measured at the center of the underframe between the body bolsters shall be as follows:

A positive camber not exceeding 3/8" shall be acceptable in the center sill and side sill.

3.02 CENTER SILL:

The center sill shall consist of two (2) AAR Z's @ 41.2# sections conforming to ASTM Specification A-441. It shall extend from striker to striker with the edges of the top flanges continuously submerged-arc welded. The weld penetration shall conform to AAR Plate 525-H, latest revision. At the crossbearers and crossties suitable spreaders shall be applied.

3.03 BODY BOLSTERS:

Each body bolster shall be a built-up welded box section conforming to ASTM Specification A-572, Grade 50, Type 2. The top cover plate shall be 30" x 3/4", the bottom cover plate 30" x 3/4", and 7/16" thick webs.

The top cover plate shall extend continuously across the car. The attachment shall be made by welding.

The bottom cover plate shall extend continuously from side sill reinforcement to side sill reinforcement and shall be attached by welding.

3.04 CROSSBEARERS (FOUR PER CAR):

Each crossbearer shall consist of two (2) welded "I"-shaped sections, one on each side of the center sill, and having a top cover 6" x 1/2", bottom cover 8" x 3/8", ASTM A-572, Grade 42, Type 2, and a #4 Ga. (.2242") web, ASTM A-570, Grade C.

The top cover plate of each crossbearer section shall be contoured to permit application of continuous floor stringers and shall be a welded application.

The bottom cover plate shall extend from side sill reinforcement to center sill, where 6" x 1/2" ASTM A-572, Grade 42, bottom tie shall be applied.

3.05 CROSSTIES (TWELVE PER CAR):

Each crosstie shall be an 8" wide flange @ 10.0# conforming to ASTM Specification A-572, Grade 50, Type 2. Each shall be welded to the center sill web and to the side sill reinforcements web.

3.06 STRINGERS (SIX PER CAR):

There shall be three (3) 4" I @ 7.7# stringers on each side of the center sill, conforming to ASTM Specification A-36. All stringers shall extend between bolsters and from bolsters to end sills and shall be welded to each crossmember.

3.07 SIDE SILL REINFORCEMENT:

Each side sill reinforcement shall be a 3/8" angle pressing, 15' deep, with a 5' bottom flange and conforming to ASTM Specification A-441.

3.08 FLOOR:

The flooring shall be 1-3/4" deep nailable steel floor capable of withstanding a fork lift front axle load of 50,000#. Floor shall be applied in single planks, each welded to every longitudinal underframe member. Floor shall be 10 gage with hat-shape 12 gage reinforcements.

3.09 CENTER PLATE AND CENTER FILLER:

Center filler shall conform to AAR Plate 550 for cars with 6'-0-11/16" overhang. Prior to application of bolster bottom cover, center filler and center sill flanges shall be ground to provide a smooth and flat surface.

Center plates shall have 13-3/4" diameter bowl to AAR contour, forged steel, hardened to 201-241 BHN. Center plates shall be secured to bolster using 7/8" diameter high strength fasteners, ASTM A-325 or equivalent.

3.10 BODY SIDE BEARINGS:

Each body side bearing shall be a drop forged, wedge shaped design conforming to AISI Specification C-1045. Each section shall be quenched and tempered to a minimum 248 Brinell. Side bearing shims shall have round holes vs. slots and shall be applied 2 minimum, 4 maximum per location.

3.11 JACKING PADS:

Cars may be jacked at bolster bottom cover adjacent to side sill, where 7/16" ASTM A-572, Grade 50, stiffeners are applied. €

3.12 STRIKER AND FRONT DRAFT LUGS:

The combined striker and front draft lugs shall conform to AAR Plate 555 with drop forged front draft lugs.

3.13 REAR DRAFT LUGS:

Rear draft lugs shall be an integral part of the fabricated steel center filler.

3.14 FILLER BARS:

The filler bars shall be a 2" x 1/2" x 1/8" thick channel section extending longitudinally between principal crossmembers. There shall be two (2) sets of filler bars applied on the top of the center sill.

3.15 THRESHOLD PLATE:

A 4 Ga. (.2242") pressed plate shall be applied in the full width of the doorway, material ASTM A-570, Grade C. Threshold plate shall withstand a 50,000# lift truck axle load without permanent deformation.

3.16 CENTER SILL TIES:

At crosstie and crossbearer locations 3" I @ 5.7# I-beam sections conforming to ASTM Specification A-36 shall be welded to center sill webs.

