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INTERSTATE COMMERCE COMMISSION

**RECONSTRUCTION AND CONDITIONAL SALE
AGREEMENT**

Dated as of April 1, 1972

among

DOLLAR SAVINGS BANK

WESTERN MARYLAND COMPANY,

BANKERS TRUST COMPANY, as Trustee,

and

WESTERN MARYLAND RAILWAY COMPANY

RECONSTRUCTION AND CONDITIONAL SALE AGREEMENT dated as of April 1, 1972, among DOLLAR SAVINGS BANK, (hereinafter called the Vendor), BANKERS TRUST COMPANY, as Trustee under a trust agreement dated as of April 1, 1972, with GENERAL ELECTRIC CREDIT CORPORATION, as Beneficiary, (said Trustee and said Beneficiary being hereinafter called the Trustee and the Beneficiary and said trust agreement being hereinafter called the Trust Agreement), WESTERN MARYLAND COMPANY (hereinafter called the Builder) and WESTERN MARYLAND RAILWAY COMPANY (hereinafter called the Railroad).

WHEREAS the Trustee has acquired or will acquire all right, title and interest in certain railroad equipment (hereinafter called the Hulks) from the Railroad pursuant to a Hulk Purchase Agreement (hereinafter called the Hulk Purchase Agreement), dated as of April 1, 1972, and will subject the same to a security interest in favor of the Vendor for the purpose of causing the Hulks to be reconstructed; and

WHEREAS the Vendor has acquired or will acquire security title to the Hulks pursuant to the Transfer Agreement dated as of April 1, 1972, between the Vendor and the Trustee, in substantially the form of Exhibit A hereto, for the purpose of causing the same to be reconstructed as described herein and thereupon selling its interest in the same to the Trustee and the Trustee has agreed to purchase the Hulks as so reconstructed (the reconstructed equipment described in Schedule A hereto being hereinafter called the Equipment); and

WHEREAS the Hulks have been or will be delivered to the Builder and the Builder has agreed with the Vendor to cause the Hulks to be reconstructed as required hereby to enable delivery of the Equipment to be made to the Trustee in accordance herewith; and

WHEREAS the Trustee and the Railroad are entering into a Lease of Railroad Equipment, dated as of the date hereof (hereinafter called the Lease), substantially in the form of Exhibit B attached hereto, leasing the Equipment to the Railroad, subject to this Agreement, which Lease will be filed with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act concurrently with the filing of this Agreement thereunder; and

WHEREAS the Railroad, in order to obtain the use of the Equipment and to induce the Vendor to enter into this Agreement, is willing to guarantee to the Vendor the due and punctual payment of certain sums payable by, and the due and punctual performance of all other obligations of, the Trustee under this Agreement and has joined in this Agreement for the purpose of setting forth the terms and conditions of such guaranty and making certain further agreements as hereinafter set forth.

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

ARTICLE 1. *Construction and Sale.* Pursuant to this Agreement, the Builder will cause the Hulks to be reconstructed into the Equipment as described in Schedule A hereto and will deliver the Equipment to the Trustee on behalf of the Vendor and the Trustee will accept delivery of and pay for the Equipment as hereinafter provided, each unit of which shall be standard gauge railroad equipment reconstructed in accordance with the specifications referred to in Schedule A hereto and in accordance with such modifications thereof as may be agreed upon in writing between the Trustee, the Vendor, the Builder and the Railroad (which specifications and modifications, if any, are by

reference made a part of this Agreement as fully as though expressly set forth herein and are hereinafter called the Specifications). The Builder warrants to the Vendor and the Trustee that the design, quality and component parts of the Equipment will conform to all Department of Transportation 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.

ARTICLE 2. *Inspection and Delivery.* The Builder will deliver the units of the Equipment, on behalf of the Vendor, to the Trustee at such point or points within the United States of America as shall be specified by the Builder, freight charges, if any, prepaid, on or before December 15, 1972.

The Builder's obligation as to time of delivery is subject, however, to delays resulting from causes beyond the Builder'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 plants, equipment or facilities, delays in receiving necessary materials or delays of carriers or subcontractors.

Notwithstanding the preceding provisions of this Article 2, any Equipment not delivered, accepted and settled for pursuant to Article 3 hereof on or before December 15, 1972, shall be excluded herefrom. If any Equipment shall be excluded from this Agreement pursuant to the immediately preceding sentence or pursuant to Article 3, the parties to this Agreement shall execute an agreement supplemental hereto limiting this Agreement to the Equipment not so excluded herefrom. The Vendor and the Trustee shall

have no obligation to accept or pay the Builder for any Equipment so excluded from this Agreement and, in the event of any such exclusion, the Builder will redeliver the Hulks so excluded to the Trustee or, at the option of the Trustee, will store such Hulks without expense to the Trustee until the Trustee shall have sold or otherwise disposed of the same.

During reconstruction, the Equipment shall be subject to inspection and approval by the authorized inspectors of the Trustee (who may be employees of the Railroad) and the Builder shall grant to such authorized inspectors reasonable access to its plant. The Builder agrees to inspect all materials used in the reconstruction of the Equipment in accordance with the standard quality control practices of the Builder. Upon completion of each unit or of a number of units of the Equipment, such unit or units shall be presented to an inspector of the Trustee for inspection at the place specified for delivery of such unit or units, and if each such unit conforms to the Specifications, requirements and standards applicable thereto, such inspector or an authorized representative of the Trustee (who may be an employee of the Railroad) shall execute and deliver to the Builder a certificate of acceptance (hereinafter called the Certificate of Acceptance) stating that such unit or units have been inspected and accepted on behalf of the Trustee on the date of such Certificate of Acceptance and are marked in accordance with Article 9 hereof; *provided, however,* that the Builder shall not thereby be relieved of its warranties set forth or referred to in Article 13 hereof.

