

CONDITIONAL SALE AGREEMENT

COUNTERPART NO. 5
6 COUNTERPARTS.

THIS AGREEMENT dated as of April 15, 1970, by and between GOLDEN TYE CORPORATION, a South Carolina corporation (hereinafter called the Rebuilder) and SEABOARD COAST LINE RAILROAD COMPANY, a Virginia corporation (hereinafter called the Vendee).

INTERSTATE COMMERCE COMMISSION

MAY 8 - 1970 - 10 42 AM

REGISTRATION NO. 5708 Filed & Recorded

WHEREAS, the Rebuilder has acquired or will acquire title to three hundred (300) used railroad coal hopper cars (hereinafter called the Old Equipment) for the purpose of causing the same to be reconstructed as described herein and thereupon selling the same to Vendee, and the Vendee has agreed to purchase the Old Equipment as so reconstructed (hereinafter called the Equipment); and

WHEREAS, the Old Equipment has been or will be delivered to the Rebuilder and the Rebuilder has agreed with the Vendee to cause the Old Equipment to be rebuilt as required hereby to enable delivery of the Equipment to be made to the Vendee in accordance herewith.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

1. Construction and Sale. Pursuant to this Agreement, the Rebuilder will cause the Old Equipment to be reconstructed into the Equipment as described in Schedules A-1 through A-3, attached hereto, and will deliver the Equipment to the Vendee and the Vendee will purchase from the Rebuilder and accept delivery of and pay for the Equipment as hereinafter provided, each unit of which shall be standard gauge railroad rolling stock reconstructed in accordance with the specifications referred to in said Schedules and in accordance with such modifications thereof as may be agreed upon in writing between the Vendee and the Rebuilder (which specifications and modifications, if any, are attached hereto as stated in said Schedules and are hereinafter called the Specifications). The Rebuilder warrants to the Vendee that the design, quality and component parts of the Equipment will conform to all Department of Transportation and Interstate Commerce Commission requirements and specifications, and all standards recommended by the Association of American Railroads, reasonably interpreted as being applicable to railroad equipment of the character of the Equipment as of the date of this Agreement.

2. Inspection and Delivery; Payment of Rebuilder for Reconstruction. The Rebuilder will deliver the various units of the Equipment to the Vendee at Greenville, South Carolina, or such other point or points within the continental United States of America as shall be specified by the Vendee, freight charges, if any, prepaid, in accordance with the delivery dates set forth in said Schedules.

The Rebuilder's obligation as to time of delivery is subject, however, to delays resulting from causes beyond the Rebuilder's reasonable control, including, but not limited to, acts of God; acts of Government such as embargoes, priorities and allocations; war or war conditions; riot or civil commotion; sabotage; strikes; differences with workmen; accidents; fire; flood; explosion; damage to plant, equipment or facilities; delays in receiving necessary materials; or delays of carriers or subcontractors.

The Rebuilder shall pay to the Vendee as liquidated damages the sum of Five Hundred Dollars (\$500.00) plus the sum of Two Dollars (\$2.00) per calendar day for each unit of the Equipment not delivered and accepted and settled for hereunder on or before January 31, 1971, excepting, however, such delays, if any, as may be mutually agreed upon by the Rebuilder and Vendee as constituting excusable delays pursuant to the preceding provisions of this Article 2.

Notwithstanding the preceding provisions of this Article 2, any Equipment not delivered and accepted and settled for hereunder on or before January 31, 1971, shall be excluded from this Agreement and not included in the term "Equipment" as used in the Agreement. In the event of any such exclusion the parties hereto shall execute (a) an agreement supplemental hereto limiting this Agreement to the Equipment theretofore delivered, accepted and settled for hereunder and (b) if such exclusion resulted from one or more of the causes referred to in the second paragraph of this Article 2, a separate agreement providing for the purchase of such excluded Equipment by the Vendee from the Rebuilder on the terms herein specified, payment to be made in cash on delivery of such Equipment as set forth in Article 3 hereof.

During reconstruction, the Equipment shall be subject to inspection by inspectors or other authorized representatives of the Vendee, and the Rebuilder shall cause to be granted to such authorized inspectors or representatives reasonable access to the plant at which such reconstruction is taking place; provided, however, that such inspection shall not affect the warranties contained in Article 11 hereof. Upon completion of each unit or a number of units of the Equipment by the Rebuilder, such unit or units shall be delivered by the Rebuilder to the Vendee at the place of delivery designated as hereinabove provided. If the authorized inspector or representative finds that such unit or units conform to the specifications applicable thereto, he shall execute and deliver to the Rebuilder a certificate of acceptance (hereinafter called the Certificate of Acceptance) stating that each such unit has been accepted by him on behalf of the Vendee, conforms to the Specifications and the Department of Transportation requirements and is marked in accordance with the provisions of Article 6 hereof. Such Certificate of Acceptance shall be conclusive evidence that the Equipment covered thereby has been delivered to the Vendee and conforms to the Specifications and is acceptable to the Vendee; provided, however, that the Rebuilder shall not thereby be relieved of its warranties contained in Article 11 hereof.

On delivery of the units of Equipment hereunder and acceptance thereof on behalf of the Vendee as aforesaid, the Vendee hereby assumes with respect thereto the responsibility and risk of loss.

The price per unit of the Equipment for the reconstruction thereof by the Rebuilder, f. o. t. at the place of delivery designated, as hereinabove provided, shall be such amount as is set forth in the invoice of the Rebuilder referred to in Article 3 below. The Vendee agrees to make payment in cash to the Rebuilder, subject to the conditions hereinafter set forth. Settlement shall be made between the Vendee and the Rebuilder for the cost of the Equipment on not more than fifteen Closing Dates, fixed as hereinafter provided (the Equipment settled for on each Closing Date being hereinafter called a Group), each Group to consist of approximately 20 units of the Equipment delivered to and accepted by the Vendee. The term "Closing Date" with respect to any Group shall mean such date not more than ten business days after receipt by the Vendee of written notice thereof.

The term "business days" as used herein and in Article 3 hereof means calendar days, excluding Saturdays, Sundays and holidays.

The Vendee shall be under no obligation to make settlement with the Rebuilder for the cost of any Group unless there shall have theretofore been delivered to the Vendee and any assignees of the Rebuilder, in form and substance satisfactory to it, a favorable opinion of counsel for the Rebuilder, dated as of such Closing Date, addressed to the Vendee, stating that (i) the Rebuilder is a duly organized and existing corporation in good standing under the laws of its State of incorporation and has the power and authority to own its properties and to carry on its business as now conducted, (ii) this Agreement has been duly authorized, executed and delivered by the Rebuilder and is a legal and valid instrument binding upon the Rebuilder and enforceable against the Rebuilder in accordance with its terms, and (iii) at the time of delivery of the units of the Equipment in such Group by the Rebuilder hereunder, such units were free of all claims, liens, security interests and other encumbrances of the Rebuilder or of anyone claiming through the Rebuilder, except only the lien and security interest of Rebuilder under this Agreement.

In giving the opinion specified in this Article 2, counsel may qualify any opinion to the effect that (i) any agreement is a legal, valid and binding instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally and (ii) such opinion does not pass upon questions involving interest on interest.

The Rebuilder hereby represents and warrants to the Vendee, its successors and assigns, that this Agreement was duly authorized by it and

lawfully executed and delivered by it for a valid consideration, that it has no reason to believe that this Agreement is not a validly existing agreement, binding upon the parties thereto in accordance with its terms, and that assuming valid authorization, execution and delivery by the Vendee, this Agreement is, insofar as the Rebuilder is concerned, a valid and existing agreement binding upon the Rebuilder and the Vendee in accordance with its terms and that it is now in force.

3. Purchase Price and Payment. Upon delivery of each Group, as conclusively evidenced by the delivery of one or more Certificates of Acceptance in respect thereto, such Group shall be invoiced by the Rebuilder to the Vendee, and the Vendee agrees to pay the Purchase Price of \$9,292 per unit for the Equipment included in such Group as follows:

(a) the sum of \$180 per unit, such payment being known as the Initial Cash Payment.

(b) the balance of \$9,112 per unit shall be paid by the Vendee in 10 consecutive semiannual installments (such part of the Purchase Price being known as the Deferred Purchase Price).

Said 10 consecutive semiannual installments shall be paid on April 15 and October 15 of each year, commencing with October 15, 1970, and ending with April 15, 1975, in each case with interest at the prime rate plus 1/2 per cent per annum on the unpaid balance of the Deferred Purchase Price accruing from the date of payment by the Vendee to the Rebuilder of the Initial Cash Payment of such Group, or in the event of the transfer or assignment of this Agreement or some or all of the rights of the Rebuilder hereunder, as contemplated by Article 16 hereof, from the date of payment by the assignee to the Rebuilder of the balance of the Deferred Purchase Price of such Group, payable semi-annually, commencing October 15, 1970, with the aforesaid prime rate applicable to each semiannual payment being determined as of the first business day of the month immediately preceding the respective payment date.

The Vendee may, at its option, prepay at any time the unpaid balance of the Deferred Purchase Price on such Group, together with unpaid interest accrued on such balance to the date of such payment.

Interest under this Agreement shall be determined on the basis of a 360-day year of twelve 30-day months.

The prime rate under this Agreement shall be determined by the minimum commercial lending rate charged by the five leading commercial banks in New York City.