4.00 SUPERSTRUCTURE

4.01 GENERAL:

Each side shall be a welded design with exterior posts and shall be provided with one (1) 10'-0" clear door opening height by 10'-0" clear door opening width. The opening on each side shall be on the center-line of the car.

The sides shall be assembled in jigs and when completed shall be straight and true.

4.02 SIDE SILL:

The side sill shall be a 6" x 6" x 5/16" angle extending the full length of the car and conforming to ASTM Specification A-572, Grade 50, Type 2.

4.03 SIDE SHEETS:

The side sheets shall be 1/8" steel, butt welded together at each side post and shall conform to ASTM Specification A-570, Grade C. Side sheets adjacent to door post and corner post shall be 3/16" thick and shall conform to ASTM Specification A-570, Grade C.

4.04 SIDE POSTS (TWENTY-FOUR PER CAR):

Each side post shall be a 3/16" pressed "hat" section conforming to ASTM Specification A-570, Grade C. At each side post location a 1" diameter vent hole shall be punched in side sheet adjacent to side plate.

4.05 SIDE PLATE:

The side plate shall be a 1/4" pressed "ZU" section extending the full length of the car and conforming to ASTM Specification A-572, Grade 42.

4.06 DOOR POSTS:

Each door post shall be a 4 Ga. (.2242") thick box section conforming to ASTM Specification A-570, Grade C.

4.07 SLIDING DOORS (TWO PER CAR):

Each door shall be a 10'-0" sliding door complete with door fixtures installed in accordance with AAR requirements. Doors are free rolling type and shall be equipped with Hennessy "Slidewell" devices.

4.08 DOOR POST GUSSET:

A 3/8" door post gusset shall be provided at the bottom connection between the door post and side sill reinforcement.

4.09 CORNER POST:

Each corner post shall be a 4 Ga. (.2242") thick box section conforming to ASTM Specification A-570, Grade C.

4.10 ENDS:

The bottom half of each end shall be 5/16" ASTM A-441 steel and the top half shall be 3/16" A-36 steel per BFF standard design with 4" deep corrugations on 12" centers. Steel end halves shall be lapped and fillet welded together.

4.11 END SILL:

End sills shall be 6" x 3-1/2" x 5/16" angle conforming to ASTM Specification A-36, lockbolted to steel ends using 1/2" fasteners.

4.12 END LINING:

End lining shall be 7 Ga. (3/16") flat steel conforming to ASTM Specification A-570, Grade C. End lining halves shall be butt welded together, fillet welded to steel end and corner posts, and slot welded to steel end at contact points.

4.13 ROOF:

The roof structure shall be a riveted application consisting of 14 Ga. Galvanized steel sheets and 12 Ga. Galvanized steel seam caps, both of copper bearing material.

4.14 DEFECT CARD HOLDER (ONE PER CAR):

The defect card holder shall be applied to the car in accordance with AAR requirements.

4.15 ROUTE CARD HOLDERS (TWO PER CAR):

There shall be one (1) route card holder applied to each door.

4.16 PLACARD BOARDS (FOUR PER CAR):

There shall be one placard board applied to each door and each steel end.

4.17 LADING ANCHORS:

Continuous anchors, IRE #3846, shall be applied by welding to depressed areas in side sheets at door post in each quarter of car. There shall be three anchor strips per depression, said depressions extending from 11" above top of floor to 9'-3" above top of floor. There shall be (40 per side) IRE #2761 Lading Anchors.

5.00 DRAFT GEAR AND COUPLERS

5.01 DRAFT GEAR:

The draft gear shall conform to AAR Specification M-901-E, for 24-5/8" pockets and shall have a 2-1/4" thick draft gear follower conforming to AAR Catalog Y-44.

5.02 DRAFT GEAR CARRIER:

The draft gear carrier shall be an 8" x 5/8" plate, four per car, lock-bolted to center sill, using 3/4" diameter lockbolts.

5.03 COUPLERS:

The couplers shall be Type "E" high tensile steel with a 21-1/2" shank, and conforming to AAR Catalog No. E60C-HT.

5.04 COUPLER YOKES:

The coupler yokes shall be cast steel and shall conform to AAR Catalog No. Y40AHT.

5.05 COUPLER HEIGHT ADJUSTMENT:

The coupler height is adjustable at the coupler carrier by using varying thickness shims.

5.06 COUPLER RELEASE RIGGING:

The coupler release rigging shall be bottom operating, rotary type, suitable for a rigid underframe.