ARTICLE 3. *Purchase Price and Payment.* The cost of the Hulks (the "Hulk Purchase Price") and the estimated reconstruction cost per unit of the Equipment are set forth in Schedule A hereto. The term "Reconstruction Cost" shall not exceed the lesser of the estimated Reconstruction Cost

and the actual cost to the Builder of doing the reconstruction work plus a reasonable overhead, and the term "Purchase Price" as used herein means the sum of the Hulk Purchase Price and the Reconstruction Cost.

For the purpose of settlement therefor, the Equipment shall be divided into not more than two groups of units of the Equipment (each such group being hereinafter called a Group) unless the Trustee, the Vendor and the Builder shall otherwise agree; *provided, however*, that the aggregate Purchase Price of all Groups settled for prior to December 15, 1972, shall not exceed \$636,364. The term "Closing Date" with respect to the first Group shall mean such date not earlier than September 1, 1972 and not later than September 15, 1972, and with respect to the second Group shall mean December 15, 1972, such later date being hereinafter called the Cut-Off Date, occurring not less than seven business days nor more than ten business days following presentation by the Builder to the Trustee of the invoice and the Certificate or Certificates of Acceptance for such Group, as shall be fixed by the Builder by written notice delivered to the Trustee and the Vendor at least five business days prior to the Closing Date designated therein. The term "business days" as used herein means calendar days, excluding Saturdays, Sundays, holidays and any other day on which banking institutions in Pittsburgh, Pennsylvania, or New York, New York, are authorized to remain closed.

The Trustee hereby acknowledges itself to be indebted to the Vendor in the amount of, and hereby promises to pay in cash to the Vendor at such place as the Vendor may designate, the Purchase Price of the Equipment, as follows:

- (a) On the Closing Date with respect to each Group an amount equal to 45% of the aggregate Purchase Price of such Group as set forth in the invoice or invoices therefor (said invoiced prices being herein called the Invoiced Purchase Prices); and

(b) In 30 semiannual instalments, as hereinafter provided, an amount (hereinafter called the Conditional Sale Indebtedness) equal to the aggregate of the Invoiced Purchase Price of the units of the Equipment in the Group for which settlement is then being made, less the aggregate amount paid or payable with respect thereto pursuant to subparagraph (a) of this paragraph.

The first instalments of the Conditional Sale Indebtedness shall be payable on August 1, 1973, and subsequent instalments shall be payable semiannually thereafter on each February 1 and August 1 (or, if any such date is not a business day, on the next succeeding business day) to and including February 1, 1988. The unpaid balance of the Conditional Sale Indebtedness shall bear interest from the Closing Date upon which such Conditional Sale Indebtedness was incurred at the rate of 8% per annum, and such interest shall be payable, to the extent accrued, on each February 1 and August 1 (or, if any such date is not a business day, on the next succeeding business day) commencing February 1, 1973. The principal amount of the Conditional Sale Indebtedness payable on each of the 30 semiannual payment dates shall be calculated on such a basis that the aggregate of the principal and interest payable on each payment date shall be substantially equal and such 30 instalments of principal and interest will completely amortize the Conditional Sale Indebtedness. The Trustee will furnish to the Vendor and the Railroad promptly after each Closing Date a payment schedule showing the respective amounts of principal and interest payable on each payment date.

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

The Trustee will pay interest at the rate of 9% per annum, to the extent legally enforceable, upon all amounts

remaining unpaid after the same shall have become due and payable pursuant to the terms hereof, anything herein to the contrary notwithstanding.

All payments provided for in this Agreement shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts and, if requested by the Vendor, shall be made by bank wire transfer. Except as provided in Article 6 hereof, the Trustee shall not have the privilege of prepaying any portion of the Conditional Sale Indebtedness prior to the date it becomes due.

The parties hereto contemplate that the Trustee will furnish to the Vendor that portion of the Purchase Price for the Equipment as is required under subparagraph (a) of the third paragraph of this Article 3 and that such portion plus an amount equal to the balance of such Purchase Price shall be paid by the Vendor to the Builder and the Railroad, as their interests may appear.

The Vendor shall be under no obligation to make payment to the Railroad or the Builder unless there shall have theretofore been delivered to the Vendor the following documents, in form and substance satisfactory to it and its special counsel hereinafter mentioned:

(a) The Certificate or Certificates of Acceptance and the Certificate or Certificates of Delivery contemplated by § 1 of the Lease with respect to the Equipment in the Group;

(b) Invoice of the Builder for the reconstruction of the Equipment in the Group and of the Railroad for the Hulks so reconstructed accompanied by or having endorsed thereon a certification by the Trustee as to the correctness of the price stated therein and a certification by the Builder that the Reconstruction Cost does

standing any provision of this Agreement limiting the liability of the Trustee and notwithstanding the delivery of the Equipment to and the possession and use thereof by the Trustee and the Railroad as provided in this Agreement. Any and all additions to the Hulks and the Equipment, and any and all parts installed on and additions and replacements made to any unit of the Hulks or the Equipment shall constitute accessions thereto and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement.