The Vendee shall pay interest upon all amounts remaining unpaid after the same shall become due and payable but prior to the Declaration of

Default as referred to in Article 17 hereof at the rate of one per cent per annum above the rate of interest applicable to such unpaid indebtedness pursuant to Article 3 hereof.

4. Taxes. All payments to be made by the Vendee hereunder will be free of expense to the Rebuilder for collection or other charges and will be free of expense to the Rebuilder with respect to the amount of any local, state or federal taxes (other than the federal income tax payable by the Rebuilder in consequence of the receipt of payments provided for herein and other than state or city income taxes or franchise taxes measured by net income based on such receipts, except any such tax which is in substitution for or relieves the Vendee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided), assessments or license fees (and any charges, fines or penalties in connection therewith) hereafter levied or imposed upon or in connection with or measured by, this Agreement or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which expenses, taxes, assessments, license fees, charges, fines and penalties the Vendee assumes and agrees to pay on demand in addition to the Purchase Price of the Equipment. The Vendee will also pay promptly all taxes, assessments or license fees (and any charges, fines or penalties in connection therewith) which may be imposed upon the Equipment or for the use or operation thereof or upon the earnings arising therefrom or upon the Rebuilder solely by reason of its ownership thereof and will keep at all times all and every part of the Equipment free and clear of all taxes and assessments which might in any way affect the title of the Rebuilder or result in a lien upon any unit of the Equipment; provided, however, that the Vendee shall be under no obligation to pay any taxes, assessments, license fees, charges, fines or penalties of any kind (hereinafter called "impositions") so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the nonpayment thereof does not, in the opinion of the Rebuilder, adversely affect the property or rights of the Rebuilder hereunder. If any such impositions shall have been charged or levied against the Rebuilder directly and paid by the Rebuilder, the Vendee shall reimburse the Rebuilder on presentation of invoice therefor, with interest thereon, and any sums of money so paid by the Rebuilder shall be secured by and under this Agreement; provided, further, that the Vendee shall not be obligated to reimburse the Rebuilder for any impositions so paid unless the Vendee shall have been given reasonable notice and opportunity to pay or defend against payment of such impositions on behalf of the Rebuilder.

5. Title to the Equipment. The Rebuilder shall and hereby does retain the full security title to and property in the Old Equipment and shall continue to retain such title during the entire period of time that the Old Equipment is being reconstructed into the Equipment and thereafter until title is transferred pursuant to the terms hereof. Any and all additions to the Old Equipment and any and all parts installed on or replacements made to the Old

Equipment shall constitute accessions thereto. The Rebuilder shall and hereby does retain the full security title to and property in the Equipment delivered to the Vendee hereunder until the Vendee shall have made all of the payments hereunder and shall have kept and performed all its agreements herein contained, notwithstanding the delivery of the Equipment to and the possession and use thereof by the Vendee. Any and all additions to the Equipment and any and all parts installed on or replacements made to the Equipment shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement.

When (subject to Article 7 hereof) and only when the Rebuilder shall have been paid the full indebtedness in respect of the Purchase Price of all the Equipment, together with interest and all other payments as herein provided, and all the Vendee's obligations herein contained shall have been performed, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Vendee without further transfer or action on the part of the Rebuilder; provided, however, that the Rebuilder, if so requested by the Vendee, will execute an instrument or instruments releasing its security title in the Equipment to the Vendee or upon its order without warranty except against liens, security interests and other encumbrances created or retained hereby or by anyone claiming through the Rebuilder and deliver such instrument or instruments to the Vendee at its address specified in Article 23 hereof, and will execute and deliver at the same place, for record or for filing in all necessary public offices, by and at the expense of the Vendee, such other instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the full title of the Vendee to the Equipment, and will pay to the Vendee any money paid to the Rebuilder pursuant to Article 7 hereof and not theretofore applied as therein provided.

The Vendee hereby waives and releases any and all rights, existing or that may be acquired in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such instrument or instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such instrument or instruments within a reasonable time after written demand of the Vendee.

6. Marking of Equipment. The Vendee will cause each unit of the Equipment delivered to it and accepted by it to be kept numbered with the identifying number as set out in said Schedules, and will cause each side of such unit to be kept plainly, distinctly, permanently and conspicuously marked in letters not less than one inch in height, the words, "Golden Tye Corporation, Owner", or other appropriate words designated by the Rebuilder, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the security title of the Rebuilder to such unit and its rights under this Agreement. The Vendee will not permit any such unit of the Equipment to be placed in operation or

exercise any control or dominion over any such unit unless each side of such unit shall have been so marked and will replace promptly any such marking or renew any such marking, which may be removed, defaced or destroyed. The Vendee will not permit the identifying numbers of any such units to be changed except in accordance with a statement of new numbers to be substituted therefor, which statement previously shall have been filed with the Rebuilder by the Vendee and promptly filed, recorded or deposited in all public offices where this Agreement shall have been filed, recorded or deposited.

Except as above provided, the Vendee shall not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Vendee may cause the Equipment to be lettered with the name or initials or other insignia of the Vendee or any affiliate of the Vendee for convenience of identification of their interests therein.

7. Lost, Destroyed or Damaged Equipment. In the event that any unit of the Equipment shall be or become worn out, lost, stolen, destroyed or irreparably damaged from any cause whatsoever during the continuance of this Agreement (hereinafter called a Casualty Occurrence) the Vendee shall replace the unit at its own cost with other operable standard gauge rolling stock equal in value to the depreciated value and of substantially as good material and construction as that worn out, lost, stolen, destroyed or irreparably damaged, and shall give the Rebuilder or its assignees an opinion of counsel to the effect that this Agreement constitutes a first lien on such replacement unit, and shall execute, deliver and file and record such further document as may be reasonably requested by the Rebuilder or its assignees in support of such opinion, or the Vendee shall promptly pay to the Rebuilder or its assignees a sum equal to the balance of the Deferred Purchase Price applicable to such unit together with interest accrued thereon to the date of such payment, in which event all succeeding installments of the Deferred Purchase Price shall be correspondingly reduced. Upon any such payment by the Vendee to the Rebuilder, title to and property in such unit shall pass to and vest in the Vendee, without further transfer or action on the part of Rebuilder. Any and all such replacements of units of Equipment shall be subject to the terms and conditions of this Agreement as though part of the original Equipment delivered hereunder.

Notwithstanding the provisions of the preceding paragraph, the Rebuilder will, if requested by Vendee so to do, to the extent of the Vendee's equity in such units of equipment, waive the requirements provided therein with respect to the replacement of worn out, lost, stolen, destroyed or irreparably damaged units or the payment to the Rebuilder of a sum equal to the then unpaid balance of the Deferred Purchase Price applicable to such units. Any such waiver, however, shall apply only to a total at any one time of such units which become worn out, lost, stolen, destroyed or irreparably damaged, the Deferred Purchase Price of which aggregates not more than

\$150,000 and shall not exceed the amount theretofore paid by the Vendee upon the principal of the Deferred Purchase Price.

8. Reports and Inspections. If requested so to do in writing, on or before April 1 in each year, commencing with the year 1971, the Vendee will furnish to the Rebuilder or its assignees an accurate statement of an authorized officer of the Vendee as of the preceding December 31 which shall (a) show the amount, description and numbers of all units of the Equipment and indicate which units have suffered a Casualty Occurrence during the preceding calendar year (or since the date of delivery hereunder of any of the Equipment, in the case of the first such statement), and the condition and state of repair of the remaining Equipment; and (b) stating that, in the case of all Equipment repaired or repainted during the period covered by such statement, the markings required by Article 6 hereof, or by the assignment of this Agreement, have been preserved or replaced.

9. Possession and Use. The Vendee, so long as it is not in default under this Agreement, shall be entitled from and after delivery of the Equipment to the Vendee, to the possession of the Equipment and the use thereof but only upon and subject to all the terms and conditions of this Agreement.

So long as no event of default shall have occurred and be continuing hereunder, the Vendee shall be entitled to the possession and use of the Equipment, and the Equipment may be used upon the lines of railroad owned or operated by the Vendee (or any other railroad company approved by the Rebuilder) or upon lines of railroad over which it has trackage or other operating rights, and the Equipment may be used also upon connecting and other carriers in the usual interchange of traffic or other reciprocal equalization or other arrangement for the ordinary exchange of equipment or in the transportation thereof from the place of delivery to the lines of railroad of the Vendee pursuant to arrangements therefor made by the Vendee, but only upon and subject to all the terms and conditions of this Agreement. The Vendee may also permit the use of the Equipment by any other party in the ordinary course of business; provided, however, that the rights of such party are made expressly subordinate to the rights and remedies of the Rebuilder under this Agreement.

10. Maintenance and Repair. The Vendee will at all times maintain each unit of the Equipment in good order and repair at its own expense.