5.07 DRAFT KEYS:

The draft keys shall be a BFF 6" x 1-1/2" section and shall conform to AISI Specification C-1045. Draft key washers shall be applied in accordance with Interchange Rule 16.

5.08 COUPLER CARRIER WEAR PLATES:

Forged plate, 3/8" minimum thickness, heat treated to 270-300 BHN, applied to coupler carrier.

6.00 TRUCKS

6.01 GENERAL:

Each truck shall meet all AAR requirements and conform to the following dimensions and capacities:

Gross rail load .....	220,000#
Nominal capacity .....	140,000#
Light weight of trucks (Est.) .....	17,000#
Wheel base .....	5'-8"
Track gauge .....	4'-8-1/2"

6.02 BOLSTERS:

The design of the truck bolsters shall be in accordance with AAR Specification M-202 with a 14" diameter center plate bowl, 2-hole side bearing pad on 50" centers, and suitable for 3-11/16" spring travel. The casting material shall conform to AAR Specification M-201, Grade "B".

6.03 SIDE FRAMES:

The design of the side frames shall be in accordance with AAR Specification M-203 and shall be the narrow pedestal type. The casting material shall conform to AAR Specification M-201, Grade "B". The column wear plates shall be applied by welding.

6.04 AXLES:

The axles shall be AAR D-11 design, untreated, with 6" x 11" journals for roller bearings, and conforming to AAR Specification M-101.

6.05 WHEELS:

The wheels shall be one wear wrought steel, J-33 Class "U", and shall conform to AAR Specification M-107.

6.06 JOURNAL ROLLER BEARINGS:

The journal roller bearings shall be 6" x 11" N.F.L.

6.07 ROLLER BEARING ADAPTERS:

The roller bearing adapters shall be for 6" x 11" narrow pedestal side frames and shall be pearlitic malleable iron conforming to AAR Specification M-924 with hardened crown and thrust shoulder.

6.08 SPRINGS:

The springs shall be AAR D-5 truck springs with 3-11/16" travel and shall conform to AAR Specification M-114. There shall be four (4) groups of springs per car, each consisting of seven (7) outer and four (4) inner with single side springs.

6.09 TRUCK STABILIZER:

The truck stabilizer shall be Barber S-2-C with single side springs.

6.10 SIDE BEARINGS:

Each side bearing shall be the single roller type as manufactured by A. Stucki Company.

6.11 CENTER PINS:

Each center pin shall be 1-3/4" diameter, 15" long, and with one end tapered.

6.12 CENTER PLATE LUBRICATION:

Each truck center plate shall be thoroughly cleaned and disc-type lubricant patties shall be applied immediately before car body is mounted on trucks.

7.00 BRAKE SYSTEM

7.01 AIR BRAKES:

The air brakes shall be AB 1012 with an "ABDW" control valve and an "ABU" type cylinder. The details of the installation shall conform to Specification No. 2518, "Installation of Freight Car Brake Equipment".

Each car, prior to release, shall be air tested in accordance with "Single Car Testing Device Code of Tests", No. 5039-4, Supplement 1, as adopted by AAR.

7.02 BRAKING RATIO:

The brake levers shall be proportioned to produce a braking ratio complying with AAR requirements for high friction brake shoes.

7.03 BRAKE SHOES:

The brake shoes shall be a high friction, 2" composition type.

7.04 BRAKE SHOE KEYS:

The brake shoe keys shall be the self-locking type.

7.05 HAND BRAKE:

The hand brake shall be an AAR approved vertical wheel, non-spin quick-release type (AAR Model #66), arranged with short handle.

7.06 BELL CRANK:

The bell crank shall be an approved AAR #66.

7.07 BRAKE CHAINS:

All brake chains shall be 9/16" straight line "BBB" coil chains.

7.08 BRAKE BEAMS:

The brake beams shall be AAR #18 unit type.

7.09 SLACK ADJUSTER:

The slack adjuster shall be an AAR approved, automatic double acting type, applied in accordance with DV Circular 1706, Figure 3, Page 12.

7.10 BRAKE RIGGING:

All the body levers, rods, and pins shall conform to AAR stress requirements as stated in Specification No. 2518.

7.11 BRAKE PIPE:

All the air brake piping, including the end nipples, shall be extra heavy conforming to AAR Specifications and ASTM Specification A-53.

7.12 PIPE CLAMPS (IRE):

All piping shall be secured to the underframe with weld type pipe clamps.

7.13 PIPE FITTINGS:

All the pipe fittings shall be the butt welded flange type, except nipples at angle cocks, which are threaded.