Except as otherwise specifically provided in Article 6 hereof, when and only when the Vendor shall have been paid the full indebtedness in respect of the Purchase Price of the Equipment, together with interest and all other payments as herein provided, and all the Trustee'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 Trustee without further transfer or action on the part of the Vendor. However, the Vendor, if so requested by the Trustee at that time, will (a) execute a release or releases of the Vendor's security interest in the Equipment transferring its security title thereto and property therein to the Trustee, free of all liens, security interests and other encumbrances created or retained hereby and deliver such release to the Trustee at its address referred to in Article 21 hereof, (b) execute and deliver at the same place, for filing, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Trustee to such Equipment and (c) pay to the Trustee any money paid to the Vendor pursuant to Article 6 hereof in respect of such Equipment and not theretofore applied as therein provided. The Trustee 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 release or releases or 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 release or releases or instrument or instruments or to file such certificate within a reasonable time after written demand by the Trustee.

ARTICLE 5. *Taxes.* All payments to be made by the Trustee hereunder will be free of expense to the Vendor for collection or other charges and will be free of expense to the Vendor with respect to the amount of any local, state, federal or foreign taxes (other than net income taxes, gross receipts taxes [except gross receipts taxes in the nature of or in lieu of sales, use or rental taxes], franchise taxes measured by net income based upon such receipts, excess profits taxes and similar taxes) or license fees, assessments, charges, fines or penalties (all such expenses, taxes, license fees, assessments, charges, fines and penalties being hereinafter called impositions) 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 impositions the Trustee assumes and agrees to pay on demand in addition to the Purchase Price of the Equipment. The Trustee will also pay promptly all impositions which may be imposed upon the Equipment delivered to it or for the use or operation thereof or upon the earnings arising therefrom or upon the Vendor 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 impositions which might in any way affect the title of the Vendor or result in a lien upon any part of the Equipment; *provided, however,* that the Trus-

tee shall be under no obligation to pay any impositions of any kind so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the non-payment thereof does not, in the opinion of the Vendor, adversely affect the title, property or rights of the Vendor in or to the Equipment or otherwise under this Agreement. If any impositions shall have been charged or levied against the Vendor directly and paid by the Vendor, the Trustee shall reimburse the Vendor upon presentation of an invoice therefor, and any amounts so paid by the Vendor shall be secured by and under this Agreement; *provided, however*, that the Trustee shall not be obligated to reimburse the Vendor for any impositions so paid unless the Vendor shall have been legally liable with respect thereto (as evidenced by an opinion of counsel for the Vendor) or unless the Trustee shall have approved the payment thereof.

ARTICLE 6. *Maintenance and Repair; Casualty Occurrences.* The Trustee agrees that, at its own cost and expense, it will cause each unit of the Equipment to be maintained in good order and repair.

In the event that any unit of the Equipment shall be or become worn out, lost, stolen, destroyed, or, in the opinion of the Trustee or the Railroad, irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (each such occurrence being herein called a Casualty Occurrence), the Trustee shall, within 14 days after it shall have determined that such unit has suffered a Casualty Occurrence (or as of such earlier date as the Trustee may receive notice thereof under the Lease), cause the Vendor to be fully informed in regard thereto. On the next succeeding instalment date for the payment of Conditional Sale Indebtedness, the Trustee shall pay to the Vendor a sum equal to the Casualty Value (as hereinafter defined in this Article 6) of such unit suffering a

whatsoever hereunder. No waiver by the Vendor of any of its rights hereunder and no action by the Vendor to enforce any of its rights hereunder or failure to take, or delay in taking, any such action shall affect the obligations of the Railroad hereunder.

In the event that the Railroad shall make any payments to the Vendor on account of its guaranty hereunder, the Railroad agrees that it shall not acquire any rights, by subrogation or otherwise, against the Trustee or with respect to any of the units of the Equipment by reason of such payments, all such rights being hereby irrevocably released, discharged and waived by the Railroad; *provided, however,* that after the payment by the Railroad to the Vendor of all sums payable under this Agreement, the Railroad shall, by subrogation, be entitled to the rights of the Vendor against the Trustee by reason of such payment, to the extent, but only to the extent, that the Trustee has received "income and proceeds from the Equipment" (as defined in Article 3 hereof) and has not applied amounts equal to such income and proceeds to the payment, in accordance with this Agreement and subject to the limitations contained in the last paragraph of said Article 3, of sums payable by the Trustee to the Vendor hereunder.

ARTICLE 8. *Reports and Inspections.* On or before March 31 in each year, commencing with the year 1973, the Trustee shall cause to be furnished to the Vendor an accurate statement (a) setting forth as of the preceding December 31 the amount, description and numbers of the Equipment then covered hereby, the amount, description and numbers of all units of the Equipment that have suffered a Casualty Occurrence during the preceding 12 months (or since the date of delivery hereunder of the Equipment, in the case of the first such statement) and such other information regarding the condition and state

of repair of the Equipment as the Vendor may reasonably request and (b) stating that, in the case of all Equipment repaired or repainted during the period covered by such statement, such Equipment is marked as required by Article 9 hereof. The Vendor shall have the right, by its agents, to inspect the Equipment and the Railroad's records with respect thereto at such reasonable times as the Vendor may request during the continuance of this Agreement.