11. Rebuilder's Warranty. The Rebuilder warrants to the Vendee that the units of the Equipment will be rebuilt in accordance with the Specifications and standards set forth or referred to in Article 1 hereof and warrants the Equipment will be free from defects in material (except as to specialties incorporated therein specified by the Vendee and not manufactured

by the Rebuilder), workmanship or design (except as to design not developed by the Rebuilder) under normal use and service, Rebuilder's obligation under this paragraph being limited to making good at its plant any part or parts of any unit of the Equipment which shall, within one year after delivery thereof, be returned to the Rebuilder with transportation charges prepaid and which Rebuilder's examination shall disclose to its satisfaction to have been thus defective. This warranty is expressly in lieu of all other warranties, expressed or implied, including any implied warranty of merchantability or fitness for a particular purpose, and the Rebuilder neither makes nor authorizes any other person to make for it any other such warranty in connection with the reconstruction and delivery of the Equipment except as aforesaid. The Rebuilder agrees to and does hereby, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, transfer, assign, set over and deliver to the Vendee every claim, right and cause of action which the Rebuilder has or hereafter shall have against any party who shall perform any of the reconstruction of the Old Equipment which the Rebuilder has agreed to perform hereunder and the Rebuilder further agrees to execute and deliver to the Vendee all and every such further assurance as may be reasonably requested by the Vendee more fully to effectuate the assignment, transfer and delivery of every such claim, right and cause of action.

Rebuilder covenants and agrees to hold the Vendee and any lessee of the Equipment harmless from any liability or expense to the Vendee or any such lessee of any unit of the Equipment or any part thereof, arising out of any injury to, or death of, any officer or employee of Rebuilder in connection with his inspection or repair on the premises of Rebuilder.

The warranties and indemnities of the Rebuilder contained in this Article 11 and in any other articles hereof and all other covenants and obligations of the Rebuilder contained in this Agreement shall inure to the benefit of, and be enforceable by, any vendee, lessee, assignee or transferee, of this Agreement or of any units of the Equipment constructed by the Rebuilder hereunder.

The Rebuilder further agrees with the Vendee that neither the inspection as provided in Article 2 hereof, nor any examination, nor the acceptance of any units of the Equipment by the Vendee under Article 2 hereof shall be deemed a waiver by the Vendee of any of its rights under this Article 11.

12. Compliance with Laws and Rules. During the term of this Agreement, the Vendee will comply, and will cause any lessee of the Equipment to comply, in all respects with all laws of the jurisdictions in which the Equipment may be operated, with all standards recommended by the Association of American Railroads and with all lawful rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or

jurisdiction over the Equipment, to the extent that such laws and rules affect the operation or use of the Equipment. In the event that such laws or rules require the alteration of the Equipment, the Vendee will conform therewith, at its expense, and will maintain the same in proper condition for operation under such laws and rules; provided, however, that the Vendee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Rebuilder, adversely affect the property or rights of the Rebuilder hereunder.

13. Prohibition against Liens. The Vendee will pay or satisfy and discharge any and all sums claimed by any party by, through or under the Vendee or its successors or assigns which, if unpaid, might become a lien, charge or security interest upon the Equipment, or any unit thereof, equal or superior to the security title of the Rebuilder therein, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Rebuilder, adversely affect the property or rights of the Rebuilder hereunder.

This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', artisans' or other like liens arising in the ordinary course of business and, in each case, not delinquent.

14. Indemnities. The Vendee agrees to indemnify, protect and save harmless the Rebuilder and its assignees from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including counsel fees, arising out of retention by the Rebuilder or its assignees of title to the Old Equipment or the Equipment or out of the use and operation thereof during the period when security title therein remains in the Rebuilder or its assignees or arising out of the transfer of such title by the Rebuilder pursuant to any provisions of this Agreement. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the indebtedness in respect of the Purchase Price and the conveyance of the Equipment, as provided in Article 5 hereof, or the termination of this Agreement in any manner whatsoever.

The Vendee will bear the risk of, and shall not be released from its obligations hereunder in the event of, any damage to, or the destruction or loss of, any unit of or all the Equipment; provided, however, that the Rebuilder shall not be relieved from its warranty covering material and workmanship contained in Article 11 hereof.

15. Patent Indemnities. Except in cases of designs specified by the Vendee and not developed or purported to be developed by the Rebuilder,

and articles and materials specified by the Vendee and not manufactured by the Rebuilder, the Rebuilder agrees to indemnify, protect and hold harmless the Vendee from and against any and all liabilities, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Vendee because of the use in or about the construction or operation of the Equipment or the reconstruction of the Old Equipment, or any unit thereof, of any design, article or material infringing or claimed to infringe on any patent or other similar right. The Rebuilder agrees to and hereby does, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, transfer, assign, set over and deliver to the Vendee every claim, right and cause of action which the Rebuilder has or hereafter shall have against the originator of any design specified by the Vendee and not developed or purported to be developed by the Rebuilder or the seller or sellers of any designs, articles or materials so specified by the Vendee or purchased or otherwise acquired by the Rebuilder or a subcontractor of the Rebuilder for use in or about or in connection with the construction or operation of the Equipment or the reconstruction of the Old Equipment on the ground that any such design, article or material or operation thereof infringes or is claimed to infringe on any patent or other right, and the Rebuilder further agrees to execute and deliver to the Vendee all and every such further assurance as may be reasonably requested by the Vendee more fully to effectuate the assignment, transfer and delivery of every such claim, right and cause of action. The Rebuilder will give notice to the Vendee of any claim known to the Rebuilder from which liability may be charged against Vendee hereunder and the Vendee will give notice to the Rebuilder of any claim known to it from which liability may be charged against the Rebuilder hereunder.

16. Assignments. The Vendee will not sell, assign or transfer its rights under this Agreement or, except as provided in Article 9 hereof, transfer the right to possession of any unit of the Equipment unless such assignment or transfer is made expressly subject in all respects to the rights and remedies of the Rebuilder hereunder.

All or any of the rights, benefits and advantages of the Rebuilder under this Agreement, including the right to receive the payments herein provided to be made by the Vendee hereunder, may be assigned by the Rebuilder and reassigned by any assignee at any time or from time to time. No such assignment shall subject any assignee to, or relieve the Rebuilder from, any of the obligations of the Rebuilder to reconstruct and to deliver the Equipment in accordance herewith, or to respond to its warranties and indemnities contained in Articles 11 and 15 hereof or relieve the Vendee of its obligations to the Rebuilder under Articles 1, 2, 3, 4, 14 and 15 hereof and this Article 16 or any other obligation which, according to its terms and context, is intended to survive an assignment.

Upon any such assignment either the assignor or the assignee shall give written notice to the Vendee, together with a counterpart or copy of such assignment, stating the identify and post office address of the assignee, and such assignee shall by virtue of such assignment acquire all of the Rebuilder's right, title and interest in and to the Equipment, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Vendee of the notification of any such assignment, all payments thereafter to be made by the Vendee hereunder shall, to the extent so assigned, be made to the assignee at the address of the assignee specified in the aforesaid notice; and all reports, opinions of counsel, and duties imposed hereunder on the Vendee for the purpose of protecting the security title of the assignee in the Equipment shall be made to the assignee at said address.

The Vendee expressly represents, for the purpose of assurance to the Rebuilder and any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Rebuilder hereunder, and for the purpose of inducing the Rebuilder to participate in the transactions contemplated by this Agreement, that the rights of the Rebuilder or any assignee of the indebtedness in respect of the Purchase Price of the Equipment or such part thereof as may be assigned, together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Rebuilder in respect of the Equipment, or the reconstruction, delivery or warranty thereof, or in respect of any indemnity herein contained, nor subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee by the Rebuilder. Any and all such obligations howsoever arising shall be and remain enforceable by the Vendee against and only against the Rebuilder.

In the event of any such assignment, or successive assignments by the Rebuilder, of title to the Equipment and of the Rebuilder's rights hereunder in respect thereof, the Vendee will, whenever requested by such assignee, cause the markings on each side of each unit of the Equipment to be changed so as to indicate the title of such assignee to the Equipment, such markings to bear such words or legend as shall be specified by such assignee, subject to requirements of the laws of the jurisdictions in which the Equipment shall be operated relating to such markings for use on equipment covered by conditional sale agreements with respect to railroad equipment. The cost of changing any marking in the case of the first assignment by the Rebuilder hereunder shall be borne by the Vendee.

If, upon any such assignment, the assignee shall not make payment to the Rebuilder with respect to any or all of the Equipment, the Rebuilder will promptly notify Vendee of such event, and if such amount shall not have been previously paid by assignee, the Vendee will, not later than ninety (90) days

after the date such payment was due, pay or cause to be paid to Rebuilder the Purchase Price of the Equipment, together with interest at the prime rate from the date such payment was due.

17. Defaults. An event of default shall occur in case:

(a) The Vendee shall fail to pay in full, when due and payable hereunder, any sum payable by the Vendee hereunder and such failure shall continue for more than ten (10) days after such payment shall have become due and payable; or

(b) The Vendee shall, for more than 30 days after the Rebuilder shall have demanded in writing performance thereof, fail or refuse to comply with any covenant, agreement, term or provision of this Agreement on its part to be kept or performed or to make provision satisfactory to the Rebuilder for such compliance; or

(c) A petition for reorganization under Section 77 of the Bankruptcy Act, as now constituted or as said Section 77 may be hereafter amended, shall be filed by or against the Vendee and, unless such petition shall be dismissed, nullified, stayed, or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Vendee under this Agreement shall not have been duly assumed in writing pursuant to a court order or decree, by a trustee or trustees appointed in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees within 30 days after such appointment, if any, or 60 days after such petition shall have been filed, whichever shall be earlier; or

(d) Any proceedings shall be commenced by or against the Vendee for any relief under any bankruptcy or insolvency law, or law relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions, or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder), and, unless such proceedings shall be dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Vendee hereunder shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for the Vendee or for its property in connection with any such proceedings in such

manner that such obligations shall have the same status as obligations incurred by such trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier; or

(e) The Vendee shall make or suffer any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of any unit of the Equipment and shall fail or refuse to cause such assignment or transfer to be cancelled by agreement of all parties having any interest therein and to recover possession of such unit of the Equipment within thirty (30) days after written notice from the Rebuilder to the Vendee demanding such cancellation and recovery of possession.