7.14 TRUCK LEVERS AND LEVER CONNECTIONS:

Each truck lever shall be drop forged with a suitable connection through bolster. All holes for brake pins shall be drilled.

7.15 BRAKE PINS:

Excello brake pins secured with Lock-Tite cotters.

7.16 BADGE PLATE:

The badge plate shall be metal and located in accordance with AAR requirements.

7.17 SLACK ADJUSTER CONTROL LEVER:

Control lever shall be one-piece design per DV Circular 1706, Figure 3, Page 12. Control lever shall have retaining lug welded to fulcrum end.

7.18 ANGLE COCKS:

Angle cocks shall be ball type.

8.00 SAFETY APPLIANCES

8.01 GENERAL:

All safety appliances, in regard to material and application, shall conform to the latest AAR and DOT requirements. All fasteners shall be 5/8" diameter.

8.02 LADDERS:

On the sides, the corner post and the side post adjacent to the corner post shall act as ladder stiles.

On the ends, the ladder stiles shall be a 1-3 4" x 1-3/4" x 3/16" angle with 3/4" diameter ladder treads.

8.03 SILL STEPS:

There shall be one (1) sill step at each corner of the car. Each shall be formed from 2" x 1/2" steel bar and fastened to car body by lock bolts.

8.04 GRAB IRONS:

All grab irons shall be a minimum of 3/4" diameter.

8.05 END PLATFORM:

There shall be an AAR approved grated galvanized metal platform located at each end of the car, supported by four (4) support brackets.

9.00 PAINING AND STENCILING

9.01 SURFACE PREPARATION:

The underframe, the exterior and interior sides and ends shall be chemically cleaned (solvent) to remove oil, dirt, and grease and wire brushed to remove loose mill scale and rust.

9.02 APPLICATION:

All paint shall be applied in even coats by air atomized paint spray equipment and shall be done in a workmanlike manner.

When two coats are applied, the first coat shall be thoroughly dry before the application of the second coat.

9.03 CAULKING:

The following locations shall be caulked:

- |  |                 |
|--|-----------------|
| (1) Seam cap and roof sheet joints.                        | (TREMCO JS-788) |
| (2) Side plate and roof joints door top retainer.          | (TREMCO JS-788) |
| (3) Steel end and roof sheet joints.                       | (TREMCO JS-788) |
| (4) Side sheet and vertical toe of side sill joint.        | (FOSTER 7C9)    |
| (5) Transverse floor panel joints; (Nailable steel floor)  | (MORTELL #45-A) |
| (6) Joints at door threshold plate and periphery of floor. | (MORTELL #45-A) |
| (7) Corner post flange at side sheet end lining flange.    | (FOSTER 7C9)    |

9.04 RIVETED AND WELDED JOINTS:

All riveted lap joints, except as noted otherwise, shall receive one coat of primer before riveting.

All welded joints shall not receive any primer prior to welding.

9.05 PRIMING:

One coat of zinc chromate primer shall be applied to the interior of the side posts.

One coat of zinc chromate primer shall be applied to the interior of the body bolster and draft gear pocket.

The doors and nailable steel floor shall be purchased primed.

The interior sides and ends shall receive one coat of zinc chromate primer.

Exterior sides, ends, and underframe shall receive one coat of zinc chromate primer.

9.06 FINISH PAINTING:

Interior sides, ends, and doors shall receive one coat of non-yellowing white paint. Total dry film thickness shall be 2 to 3 mils, including primer.

The exterior sides and ends shall receive one or more coats of green freight car paint. The total dry film thickness shall be 3 mils minimum, including primer.

The underframe and the underside of floor shall receive one coat of freight car green finish paint.

The roof shall be galvanized, not painted, except rivet heads shall receive brush coat of aluminum paint.

The brake cylinder, reservoir, "AB" valve, air brake pipe, brake levers and rods shall receive one coat of green freight car finish paint.

The end platforms shall be galvanized, not painted. Overspray from painting adjacent areas shall not be objectionable.

The trucks shall receive fog coat of green freight car finish paint, except wheels, springs, and axles.

9.07 ACI LABELS:

Labels shall be mounted on 18 ga. steel plates which shall be fastened to brackets which are welded to car sides. Plates shall be attached to brackets using 1/4" diameter fasteners.

9.08 STENCILING:

All stenciling shall be in accordance with AAR and customer requirements.

9.09 MISCELLANEOUS MARKINGS:

Car numbers shall be steel stamped on side sills at AL and BR corners.