ARTICLE 9. *Marking of Equipment.* The Trustee will cause each unit of the Equipment to be kept numbered with its identifying number as set forth in Schedule A hereto, or, in the case of Equipment not there listed, such identifying number as shall be set forth in any amendment or supplement hereto extending this Agreement to cover such Equipment, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each unit, in letters not less than one inch in height, the name of the Vendor followed by the words "Security Owner" or other appropriate words designated by the Vendor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Vendor's title to and property in the Equipment and its rights under this Agreement. The Trustee will not permit any such unit to be placed in operation or exercise any control or dominion over the same until such name and words shall have been so marked on both sides thereof and will replace or will cause to be replaced promptly any such name and words which may be removed, defaced or destroyed. The Trustee will not permit the identifying number of any unit of the Equipment to be changed except in accordance with a statement of a new number or numbers to be substituted therefor, which statement previously shall have been filed with the Vendor and filed, recorded and deposited by

the Trustee in all public offices where this Agreement shall have been filed, recorded and deposited.

Except as provided in the immediately preceding paragraph, the Trustee will not allow the name of any person, association or corporation to be placed on any unit of the Equipment as a designation that might be interpreted as a claim of ownership; *provided, however*, that the Trustee may allow the Equipment to be lettered with the names or initials or other insignia customarily used by the Railroad or its affiliates on railroad equipment used by them of the same or a similar type for convenience of identification of the rights of the Railroad or its affiliates to use the Equipment as permitted under the Lease.

ARTICLE 10. *Compliance with Laws and Rules.* During the term of this Agreement, the Trustee will comply, and will cause every lessee or user of the Equipment to comply, in all respects (including, without limitation, with respect to the use, maintenance and operation of the Equipment) with all laws of the jurisdictions in which its or such lessees' operations involving the Equipment may extend, with the interchange rules of 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 title, operation or use of the Equipment, and in the event that such laws or rules require any alteration of any unit of the Equipment, or in the event that any equipment or appliance on any such unit shall be required to be changed or replaced, or in the event that any additional or other equipment or appliance is required to be installed on any such unit in order to comply with such laws or rules, the Trustee will make such alterations, changes, replacements and additions

at its own expense; *provided, however*, that the Trustee 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 Vendor, adversely affect the property or rights of the Vendor under this Agreement.

ARTICLE 11. *Possession and Use.* The Trustee, so long as it shall not be in default under this Agreement, shall be entitled, from and after delivery of the Equipment to the Vendor, to the possession of the Equipment and the use thereof, but only upon and subject to all the terms and conditions of this Agreement.

The Trustee may lease the Equipment to the Railroad as permitted by, and for use as provided in, the Lease, but the rights of the Railroad and its permitted assigns (the Railroad hereby so acknowledging) under the Lease shall be subordinated and junior in rank to the rights, and shall be subject to the remedies, of the Vendor under this Agreement; *provided, however*, that so long as the Railroad shall not be in default under the Lease or under this Agreement in its capacity as guarantor or otherwise, the Railroad shall be entitled to the possession and use of the Equipment. The Trustee hereby agrees that it will not exercise any of the remedies permitted in the case of an Event of Default under and as defined in the Lease until the Vendor shall have received notice in writing of its intended exercise thereof, and hereby further agrees to furnish to the Vendor copies of all summonses, writs, processes and other documents served by it upon the Railroad or served by the Railroad upon it in connection therewith.

So long as an event of default specified in Article 15 hereof shall not have occurred and be continuing, the Trustee 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 Railroad or any affiliate

standing any provision of this Agreement limiting the liability of the Trustee and notwithstanding the delivery of the Equipment to and the possession and use thereof by the Trustee and the Railroad as provided in this Agreement. Any and all additions to the Hulks and the Equipment, and any and all parts installed on and additions and replacements made to any unit of the Hulks or the Equipment shall constitute accessions thereto and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement.

Except as otherwise specifically provided in Article 6 hereof, when and only when the Vendor shall have been paid the full indebtedness in respect of the Purchase Price of the Equipment, together with interest and all other payments as herein provided, and all the Trustee'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 Trustee without further transfer or action on the part of the Vendor. However, the Vendor, if so requested by the Trustee at that time, will (a) execute a release or releases of the Vendor's security interest in the Equipment transferring its security title thereto and property therein to the Trustee, free of all liens, security interests and other encumbrances created or retained hereby and deliver such release to the Trustee at its address referred to in Article 21 hereof, (b) execute and deliver at the same place, for filing, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Trustee to such Equipment and (c) pay to the Trustee any money paid to the Vendor pursuant to Article 6 hereof in respect of such Equipment and not theretofore applied as therein provided. The Trustee 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 release or releases or 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 release or releases or instrument or instruments or to file such certificate within a reasonable time after written demand by the Trustee.