At any time after the occurrence of such event of default the Rebuilder or any of its assignees may, at its option, declare (hereinafter called a Declaration of Default) the entire unpaid balance of the Deferred Purchase Price of the Equipment, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such declaration at the rate of 1/2 of one percent per annum above the interest rate applicable under Article 3 hereof at the time of the Declaration of Default, and the Rebuilder shall thereupon be entitled to recover judgment in any court having jurisdiction over the Vendee or its property, in addition to its other remedies provided for herein, for the entire unpaid balance of the Deferred Purchase Price of the Equipment so payable, with interest as aforesaid, together with attorneys' fees and expenses incurred to recover such judgment, and any other amounts due and owing hereunder, and to collect such judgment out of any property of the Vendee wherever situated.

18. Remedies. At any time after a Declaration of Default, the Rebuilder may take or cause to be taken by its agent or agents immediate possession of the Equipment, or any unit thereof, without liability to return to the Vendee any sums therefor paid and free from all claims whatsoever, except as hereinafter in this Article 18 expressly provided, and may remove the same from possession and use of the Vendee and for such purpose may enter upon the premises where the Equipment may be located and may use in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Vendee with or without process of law.

In case the Rebuilder shall rightfully demand possession of the Equipment in pursuance of this Agreement and shall designate a point or points upon the lines of the Vendee for the delivery of the Equipment to the Rebuilder, the Vendee shall, at its own expense, forthwith and in the usual

manner, cause the Equipment to be moved to such point or points as shall be designated by the Rebuilder and shall there deliver the Equipment or cause it to be delivered to the Rebuilder. At the option of the Rebuilder, the Rebuilder may keep the Equipment on any of the lines of railroad or premises of the Vendee for a reasonable time until the Rebuilder shall have leased, sold or otherwise disposed of the same. For such purpose the Vendee agrees to furnish, without charge for rent or storage, the necessary facilities at any point or points selected by the Rebuilder. This Agreement to deliver the Equipment and to furnish facilities for its storage as hereinbefore provided is of the essence of the agreement between the parties and, upon application to any court of equity having jurisdiction in the premises, the Rebuilder shall be entitled to a decree against the Vendee requiring specific performance hereof. The Vendee hereby expressly waives any and all claims against the Rebuilder and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the Equipment in any reasonable manner so long as such retaking by the Rebuilder shall be undertaken with reasonable care.

After the entire indebtedness in respect of the Deferred Purchase Price of the Equipment shall have been declared immediately due and payable as hereinabove provided (unless such Declaration has been rescinded), the Rebuilder with or without retaking possession thereof at its election and upon ten days' notice to the Vendee and to any other persons to whom the law may require notice of the time and place, may sell the Equipment, or any unit thereof, free from any and all claims of the Vendee or any other party claiming by, through or under the Vendee at law or in equity, at public or private sale and with or without advertisement as the Rebuilder may determine; provided, however, that if, prior to such sale or prior to the making of a contract for such sale, the Vendee should tender full payment of the entire indebtedness in respect of the Deferred Purchase Price of the Equipment, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Rebuilder in retaking, holding and preparing the Equipment for disposition and arrangement for the sale and the Rebuilder's reasonable attorneys' fees, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Vendee. The proceeds of such sale, less the attorneys' fees and any other expenses incurred by the Rebuilder in taking possession of, removing, storing and selling the Equipment, shall be credited on the amount due to the Rebuilder under the provisions of this Agreement.

Any sale hereunder may be held or conducted at such place or places and at such time or times as the Rebuilder may specify, in one lot and as an entirety or in separate lots, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Rebuilder may determine. The Rebuilder may itself bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale.

Each and every power and remedy hereby specifically given to the

Rebuilder shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Rebuilder except as such exercise may be expressly limited herein. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others except as such exercise may be limited herein. No delay, except where time limits are expressly herein provided, or omission of the Rebuilder in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein.

All sums of money realized by the Rebuilder from the sale shall be applied, first to the payment of the expenses and liabilities of the Rebuilder herein undertaken to be paid, second to the payment of interest on the unpaid Purchase Price of the Equipment accrued and unpaid and third to the payment of the unpaid Purchase Price of the Equipment. If, after applying as aforesaid all sums of money realized by the Rebuilder under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Vendee shall pay the amount of such deficiency to the Rebuilder upon demand, and, if the Vendee shall fail to pay such deficiency, the Rebuilder may bring suit therefor and shall be entitled to recover judgment therefor against the Vendee. If, after applying as aforesaid all sums realized by the Rebuilder, there shall remain a surplus in the possession of the Rebuilder, such surplus shall be paid to the Vendee.

The Vendee will pay all reasonable expenses, including attorneys' fees, incurred by the Rebuilder in enforcing its remedies under the terms of this Agreement. In the event that the Rebuilder shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Rebuilder may recover reasonable expenses, including attorneys' fees, and the amount thereof shall be included in such judgment.

The foregoing provisions of this Article 18 are subject in all respects to all mandatory requirements of law at the time in force and applicable thereto.

In the event of assignments of interest hereunder to more than one assignee, each such assignee shall be entitled to exercise all rights of the Rebuilder hereunder in respect of the Equipment assigned to such assignee irrespective of any action or failure to act on the part of any other assignee. A default by the Vendee in an obligation or duty owned to an assignee shall constitute a default with respect to any other assignee.

19. Applicable State Laws. Any provision of this Agreement prohibited by any applicable law of any jurisdiction shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this

Agreement. Where, however, the conflicting provisions of any applicable law of any jurisdiction may be waived, they are hereby waived by the Vendee to the full extent permitted by law, to the end that this Agreement shall be deemed to be a conditional sale and enforced as such.

Except as otherwise provided in this Agreement, the Vendee, to the fullest extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice or intention to take possession of or to sell the Equipment, or any unit thereof, and any other requirements as to the time, place and terms of sale thereof, any other requirements with respect to the enforcement of the Rebuilder's rights hereunder and any and all rights of redemption.

20. Extension Not a Waiver. No delay or omission in the exercise of any power or remedy herein provided or otherwise available to the Rebuilder shall impair or affect the Rebuilder's right thereafter to exercise the same. Any extension of time for payment hereunder or other indulgence duly granted to the Vendee shall not otherwise alter or affect the Rebuilder's rights or the obligations of the Vendee hereunder. The Rebuilder's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter, waive or affect the obligations of the Vendee or the Rebuilder's rights hereunder.

21. Recording. Prior to the delivery and acceptance of any unit of the Equipment, the Vendee will cause this Agreement and any assignment hereof or of any interest herein, and any supplements hereto or thereto, to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act; and the Vendee will from time to time do and perform any other act and will execute, acknowledge, deliver, file and record any and all further instruments in such place or places as are required by law or reasonably requested by the Rebuilder for the purpose of proper protection, to the satisfaction of counsel for the Rebuilder, of its title to the Equipment and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement. The Vendee will promptly furnish to the Rebuilder or its assignee evidences of such filing or recording and an opinion or opinions of counsel for the Vendee with respect thereto, satisfactory to the Rebuilder or its assignee and its counsel, and stating that in the opinion of counsel Rebuilder or its assignee has a first lien security interest in the Equipment thus delivered and accepted.

22. Payment of Expenses. The Vendee shall pay all reasonable costs, charges and expenses, except the counsel fees of Rebuilder, but including reasonable counsel fees of the first assignee or assignees, incident to the preparation, execution, acknowledgment and recordation of this Agreement and of the first assignment hereof, and all such costs, charges and expenses in connection with any instrument supplemental hereto or amendatory hereof and of any declaration of the payment in full of the purchase money due hereunder.

23. Notice. Any notice hereunder shall be deemed to be properly served if delivered or mailed as follows:

(a) to the Vendee: 3600 West Broad Street,
Richmond, Virginia 23230, Attention of Treasurer;

(b) to the Rebuilder: P. O. Box 1946, Greenville,
South Carolina 29602, Attention of Vice President & General Manager;
and

(c) to any assignee of the Rebuilder or of the Vendee;
to such assignee at such address as may have been furnished
in writing to the parties hereto by such assignee;

or at such other address as may have been furnished in writing by any such party to the other parties hereto.

24. Immunities. No recourse shall be had in respect of any obligation due under this Agreement, or referred to herein, against any incorporator, stockholder, director or officer, past, present or future, of the Vendee or the Rebuilder, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors or officers, being forever released as a condition of and as consideration for the execution of this Agreement.

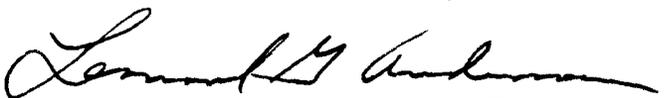
25. Effect and Modification of Agreement. This Agreement and said Schedules exclusively and completely state the rights and agreements of the Rebuilder and the Vendee with respect to the Equipment and supersede all other agreements, oral and written, with respect to the Equipment. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Rebuilder and the Vendee. No variation or modification of this Agreement shall affect or alter the rights of an assignee of this Agreement without such assignee's written consent.