ARTICLE 5. *Taxes.* All payments to be made by the Trustee hereunder will be free of expense to the Vendor for collection or other charges and will be free of expense to the Vendor with respect to the amount of any local, state, federal or foreign taxes (other than net income taxes, gross receipts taxes [except gross receipts taxes in the nature of or in lieu of sales, use or rental taxes], franchise taxes measured by net income based upon such receipts, excess profits taxes and similar taxes) or license fees, assessments, charges, fines or penalties (all such expenses, taxes, license fees, assessments, charges, fines and penalties being hereinafter called impositions) 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 impositions the Trustee assumes and agrees to pay on demand in addition to the Purchase Price of the Equipment. The Trustee will also pay promptly all impositions which may be imposed upon the Equipment delivered to it or for the use or operation thereof or upon the earnings arising therefrom or upon the Vendor 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 impositions which might in any way affect the title of the Vendor or result in a lien upon any part of the Equipment; *provided, however,* that the Trus-

tee shall be under no obligation to pay any impositions of any kind so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the non-payment thereof does not, in the opinion of the Vendor, adversely affect the title, property or rights of the Vendor in or to the Equipment or otherwise under this Agreement. If any impositions shall have been charged or levied against the Vendor directly and paid by the Vendor, the Trustee shall reimburse the Vendor upon presentation of an invoice therefor, and any amounts so paid by the Vendor shall be secured by and under this Agreement; *provided, however*, that the Trustee shall not be obligated to reimburse the Vendor for any impositions so paid unless the Vendor shall have been legally liable with respect thereto (as evidenced by an opinion of counsel for the Vendor) or unless the Trustee shall have approved the payment thereof.

ARTICLE 6. *Maintenance and Repair; Casualty Occurrences.* The Trustee agrees that, at its own cost and expense, it will cause each unit of the Equipment to be maintained in good order and repair.

In the event that any unit of the Equipment shall be or become worn out, lost, stolen, destroyed, or, in the opinion of the Trustee or the Railroad, irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (each such occurrence being herein called a Casualty Occurrence), the Trustee shall, within 14 days after it shall have determined that such unit has suffered a Casualty Occurrence (or as of such earlier date as the Trustee may receive notice thereof under the Lease), cause the Vendor to be fully informed in regard thereto. On the next succeeding instalment date for the payment of Conditional Sale Indebtedness, the Trustee shall pay to the Vendor a sum equal to the Casualty Value (as hereinafter defined in this Article 6) of such unit suffering a

whatsoever hereunder. No waiver by the Vendor of any of its rights hereunder and no action by the Vendor to enforce any of its rights hereunder or failure to take, or delay in taking, any such action shall affect the obligations of the Railroad hereunder.

In the event that the Railroad shall make any payments to the Vendor on account of its guaranty hereunder, the Railroad agrees that it shall not acquire any rights, by subrogation or otherwise, against the Trustee or with respect to any of the units of the Equipment by reason of such payments, all such rights being hereby irrevocably released, discharged and waived by the Railroad; *provided, however,* that after the payment by the Railroad to the Vendor of all sums payable under this Agreement, the Railroad shall, by subrogation, be entitled to the rights of the Vendor against the Trustee by reason of such payment, to the extent, but only to the extent, that the Trustee has received "income and proceeds from the Equipment" (as defined in Article 3 hereof) and has not applied amounts equal to such income and proceeds to the payment, in accordance with this Agreement and subject to the limitations contained in the last paragraph of said Article 3, of sums payable by the Trustee to the Vendor hereunder.

ARTICLE 8. *Reports and Inspections.* On or before March 31 in each year, commencing with the year 1973, the Trustee shall cause to be furnished to the Vendor an accurate statement (a) setting forth as of the preceding December 31 the amount, description and numbers of the Equipment then covered hereby, the amount, description and numbers of all units of the Equipment that have suffered a Casualty Occurrence during the preceding 12 months (or since the date of delivery hereunder of the Equipment, in the case of the first such statement) and such other information regarding the condition and state

of repair of the Equipment as the Vendor may reasonably request and (b) stating that, in the case of all Equipment repaired or repainted during the period covered by such statement, such Equipment is marked as required by Article 9 hereof. The Vendor shall have the right, by its agents, to inspect the Equipment and the Railroad's records with respect thereto at such reasonable times as the Vendor may request during the continuance of this Agreement.

ARTICLE 9. *Marking of Equipment.* The Trustee will cause each unit of the Equipment to be kept numbered with its identifying number as set forth in Schedule A hereto, or, in the case of Equipment not there listed, such identifying number as shall be set forth in any amendment or supplement hereto extending this Agreement to cover such Equipment, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each unit, in letters not less than one inch in height, the name of the Vendor followed by the words "Security Owner" or other appropriate words designated by the Vendor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Vendor's title to and property in the Equipment and its rights under this Agreement. The Trustee will not permit any such unit to be placed in operation or exercise any control or dominion over the same until such name and words shall have been so marked on both sides thereof and will replace or will cause to be replaced promptly any such name and words which may be removed, defaced or destroyed. The Trustee will not permit the identifying number of any unit of the Equipment to be changed except in accordance with a statement of a new number or numbers to be substituted therefor, which statement previously shall have been filed with the Vendor and filed, recorded and deposited by

the Trustee in all public offices where this Agreement shall have been filed, recorded and deposited.

Except as provided in the immediately preceding paragraph, the Trustee will not allow the name of any person, association or corporation to be placed on any unit of the Equipment as a designation that might be interpreted as a claim of ownership; *provided, however*, that the Trustee may allow the Equipment to be lettered with the names or initials or other insignia customarily used by the Railroad or its affiliates on railroad equipment used by them of the same or a similar type for convenience of identification of the rights of the Railroad or its affiliates to use the Equipment as permitted under the Lease.

ARTICLE 10. *Compliance with Laws and Rules.* During the term of this Agreement, the Trustee will comply, and will cause every lessee or user of the Equipment to comply, in all respects (including, without limitation, with respect to the use, maintenance and operation of the Equipment) with all laws of the jurisdictions in which its or such lessees' operations involving the Equipment may extend, with the interchange rules of 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 title, operation or use of the Equipment, and in the event that such laws or rules require any alteration of any unit of the Equipment, or in the event that any equipment or appliance on any such unit shall be required to be changed or replaced, or in the event that any additional or other equipment or appliance is required to be installed on any such unit in order to comply with such laws or rules, the Trustee will make such alterations, changes, replacements and additions

at its own expense; *provided, however*, that the Trustee 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 Vendor, adversely affect the property or rights of the Vendor under this Agreement.

ARTICLE 11. *Possession and Use.* The Trustee, so long as it shall not be in default under this Agreement, shall be entitled, from and after delivery of the Equipment to the Vendor, to the possession of the Equipment and the use thereof, but only upon and subject to all the terms and conditions of this Agreement.

The Trustee may lease the Equipment to the Railroad as permitted by, and for use as provided in, the Lease, but the rights of the Railroad and its permitted assigns (the Railroad hereby so acknowledging) under the Lease shall be subordinated and junior in rank to the rights, and shall be subject to the remedies, of the Vendor under this Agreement; *provided, however*, that so long as the Railroad shall not be in default under the Lease or under this Agreement in its capacity as guarantor or otherwise, the Railroad shall be entitled to the possession and use of the Equipment. The Trustee hereby agrees that it will not exercise any of the remedies permitted in the case of an Event of Default under and as defined in the Lease until the Vendor shall have received notice in writing of its intended exercise thereof, and hereby further agrees to furnish to the Vendor copies of all summonses, writs, processes and other documents served by it upon the Railroad or served by the Railroad upon it in connection therewith.

So long as an event of default specified in Article 15 hereof shall not have occurred and be continuing, the Trustee 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 Railroad or any affiliate

of the Railroad (or any other railroad company approved by the Vendor) or upon lines of railroad over which the Railroad or any such affiliate has trackage or other operating rights, or over which railroad equipment of the Railroad or any such affiliate is regularly operated pursuant to contract, and the Equipment may be used upon connecting and other carriers in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Agreement; *provided, however*, that the Trustee shall not assign or permit the assignment of any unit of the Equipment to service involving the regular operation and maintenance thereof outside the United States of America. Except as otherwise provided in the Lease, the Trustee may also lease the Equipment to any other railroad company with the prior written consent of the Vendor; *provided, however*, that (i) such lease shall provide that the rights of such lessee are made expressly subordinate to the rights and remedies of the Vendor under this Agreement, (ii) such lessee shall expressly agree not to assign or permit the assignment of any unit of the Equipment to service involving the regular operation and maintenance thereof outside the United States of America and (iii) a copy of such lease shall be furnished to the Vendor.

ARTICLE 12. *Prohibition Against Liens.* The Trustee will pay or discharge any and all sums claimed by any party from, through or under the Trustee or its successors or assigns which, if unpaid, might become a lien, charge, security interest or other encumbrance upon or with respect to the Equipment, or any part thereof, or the interest of the Vendor therein, equal or superior to the Vendor's title thereto or property therein, and will promptly discharge any such lien, charge, security interest or other encumbrance which arises, 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 any appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor in or to the Equipment or otherwise under this Agreement. Any amounts paid by the Vendor in discharge of liens, charges or security interests upon the Equipment shall be secured by and under this Agreement.

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

ARTICLE 13. *Indemnities and Warranties.* The Trustee agrees to indemnify, protect and hold harmless the Vendor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including but not limited to counsel fees and expenses, penalties and interest, arising out of or as the result of the entering into or the performance of this Agreement, the retention by the Vendor of security title to the Equipment, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any of the Equipment, any accident in connection with the operation, use, condition, possession, storage or return of any of the Equipment resulting in damage to property or injury or death to any person during the period when security title thereto remains in the Vendor or the transfer or release of security title to the Equipment by the Vendor pursuant to any of the provisions of this Agreement, except, however, any losses, damages, injuries, liabilities, claims and demands whatsoever arising out of any tort, breach of warranty or failure to per-

form any covenant hereunder by the Railroad or the Builder. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the indebtedness in respect of the Purchase Price of, and the conveyance or release of security title to, the Equipment, as provided in the last paragraph of Article 4 hereof, or the termination of this Agreement in any manner whatsoever.

The Trustee will bear the responsibility for and 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.

The Vendor makes no warranties whether written, oral, statutory or implied including the warranties of merchantability or fitness for a particular purpose), with respect to the Hulks or the Equipment or in connection with this Agreement or the delivery and sale of the Equipment hereunder.

The Builder warrants to the Vendor and the Trustee that the Hulks will be reconstructed in accordance with the Specifications and standards set forth or referred to in Article 1 hereof and warrants that the Equipment will be free from defects in material or workmanship or design under normal use and service. **This warranty is expressly in lieu of all other warranties, with respect to reconstruction, expressed or implied, including any implied warranty of merchantability (or fitness for a particular purpose).** The Builder 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 Vendor every claim, right and cause of action which the Builder has or hereafter shall have against any party who shall perform any of the reconstruction of the Hulks which the Builder has agreed to perform hereunder and the Builder further agrees to execute and deliver to the Vendor all and every such further assurance

as may be reasonably requested by the Vendor more fully to effectuate the assignment, transfer and delivery of every such claim, right and cause of action.