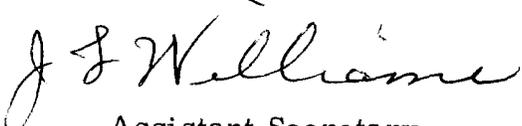
26. Laws Governing. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of North Carolina, provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and by the recordation provisions of any other act pursuant to which this Agreement is recorded.

27. Execution. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this Agreement to be signed in their respective corporate names by duly authorized officers and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

SEABOARD COAST LINE RAILROAD COMPANY

(Corporate Seal) By  Treasurer

Attest: 
Assistant Secretary

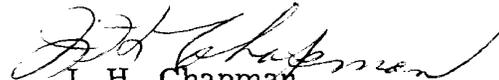
GOLDEN TYE CORPORATION

(Corporate Seal) By  President

Attest: 
Secretary

COMMONWEALTH OF VIRGINIA)
) ss.
CITY OF RICHMOND)

On this *27th* day of April, 1970, before me personally appeared Leonard G. Anderson, to me personally known, who, being by me duly sworn, says that he is the Treasurer of Seaboard Coast Line Railroad Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

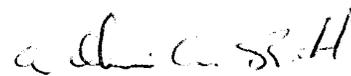

J. H. Chapman
Notary Public

(Notarial Seal)

My Commission Expires August 8, 1970

STATE OF SOUTH CAROLINA)
) ss.
COUNTY OF GREENVILLE)

On this *5th* day of ~~April~~ ^{May}, 1970, before me personally appeared F. E. Haag, to me personally known, who, being by me duly sworn, says that he is the President of Golden Tye Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



(Notarial Seal)

Notary Public

My Commission Expires *11/19/79*

SCHEDULE A-1

<u>Type</u>	<u>Vendee's Specification</u>	<u>Place of Reconstruction</u>	<u>Quantity</u>	<u>Vendee's Identifying Numbers (both inclusive)</u>	<u>Time of Delivery</u>
60-ton Twin Hopper Cars	No. 6 dated 10/21/69, attached hereto	Pickens, S.C.	110	SCL 160200-160309	May-December, 1970

Assignee of Vendor: North Carolina National Bank

SCHEDULE A-2

<u>Type</u>	<u>Vendee's Specification</u>	<u>Place of Reconstruction</u>	<u>Quantity</u>	<u>Vendee's Identifying Numbers (both inclusive)</u>	<u>Time of Delivery</u>
60-ton Twin Hopper Cars	No. 6 dated 10/21/69, attached hereto	Pickens, S. C.	55	SCL 160310-160364	May-December, 1970

Assignee of Vendor: Wachovia Bank & Trust Company

SCHEDULE A-3

<u>Type</u>	<u>Vendee's Specification</u>	<u>Place of Reconstruction</u>	<u>Quantity (both inclusive)</u>	<u>Vendee's Identifying Numbers</u>	<u>Time of Delivery</u>
60-ton Twin Hopper Cars	No. 6 dated 10/21/69, attached hereto	Pickens, S.C.	135	SCL 160365 - 160499	May-December, 1970

Assignee of Vendor:

AGREEMENT AND ASSIGNMENT

THIS AGREEMENT AND ASSIGNMENT, dated as of April 15, 1970, by and between GOLDEN TYE CORPORATION, a South Carolina corporation with its principal office at Greenville, South Carolina (hereinafter called the Rebuilder), and NORTH CAROLINA NATIONAL BANK, a corporation duly organized and existing under the laws of the United States of America, with its principal office at Charlotte, North Carolina (hereinafter called the Assignee).

WHEREAS, the Rebuilder and SEABOARD COAST LINE RAILROAD COMPANY, a Virginia corporation with its principal office at 3600 West Broad Street, Richmond, Virginia 23230 (hereinafter called the Railroad), have entered into a Conditional Sale Agreement, dated as of April 15, 1970 (hereinafter called the Conditional Sale Agreement), covering the reconstruction, sale and delivery by the Rebuilder and the purchase by the Railroad of the railroad equipment described in Schedule A-1 to the Conditional Sale Agreement (said equipment being hereinafter called the Equipment);

NOW, THEREFORE, this Agreement and Assignment Witnesseth that, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to the Rebuilder, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained:

1. The Rebuilder hereby assigns, transfers and sets over unto the Assignee, its successors and assigns, (i) all the right, title and interest of the Rebuilder in and to the Equipment and each unit thereof when and as severally delivered and accepted and upon payment by the Assignee to the Rebuilder of the amounts required to be paid under Section 6 hereof; (ii) all the right, title and interest of the Rebuilder in and to the Conditional Sale Agreement (except the right to reconstruct and the right to receive the payments specified in subparagraph (a) of Article 3 thereof and reimbursement for taxes paid or incurred by the Rebuilder as provided in Article 4 thereof), insofar as same relates to the Equipment, and in and to any and all amounts which may be or become due or owing by the Railroad under the Conditional Sale Agreement on account of its indebtedness in respect of the purchase price of the Equipment and interest thereon, and in and to any other sums becoming due from the Railroad under the Conditional Sale Agreement, insofar as same relates to the Equipment, other than those hereinabove excluded; and (iii) all the Rebuilder's rights, powers, privileges and remedies under the Conditional Sale Agreement, insofar as same relates to the Equipment (without any recourse, however, against the Rebuilder for or on account of the failure of the Railroad to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the Conditional Sale Agreement); provided, however, that this Agreement and Assignment shall not subject the Assignee to, or transfer, or in any way affect or modify, the liability of the Rebuilder to reconstruct and

deliver the Equipment in accordance with the Conditional Sale Agreement or in respect of its obligations contained in Articles 11 and 15 of the Conditional Sale Agreement, or relieve the Railroad from its obligations to the Rebuilder under Article 14 of the Conditional Sale Agreement, it being understood and agreed that, notwithstanding this Agreement and Assignment, or any subsequent assignment pursuant to the provisions of Article 16 of the Conditional Sale Agreement, all obligations of the Rebuilder to the Railroad in respect of the Equipment shall be and remain enforceable by the Railroad, its successors and assigns, against and only against the Rebuilder. In furtherance of the foregoing assignment and transfer, the Rebuilder hereby authorizes and empowers the Assignee, in the Assignee's own name or in the name of the Assignee's nominee, or in the name of and as Attorney, hereby irrevocably constituted, for the Rebuilder, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Agreement and Assignment and compliance by the Railroad with the terms and agreements on its part to be performed under the Conditional Sale Agreement, but at the expense and liability and for the sole benefit of the Assignee.

The Assignee hereby assumes the obligations of the Rebuilder (as defined in the Conditional Sale Agreement) with respect to moneys received by it under Articles 7 and 18 of the Conditional Sale Agreement.

2. The Rebuilder covenants and agrees that it will reconstruct the Equipment in full accordance with the Conditional Sale Agreement and will deliver the same upon completion to the Railroad in accordance with the provisions of the Conditional Sale Agreement; and that, notwithstanding this Agreement and Assignment, it will perform and fully comply with each and all of the covenants and conditions of the Conditional Sale Agreement set forth to be performed and complied with by the Rebuilder. The Rebuilder further covenants and agrees that it will warrant to the Assignee and the Railroad that at the time of delivery of any unit of the Equipment it had legal title to such unit and good and lawful right to sell such unit and that the title to such unit was free of all claims, liens and encumbrances of the Rebuilder or of anyone claiming through the Rebuilder except only the rights of the Railroad under the Conditional Sale Agreement, and the Assignee under this Agreement and Assignment.

3. The Rebuilder covenants and agrees with the Assignee that in any suit, proceeding or action brought by the Assignee under the Conditional Sale Agreement for any installment of, or interest on, indebtedness in respect of the Purchase Price, or to enforce any provision of the Conditional Sale Agreement, the Rebuilder will save, indemnify and keep harmless the Assignee from and against all expense, loss or damage suffered by reason of any defense, set-off, counterclaim or recoupment whatsoever of the Railroad arising out of a breach by the Rebuilder of any obligation in respect of the Equipment or the manufacture, construction, delivery, guaranty or warranty thereof, or under Articles 11 and 15 of the Conditional Sale Agreement, or by reason of any

defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Railroad by the Rebuilder other than liability with respect to moneys received by the Assignee under Articles 7 and 18 of the Conditional Sale Agreement which is expressly assumed by the Assignee hereunder. Any and all such obligations (except as aforesaid) shall be and remain enforceable by the Railroad against and only against the Rebuilder and shall not be enforceable against the Assignee or any party or parties in whom title to the Equipment or any unit thereof or the rights of the Rebuilder under the Conditional Sale Agreement shall vest by reason of this assignment or of successive assignments or transfers. Subject to the provisions of Article 15 of the Conditional Sale Agreement, the Rebuilder and any successor or successors to its properties and business will save, indemnify and keep harmless the Assignee from and against any and all royalties, damages, claims, suits, judgments and costs that may arise from the use of any patented article on the Equipment, or any unit thereof, at the time of delivery; provided that the Rebuilder shall not be so obligated unless it shall be promptly notified of any action for, or threat or claim of, such infringement, actual or alleged, coming to the notice of the Assignee and unless the Rebuilder shall be permitted, at its own expense, to conduct the defense of the same and be given access to such evidence in the possession of the Assignee as may be necessary for such defense.