The warranties and indemnities of the Builder contained in this Article 13 and in any other Articles hereof and all other covenants and obligations of the Builder contained in this Agreement shall inure to the benefit of, and be enforceable by, any lessee, assignee or transferee of this Agreement or of any units of the Equipment reconstructed by the Builder hereunder.

The Builder further agrees with the Vendor that neither the inspection as provided in Article 2 hereof, nor any examination, nor the acceptance of any units of the Equipment by the Trustee under Article 2 hereof shall be deemed a waiver by the Vendor or the Trustee of any of their rights under this Article 13.

The Builder agrees to indemnify, protect and hold harmless the Vendor and the Trustee from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Vendor or the Trustee because of the use or operation of the Equipment or reconstruction of the Hulks or any unit thereof, or because of any design, article or material infringing or claimed to infringe on any patent or other right.

The Railroad agrees to indemnify and save harmless the Vendor and the Trustee against any charge or claim made against either of them and against any expense, loss or liability (including but not limited to counsel fees and expenses, patent liabilities, penalties and interest) which the Vendor or the Trustee may incur in any manner by reason of entering into or performing the Hulk Purchase Agreement, this Agreement, any of the instruments or agreements referred to therein or herein or contemplated thereby or hereby or the ownership of, or which may arise in any man-

ner out of or as the result of the ordering, acquisition, purchase, reconstruction, use, operation, condition, delivery, rejection, storage or return of, any of the Hulks or any units of the Equipment and to indemnify and save harmless the Vendor and the Trustee against any charge, claim, expense, loss or liability on account of any accident in connection with the reconstruction, operation, use, condition, possession or storage of any of the Hulks or any units of the Equipment resulting in damage to property or injury or death to any person. The indemnities contained in this Article shall survive delivery of the Equipment and the performance of all other obligations under this Agreement and the Hulk Purchase Agreement and the termination of this Agreement and/or the Hulk Purchase Agreement.

ARTICLE 14. *Assignments.* The Trustee will not (a) except as provided in Article 11 hereof, transfer the right to possession of any unit of the Equipment or (b) sell, assign, transfer or otherwise dispose of its rights under this Agreement unless such sale, assignment, transfer or disposition (i) is made expressly subject in all respects to the rights and remedies of the Vendor hereunder (including without limitation, rights and remedies against the Trustee and the Railroad) and (ii) provides that the Trustee shall remain liable for all the obligations of the Trustee under this Agreement.

All or any of the rights, benefits and advantages of the Vendor under this Agreement, including the right to receive the payments herein provided to be made by the Trustee and the benefits arising from the undertakings of the Railroad hereunder, may be assigned by the Vendor and reassigned by any assignee at any time or from time to time. No such assignment shall subject any assignee to, or relieve the Builder from, any of the obligations of the Builder to construct and deliver the Equipment in ac-

cordance herewith or to respond to its warranties and indemnities contained or referred to in Article 13 hereof.

Upon any such assignment, either the assignor or the assignee shall give written notice to the Trustee and the Railroad, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all the assignor's right, title and interest in and to the Equipment and this Agreement, 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 Trustee and the Railroad, respectively, of the notification of any such assignment, all payments thereafter to be made by the Trustee or the Railroad under this Agreement shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

In the event of any such assignment or successive assignments by the Vendor of title to the Equipment and of the Vendor's rights hereunder with respect thereto, the Trustee will, whenever requested by the assignee, change the markings on each side of each unit of the Equipment so as to indicate the title of such assignee to the Equipment, such markings to be specified by such assignee, subject to any requirements of the laws of the jurisdictions in which the Equipment shall be operated. The cost of such markings in the event of an assignment of not less than all the Equipment at the time covered by this Agreement shall be borne by the Railroad and, in the event of an assignment of less than all such Equipment, such cost shall be borne by such assignee.

ARTICLE 15. *Defaults.* In the event that any one or more of the following events of default shall occur and be continuing (without regard to the limitations provided for

upon such notice to terminate (and the Trustee and the Railroad each acknowledge the right of the Vendor to terminate the Lease) and/or (ii) declare (hereinafter called a Declaration of Default) the entire unpaid indebtedness in respect of the 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 of Default at the rate of 9% per annum, to the extent legally enforceable. Upon a Declaration of Default, the Vendor shall be entitled to recover judgment for the entire unpaid balance of the indebtedness in respect of the Purchase Price of the Equipment so payable, with interest as aforesaid, and to collect such judgment out of any property of the Trustee, subject to the limitations of Article 3 hereof, or the Railroad wherever situated. The Trustee or the Railroad, as the case may be, shall promptly notify the Vendor of any event which has come to its attention which constitutes, or with the giving of notice and/or lapse of time could constitute, an event of default under this Agreement.

The Vendor may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default or notice of termination of the Lease by notice to the Trustee and the Railroad in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default or notice of termination of the Lease had been made or given. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Trustee and the Railroad that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or

affect any other or subsequent default or impair any rights or remedies consequent thereon.

ARTICLE 16. *Remedies.* At any time during the continuance of a Declaration of Default, the Vendor may, subject to the rights of the Railroad set forth in Article 11 hereof, and upon such further notice, if any, as may be required for compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Vendor, take or cause to be taken, by its agent or agents, immediate possession of the Equipment, or one or more of the units thereof, without liability to return to the Trustee or the Railroad any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 16 expressly provided, and may remove the same from possession and use of the Trustee, the Railroad or any other person and for such purpose may enter upon the premises of the Trustee or the Railroad or any other premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Trustee or the Railroad, with or without process of law.