4. The Rebuilder will cause the following words to be plainly, distinctly and conspicuously marked on each side of each such unit, in each case in letters not less than one inch in height:

"NORTH CAROLINA NATIONAL BANK, CHARLOTTE, N.C., OWNER."

5. Upon request of the Assignee, its successor and assigns, the Rebuilder will execute any and all instruments which may be necessary or proper in order to discharge of record the Conditional Sale Agreement, insofar as same relates to the Equipment, or any other instrument evidencing any interest of the Rebuilder therein or in the Equipment.

6. For each Group of Equipment delivered to and accepted by Railroad on or before January 31, 1971, Assignee will pay Rebuilder the Deferred Purchase Price of \$9,112 per unit of equipment provided for in subparagraph (b) of Article 3 of the Conditional Sale Agreement, but Assignee will not pay for more than 110 units or an aggregate amount in excess of \$1,000,000. With respect to each Group of Equipment (as defined in said Article 3), Assignee will make payment therefor to Rebuilder within five days after receipt by the Assignee of the following documents, in form and substance satisfactory to it;

(a) A Bill of Sale from the Rebuilder to the Assignee, transferring to the Assignee title to the units of the Equipment

in such Group and warranting to the Assignee and to the Railroad that at the time of delivery to the Railroad the Rebuilder had legal title to such units and good and lawful right to sell such units and that title to such units was free of all claims, liens and encumbrances of the Rebuilder or of anyone claiming through the Rebuilder except only the rights of the Railroad under the Conditional Sale Agreements, and the Assignee under this Agreement and Assignment.

(b) A certificate or certificates signed by an authorized representative of the Railroad stating that the units of the Equipment in such Group have been inspected and accepted by him on behalf of the Railroad as conforming in all respects to the requirements of the Conditional Sale Agreement at the delivery point provided for in Article 2 thereof and further stating that all such units have been marked as required by Article 4 hereof;

(c) An invoice for the units of the Equipment in such Group accompanied by or having endorsed thereon a certification by the Railroad as to the correctness of the Deferred Purchase Price of such units;

(d) An opinion of counsel for the Rebuilder to the effect that such Bill of Sale is valid and effective and that title to the units of the Equipment in such Group is validly vested in the Assignee, free of all claims, liens and encumbrances of the Rebuilder or of any one claiming through the Rebuilder except only the rights of the Railroad under the Conditional Sale Agreement;

(e) An opinion of counsel for the Railroad to the effect that the Bill of Sale from the Railroad to the Rebuilder, transferring to the Rebuilder title to the units of the Old Equipment (as defined in the Conditional Sale Agreement) in such Group is valid and effective and that title to the units of the Old Equipment in such Group at the time of delivery of such Bill of Sale was validly vested in the Rebuilder free of all claims, liens and encumbrances.

(f) A receipt from the Rebuilder for the Initial Cash Payment, as defined in Article 3(a) of the Conditional Sale Agreement, for each unit of Equipment in such Group.

It is understood and agreed that the Assignee shall not be required to make any payment in respect of any Equipment excluded from the Conditional Sale Agreement pursuant to Article 2 thereof. The Assignee shall at

the request of the Rebuilder or the Railroad execute or join in the execution of such supplemental agreement as may be deemed necessary or appropriate to exclude any such Equipment from the Conditional Sale Agreement and from this Agreement and Assignment.

7. The Assignee may assign all or any of its rights under the Conditional Sale Agreement, including the right to receive any payments due or to become due to it from the Railroad thereunder. In the event of any such assignment any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

8. The Rebuilder hereby:

(a) represents and warrants to the Assignee, its successors and assigns, that the Conditional Sale Agreement was duly authorized and lawfully executed and delivered by the Rebuilder and has not been amended, that the Conditional Sale Agreement is a valid and binding instrument enforceable in accordance with its terms and that, assuming valid authorization, execution and delivery by the Railroad, it is, insofar as the Rebuilder is concerned, a valid existing agreement binding upon the Rebuilder and the Railroad in accordance with its terms; and

(b) covenants and agrees that it will from time to time and at all times, at the request of the Assignee or its successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance and do such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to the Assignee or intended so to be.

9. The terms of this Agreement and Assignment and all rights and obligations hereunder shall be governed by the laws of the State of North Carolina.

In case of any consolidation or merger to which the Rebuilder or the Assignee shall be a party, or in case of any sale of all or substantially all of the assets of the Rebuilder or the Assignee, the corporation resulting from such consolidation or merger (if other than the Rebuilder or the Assignee) or the corporation which shall acquire such assets, shall expressly assume all obligations hereunder, not then performed, of the Rebuilder or the Assignee, as the case may be, and shall become entitled to all rights hereunder

of the Rebuilder or the Assignee, as the case may be.

10. This Agreement and Assignment may be simultaneously executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart. The Assignee agrees to deliver one of such counterparts to the Railroad.

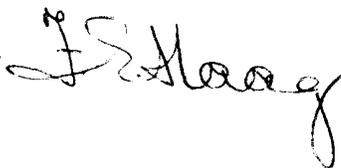
IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this Agreement and Assignment to be signed in their respective corporate names by duly authorized officers, and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

GOLDEN TYE CORPORATION

Attest:

(Seal)


Secretary

By  President

NORTH CAROLINA NATIONAL BANK

Attest:

(Seal)


~~Assistant~~ Secretary

By


Vice President

STATE OF SOUTH CAROLINA)
) ss.
COUNTY OF GREENVILLE)

On this 5th day of ~~April~~¹⁹⁷⁰, 1970, before me personally appeared F. E. HAAG, to me personally known, who, being by me duly sworn, says that he is the President of GOLDEN TYE CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

W. C. Smith

Notary Public

(Notarial Seal)

My Commission expires: *11/19/79*

STATE OF NORTH CAROLINA)
) ss.
COUNTY OF MECKLENBURG)

On this 30th day of April, 1970, before me personally appeared *W. B. Bouton*, to me personally known, who, being by me duly sworn, says that he is a Vice President of NORTH CAROLINA NATIONAL BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Mary B. Coompton

Notary Public

(Notarial Seal)

My Commission expires: *8/15/71*

AGREEMENT AND ASSIGNMENT

THIS AGREEMENT AND ASSIGNMENT, dated as of April 15, 1970, by and between GOLDEN TYE CORPORATION, a South Carolina corporation with its principal office at Greenville, South Carolina (hereinafter called the Rebuilder), and WACHOVIA BANK AND TRUST COMPANY, a corporation duly organized and existing under the laws of the United States of America, with its principal office at Raleigh, North Carolina (hereinafter called the Assignee).

WHEREAS, the Rebuilder and SEABOARD COAST LINE RAILROAD COMPANY, a Virginia corporation with its principal office at 3600 West Broad Street, Richmond, Virginia 23230 (hereinafter called the Railroad), have entered into a Conditional Sale Agreement, dated as of April 15, 1970 (hereinafter called the Conditional Sale Agreement), covering the reconstruction, sale and delivery by the Rebuilder and the purchase by the Railroad of the railroad equipment described in Schedule A-2 to the Conditional Sale Agreement (said equipment being hereinafter called the Equipment);

NOW, THEREFORE, this Agreement and Assignment Witnesseth that, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to the Rebuilder, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained:

1. The Rebuilder hereby assigns, transfers and sets over unto the Assignee, its successors and assigns, (i) all the right, title and interest of the Rebuilder in and to the Equipment and each unit thereof when and as severally delivered and accepted and upon payment by the Assignee to the Rebuilder of the amounts required to be paid under Section 6 hereof; (ii) all the right, title and interest of the Rebuilder in and to the Conditional Sale Agreement (except the right to reconstruct and the right to receive the payments specified in subparagraph (a) of Article 3 thereof and reimbursement for taxes paid or incurred by the Rebuilder as provided in Article 4 thereof), insofar as same relates to the Equipment, and in and to any and all amounts which may be or become due or owing by the Railroad under the Conditional Sale Agreement on account of its indebtedness in respect of the purchase price of the Equipment and interest thereon, and in and to any other sums becoming due from the Railroad under the Conditional Sale Agreement, insofar as same relates to the Equipment, other than those hereinabove excluded; and (iii) all the Rebuilder's rights, powers, privileges and remedies under the Conditional Sale Agreement, insofar as same relates to the Equipment (without any recourse, however, against the Rebuilder for or on account of the failure of the Railroad to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the Conditional Sale Agreement); provided, however, that this Agreement and Assignment shall not subject the Assignee

to, or transfer, or in any way affect or modify, the liability of the Rebuilder to reconstruct and deliver the Equipment in accordance with the Conditional Sale Agreement or in respect of its obligations contained in Articles 11 and 15 of the Conditional Sale Agreement, or relieve the Railroad from its obligations to the Rebuilder under Article 14 of the Conditional Sale Agreement, it being understood and agreed that, notwithstanding this Agreement and Assignment, or any subsequent assignment pursuant to the provisions of Article 16 of the Conditional Sale Agreement, all obligations of the Rebuilder to the Railroad in respect of the Equipment shall be and remain enforceable by the Railroad, its successors and assigns, against and only against the Rebuilder. In furtherance of the foregoing assignment and transfer, the Rebuilder hereby authorizes and empowers the Assignee, in the Assignee's own name or in the name of the Assignee's nominee, or in the name of and as Attorney, hereby irrevocably constituted, for the Rebuilder, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Agreement and Assignment and compliance by the Railroad with the terms and agreements on its part to be performed under the Conditional Sale Agreement, but at the expense and liability and for the sole benefit of the Assignee.

The Assignee hereby assumes the obligations of the Rebuilder (as defined in the Conditional Sale Agreement) with respect to moneys received by it under Articles 7 and 18 of the Conditional Sale Agreement.

2. The Rebuilder covenants and agrees that it will reconstruct the Equipment in full accordance with the Conditional Sale Agreement and will deliver the same upon completion to the Railroad in accordance with the provisions of the Conditional Sale Agreement; and that, notwithstanding this Agreement and Assignment, it will perform and fully comply with each and all of the covenants and conditions of the Conditional Sale Agreement set forth to be performed and complied with by the Rebuilder. The Rebuilder further covenants and agrees that it will warrant to the Assignee and the Railroad that at the time of delivery of any unit of the Equipment it had legal title to such unit and good and lawful right to sell such unit and that the title to such unit was free of all claims, liens and encumbrances of the Rebuilder or of anyone claiming through the Rebuilder except only the rights of the Railroad under the Conditional Sale Agreement, and the Assignee under this Agreement and Assignment.

3. The Rebuilder covenants and agrees with the Assignee that in any suit, proceeding or action brought by the Assignee under the Conditional Sale Agreement for any installment of, or interest on, indebtedness in respect of the Purchase Price, or to enforce any provision of the Conditional Sale Agreement, the Rebuilder will save, indemnify and keep harmless the Assignee from and against all expense, loss or damage suffered by reason of any defense, set-off, counterclaim or recoupment whatsoever of the Railroad arising out of a breach by the Rebuilder of any obligation in respect of the Equipment or the manufacture, construction, delivery, guaranty or warranty thereof, or under Articles 11 and 15 of the Conditional Sale Agreement, or by reason of any

defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Railroad by the Rebuilder other than liability with respect to moneys received by the Assignee under Articles 7 and 18 of the Conditional Sale Agreement which is expressly assumed by the Assignee hereunder. Any and all such obligations (except as aforesaid) shall be and remain enforceable by the Railroad against and only against the Rebuilder and shall not be enforceable against the Assignee or any party or parties in whom title to the Equipment or any unit thereof or the rights of the Rebuilder under the Conditional Sale Agreement shall vest by reason of this assignment or of successive assignments or transfers. Subject to the provisions of Article 15 of the Conditional Sale Agreement, the Rebuilder and any successor or successors to its properties and business will save, indemnify and keep harmless the Assignee from and against any and all royalties, damages, claims, suits, judgments and costs that may arise from the use of any patented article on the Equipment, or any unit thereof, at the time of delivery; provided that the Rebuilder shall not be so obligated unless it shall be promptly notified of any action for, or threat or claim of, such infringement, actual or alleged, coming to the notice of the Assignee and unless the Rebuilder shall be permitted, at its own expense, to conduct the defense of the same and be given access to such evidence in the possession of the Assignee as may be necessary for such defense.

4. The Rebuilder will cause the following words to be plainly, distinctly and conspicuously marked on each side of each such unit, in each case in letters not less than one inch in height:

WACHOVIA BANK AND TRUST COMPANY, RALEIGH, N.C., OWNER.

5. Upon request of the Assignee, its successor and assigns, the Rebuilder will execute any and all instruments which may be necessary or proper in order to discharge of record the Conditional Sale Agreement, insofar as same relates to the Equipment, or any other instrument evidencing any interest of the Rebuilder therein or in the Equipment.

6. For each Group of Equipment delivered to and accepted by Railroad on or before January 31, 1971, Assignee will pay Rebuilder the Deferred Purchase Price of \$9,112 per unit of equipment provided for in subparagraph (b) of Article 3 of the Conditional Sale Agreement, but Assignee will not pay for more than 55 units or an aggregate amount in excess of \$500,000. With respect to each Group of Equipment (as defined in said Article 3), Assignee will make payment therefor to Rebuilder within five days after receipt by the Assignee of the following documents, in form and substance satisfactory to it;

(a) A Bill of Sale from the Rebuilder to the Assignee, transferring to the Assignee title to the units of the Equipment

in such Group and warranting to the Assignee and to the Railroad that at the time of delivery to the Railroad the Rebuilder had legal title to such units and good and lawful right to sell such units and that title to such units was free of all claims, liens and encumbrances of the Rebuilder or of anyone claiming through the Rebuilder except only the rights of the Railroad under the Conditional Sale Agreements, and the Assignee under this Agreement and Assignment.

(b) A certificate or certificates signed by an authorized representative of the Railroad stating that the units of the Equipment in such Group have been inspected and accepted by him on behalf of the Railroad as conforming in all respects to the requirements of the Conditional Sale Agreement at the delivery point provided for in Article 2 thereof and further stating that all such units have been marked as required by Article 4 hereof;

(c) An invoice for the units of the Equipment in such Group accompanied by or having endorsed thereon a certification by the Railroad as to the correctness of the Deferred Purchase Price of such units;

(d) An opinion of counsel for the Rebuilder to the effect that such Bill of Sale is valid and effective and that title to the units of the Equipment in such Group is validly vested in the Assignee, free of all claims, liens and encumbrances of the Rebuilder or of any one claiming through the Rebuilder except only the rights of the Railroad under the Conditional Sale Agreement;

(e) An opinion of counsel for the Railroad to the effect that the Bill of Sale from the Railroad to the Rebuilder, transferring to the Rebuilder title to the units of the Old Equipment (as defined in the Conditional Sale Agreement) in such Group is valid and effective and that title to the units of the Old Equipment in such Group at the time of delivery of such Bill of Sale was validly vested in the Rebuilder free of all claims, liens and encumbrances.

(f) A receipt from the Rebuilder for the Initial Cash Payment, as defined in Article 3(a) of the Conditional Sale Agreement, for each unit of Equipment in such Group.

It is understood and agreed that the Assignee shall not be required to make any payment in respect of any Equipment excluded from

the Conditional Sale Agreement pursuant to Article 2 thereof. The Assignee shall at the request of the Rebuilder or the Railroad execute or join in the execution of such supplemental agreement as may be deemed necessary or appropriate to exclude any such Equipment from the Conditional Sale Agreement and from this Agreement and Assignment.

7. The Assignee may assign all or any of its rights under the Conditional Sale Agreement, including the right to receive any payments due or to become due to it from the Railroad thereunder. In the event of any such assignment any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

8. The Rebuilder hereby:

(a) represents and warrants to the Assignee, its successors and assigns, that the Conditional Sale Agreement was duly authorized and lawfully executed and delivered by the Rebuilder and has not been amended, that the Conditional Sale Agreement is a valid and binding instrument enforceable in accordance with its terms and that, assuming valid authorization, execution and delivery by the Railroad, it is, insofar as the Rebuilder is concerned, a valid existing agreement binding upon the Rebuilder and the Railroad in accordance with its terms; and

(b) covenants and agrees that it will from time to time and at all times, at the request of the Assignee or its successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance and do such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to the Assignee or intended so to be.

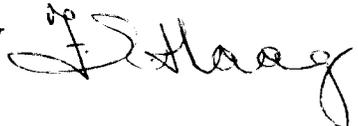
9. The terms of this Agreement and Assignment and all rights and obligations hereunder shall be governed by the laws of the State of North Carolina.

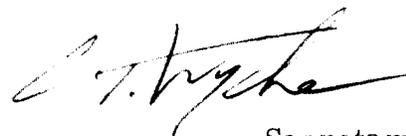
In case of any consolidation or merger to which the Rebuilder or the Assignee shall be a party, or in case of any sale of all or substantially all of the assets of the Rebuilder or the Assignee, the corporation resulting from such consolidation or merger (if other than the Rebuilder or the Assignee) or the corporation which shall acquire such assets, shall expressly assume all obligations hereunder, not then performed, of the Rebuilder or the Assignee, as the case may be, and shall become entitled to all rights hereunder of the Rebuilder or the Assignee, as the case may be.

10. This Agreement and Assignment may be simultaneously executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart. The Assignee agrees to deliver one of such counterparts to the Railroad.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this Agreement and Assignment to be signed in their respective corporate names by duly authorized officers, and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

GOLDEN TYE CORPORATION

By  President

Attest:
(Seal) 
Secretary

WACHOVIA BANK AND TRUST COMPANY

By  Vice President

Attest:
(Seal) 
Assistant Secretary

STATE OF SOUTH CAROLINA)
) ss.
COUNTY OF GREENVILLE)

On this 5th day of ~~April~~^{May}, 1970, before me personally appeared F. E. HAAG, to me personally known, who, being by me duly sworn, says that he is the President of GOLDEN TYE CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

William C. Hall

Notary Public

(Notarial Seal)

My Commission expires: 11/19/79

STATE OF NORTH CAROLINA)
) ss.
COUNTY OF WAKE)

On this 29th day of April, 1970, before me personally appeared *Sam Rothrop, Jr.*, to me personally known, who, being by me duly sworn, says that he is a Vice President of WACHOVIA BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jamie Sures

Notary Public

(Notarial Seal)

My Commission expires: 2/4/75

SEABOARD COAST LINE RAILROAD COMPANY



SPECIFICATION NO. 6

RECONSTRUCTION OF 60-TON TWIN HOPPER CARS

CLASS H-2

OFFICE OF ASSISTANT VICE PRESIDENT - EQUIPMENT

JACKSONVILLE, FLORIDA.....OCTOBER 21, 1969

RECONSTRUCTION OF 60-TON TWIN HOPPER CARS

1. DIMENSIONS:

Coupled Length.....	36'-7"
Length Over Strikers.....	33'-11-3/4"
Truck Centers.....	24'-0"
Length Inside.....	33'-0"
Width Over Top Chord.....	10'-6-1/8"
Width Inside.....	9'-9"
Height Top of Rail to Top Chord.....	12'-0"
Height Top of Rail to Side Sill.....	3'-5-1/4"
Height Top of Rail to Center Plate.....	2'-1-3/4"
Capacity.....	120,000 lbs.
Est. Light Weight.....	43,000 lbs.

2. GENERAL:

- a. These requirements describe reconstruction work to be accomplished on 60-ton twin hopper cars of 2,470 cubic-foot capacity. The reconstruction is to be done in a substantial and workmanlike manner, according to the true intent of these requirements, and each car is to be complete in all its parts and ready for service upon completion. These requirements are intended to include everything requisite to the proper repair of the cars, notwithstanding that everything to be required may not be mentioned.
- b. All work will be laid out to template to insure interchangeability and proper assembly of parts. All rivet holes will be punched to the exact size of the rivet and reamed 1/16" larger than the diameter of the rivet. All holes will register and rivet will have full bearing through each part. When necessary, it will be permissible to increase rivet hole diameter by a maximum of 1/16", in which case the size of rivet must be increased proportionately. All rivets to be driven by machine whenever possible. The use of drift pins of more than 1/16" larger in diameter than rivets will not be permitted. All parts will be securely and tightly clamped together before riveting, and in no case will the rivets be depended upon to draw the parts together. Rivets, after they are driven, will completely fill the holes, and all have heads of the proper shape lying tightly against the sheets or castings. The heads of improperly driven rivets are not to be heated with a gas torch and redriven.

Welding shall be done by the fusion process and conform to the ASTM and AAR welding codes and be done by qualified welders. When welding on car body, all grounds are to be connected to the same carbody as close to the work as possible. Proper precautions are to be taken to prevent passage of weld current through wheel and bearing assemblies. All welds are to be thoroughly slagged prior to painting.

Flanging of sheets will be true to shape to provide close contact with contiguous parts, exercising caution that cracks do not develop in radius of bends.

- c. The Car Builder will submit two sets of detail and arrangement drawings for approval by the Railroad's Mechanical Department prior to fabrication of parts, together with an accurate clearance diagram of cars giving height above rail and width of all governing feature and location of center of gravity for lightweight of car.

Car Builder to furnish Railroad with three sets of photographs of completed car consisting of one full side view, one end view of each end, and one three-quarter side view showing side and brake end of car.

During repair, cars are to be subject to inspection of representatives of purchaser and as a whole to be subject to final acceptance at the car builder's works. Railroad inspectors are to be supplied with one complete set of all car builder and specialty drawings, and complete bill of material and specifications. Completed cars are to comply with all AAR and ICC requirements, current at the time the cars are rebuilt.

3. MATERIAL: All material will be in accordance with AAR specification. All OHS shapes, plates, bars, and sheets, 1/4" and less in thickness, will be copper bearing steel.
- Castings are to be good quality cast steel free from blow holes, shrinkage cracks, cold shuts, and other imperfections.
- All bolts will be American Standard regular size with elastic stop nuts unless otherwise specified. High strength bolts will be used where necessary.
4. COUPLERS: All couplers to be new, Catalog Number B-E60B-HT.
- a. Coupler Height to be adjusted to $34\frac{1}{2}$ " minimum above top of rail measured on level track.
- b. Coupler carrier wear plates to be replaced 100%.
5. COUPLER YOKES: All yokes to be new, Catalog Number B-Y40.
6. DRAFT GEARS: New draft gears required, all cars, AAR Specification M-901-E.
7. SIDE BEARING CLEARANCE: To be adjusted by shimming body side bearing to clearance of 1/8" to 1/4".
- All new body side bearings to be used.

8. UNDERFRAME:

Existing center sill to be used, properly repaired. Cast steel strikers and body center fillers to be replaced in kind if broken or worn excessively. Fabricated strikers and body center fillers to be repaired in kind using new components. Existing components, excessively worn or broken, are not to be reclaimed.

- a. Body bolsters and cross bearer to be replaced 100% using 21" wide flange beams at 62 lbs. per foot for bolsters and 14" wide flange beams at 38 lbs. per foot for cross bearer.
- b. Suitable bracing to be provided in center sill at cross bearer.

9. BODY COMPONENTS: The body of car to consist of the following new components and to be of riveted construction:

1. Sides & Ends
2. Slope sheets, longitudinal hoods, crossridges, and hopper chutes
3. Hopper doors and spreaders
4. Hopper frames, locks, and hinges as furnished by Wine Railway Appliance Company
5. All safety appliances (ladder treads and stiles, grab irons, and brake step) in accordance with all D.O.T. and AAR requirements.
6. AAR standard route card boards (2) and metal defect card holder (1)

10. AIR BRAKES

AND RIGGING: a. Brake equipment

To have 100% C.O.T. & S in accordance with AAR Interchange Rule 60. Angle cock and combined dirt collector and cutout cock to be inspected to assure they have seal ring key as required in AAR Interchange Rule 3. New ABD valve to be applied.

b. Air brake hose

To be replaced if required in accordance with AAR Interchange Rule 56 or if six years old or older.

c. Hand brake

New AAR 1966 handbrake and bell crank to be applied.

d. Release Rod

To be straightened or replaced, as required to put it in good working order in accordance with AAR requirements.

e. Brake regulator

New AAR approved double-acting automatic brake regulator to be applied.

f. Trainline

1-1/4" Trainline to be replaced completely using new weld-on type pipe clamps as furnished by Illinois Railway Equipment. Trainline to be butt welded using Tube-Turn backing rings, or equivalent, with standard AAR coupling at new 10" long end nipple. To be located inside center sill bolster to bolster.

g. Pins and cotters

All brake pins to be inspected for wear, replacing as required. All cotter keys to be renewed.

h. Brake Shoes

New 2" thick high friction composition shoes to be used.

i. Brake Levers

Hole spacing in levers to be adjusted for composition shoes to produce braking force of 35% to 40% of light weight of car and minimum of 11% of gross rail load based on 50 psi cylinder pressure. Design of brake rigging to be based on 90 psi cylinder pressure without exceeding AAR stress limits.

11. UNCOUPLING
ROD:

Uncoupling rod and bracket to be inspected for excessive wear and replaced as necessary. Uncoupling rod to be correctly shaped of 1" dia. rod to properly throw coupler knuckle when operated.

12. DRAFT GEAR
FOLLOWERS:

To be inspected for excessive wear and replaced if below standard.

13. DRAFT GEAR
KEY AND KEY
RETAINERS:

To be inspected for excessive wear. Replacement key retainers when required are to be Azee, as furnished by Illinois Railway Equipment Company.

14. ROPING
STAPLES:

Four required, one in the vicinity of outboard end of each bolster. Each to be of 1 1/2" diameter rod, riveted through side sill with four 3/4" diameter rivets, or alternate design of equal strength.

15. TRUCKS:

a. All trucks to be completely dismantled, thoroughly cleaned of all dirt, grease, and foreign matter, inspected and gauged in accordance with AAR interchange rules.

b. Side Frames

To be inspected for cracks excessive wear and so forth. Reclamation to be in strict accordance with AAR recommended practices. Particular attention to be given wear plates and friction snubbing blocks. All snubbing elements to be renewed where required. Side frames to be modified for application of roller bearing journals.

c. Bolsters

To be inspected and reclaimed in accordance with AAR recommended procedures.

d. Wheels and axles

All wheels are to be inspected and gauged in accordance with AAR wheel Shop re-mount practices. Cast steel wheels marked AAR X-2 or having cast date prior to May 7, 1958 must be scrapped.

All axles to be gauged and inspected in accordance with AAR interchange rules. Any axle bearing "RJ" stamp on end must be scrapped.

e. Brake beams and side frame wear plates

All brake beams to be inspected and reclaimed, if necessary. All beams to be AAR #18. Side frame wear plates to be inspected and replaced as required using Buffalo SC type to their drawing U W-133-C.

f. Journal bearing assemblies

All axles to be converted for roller bearing application.

g. Journal box lids

Box lids to be removed.

h. Coil springs

Renew all springs 100%.

i. Levers, pins, and cotters

Brake levers and pins to be inspected for wear, replacing with new as required, using Schaefer Equipment Company levers. All cotters to be new using "Perfection" cotters, locks and guards as furnished by Cenco.

j. Center pins and side bearings

To be inspected for damage and excessive wear. Replace with new as required. AAR approved center plate lubricant to be applied in sufficient quantities to bolster bowls.

16. PAINTING:

a. Preparation

All surfaces to be sandblasted to commercial grade prior to priming.

b. Lap joints

To receive heavy coat of lap and joint cement before assembly, No-Ox-Id Red "C" filler or Tremco JS-788 or equivalent.

c. Inaccessible Parts

One coat Zinc Chromate primer

d. Underframe and outside of sides and ends

One coat Zinc Chromate primer, two coats black enamel, total 3 mil thickness (dry).

e. Brake equipment

One coat black paint

f. Trucks

One coat black light bodied paint. Wheels and axles not to be painted.

g. Stenciling

White stencil paint, non-chalking or bleeding in accordance with railroad requirements.