In case the Vendor shall demand possession of the Equipment pursuant to this Agreement and shall designate a reasonable point or points on the lines or premises of the Railroad for the delivery of the Equipment to the Vendor, the Railroad shall (subject to the rights of the Railroad set forth in Article 11 hereof), at its own expense forthwith and in the usual manner, cause the Equipment to be moved to such point or points on its lines and shall there deliver the Equipment or cause it to be delivered to the Vendor. At the option of the Vendor, the Vendor may keep the Equipment on any of the lines or premises of the Railroad until the Vendor shall have leased, sold or otherwise disposed of the same, and for such purpose the Railroad agrees to furnish,

without charge for rent or storage, the necessary facilities at any point or points selected by the Vendor reasonably convenient to the Railroad. This agreement to deliver the Equipment and furnish facilities 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 Vendor shall be entitled to a decree against the Trustee and/or the Railroad requiring specific performance hereof. The Trustee and the Railroad hereby expressly waive any and all claims against the Vendor 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.

At any time during the continuance of a Declaration of Default, the Vendor (after retaking possession of the Equipment as hereinbefore in this Article 16 provided) may, at its election and upon such notice as is hereinafter set forth, retain the Equipment in satisfaction of the entire indebtedness in respect of the Purchase Price of the Equipment and make such disposition thereof as the Vendor shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Trustee and the Railroad by telegram or registered mail, addressed as provided in Article 21 hereof, and to any other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Vendor should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the second proviso below, all the Trustee's rights in the Equipment shall thereupon terminate and all payments made by the Trustee and the Railroad may be retained by the Vendor as compensation for the use of the Equipment; *provided, however*, that if the Trustee, before the expiration of the 30-day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance

of the indebtedness in respect of the Purchase Price of the Equipment, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee; *provided, further*, that if the Trustee, the Railroad or any other persons notified under the terms of this paragraph object in writing to the Vendor within 30 days from the receipt of notice of the Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. If the Vendor shall have given no notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 16.

At any time during the continuance of a Declaration of Default, the Vendor, with or without retaking possession thereof, at its election and upon reasonable notice to the Trustee, the Railroad and any other persons to whom the law may require notice of the time and place, may, subject to the rights of the Railroad set forth in Article 11 hereof, sell the Equipment, or one or more of the units thereof, free from any and all claims of the Trustee, the Railroad or any other party claiming from, through or under the Trustee or the Railroad at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; *provided, however*, that if, prior to such sale and prior to the making of a contract for such sale, the Trustee should tender full payment of the total unpaid balance of the indebtedness in respect of the 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 Vendor in retaking possession of, removing, storing, holding and preparing the Equipment for, and otherwise arranging for, the sale and the Vendor'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 Trustee. The proceeds of such sale or other disposition, less the attorneys' fees and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement.

Any sale hereunder may be held or conducted at New York, New York, at such time or times as the Vendor may specify (unless the Vendor shall specify a different place or places, in which case the sale shall be held at such place or places as the Vendor 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 Vendor may determine. The Trustee and the Railroad shall be given written notice of such sale not less than ten days prior thereto, by telegram or registered mail addressed as provided in Article 21 hereof. If such sale shall be a private sale, it shall be subject to the rights of the Trustee and the Railroad to purchase or provide a purchaser, within ten days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. The Vendor may bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale. In the event that the Vendor shall be the purchaser thereof, it shall not be accountable to the Trustee or the Railroad (except to the extent of surplus money received as hereinafter provided in this Article 16), and in payment of the purchase price therefor the Vendor shall be entitled to have

credited on account thereof all sums due to the Vendor hereunder.

Each and every power and remedy hereby specifically given to the Vendor 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 Vendor. 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. No delay or omission of the Vendor 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. Any extension of time for payment hereunder or other indulgence duly granted to the Trustee or the Railroad shall not otherwise alter or affect the Vendor's rights or the Trustee's or the Railroad's obligations hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Trustee's or the Railroad's obligations or the Vendor's rights hereunder with respect to any subsequent payments or default therein.

If, after applying all sums of money realized by the Vendor under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Trustee shall, subject to the limitations of Article 3 hereof, pay the amount of such deficiency to the Vendor upon demand, and, if the Trustee shall fail to pay such deficiency, the Vendor may bring suit therefor and shall be entitled to recover a judgment therefor against the Trustee. If, after applying as aforesaid all sums realized by the Vendor, there shall remain a surplus in the possession of the Vendor, such surplus shall be paid first

to the Trustee to the extent of the Trustee's interest therein, and then to the Railroad, to the extent of its interest therein.

The Trustee will, subject to the limitations of Article 3 hereof, pay all reasonable expenses, including attorneys' fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Vendor may recover reasonable expenses, including reasonable attorneys' fees, and the amount thereof shall be included in such judgment.

The foregoing provisions of this Article 16 are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

ARTICLE 17. *Applicable State Laws.* Any provision of this Agreement prohibited by any applicable law of any jurisdiction (which is not overridden by applicable federal law) shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Trustee, the Builder and the Railroad to the full extent permitted by law, it being the intention of the parties hereto that this Agreement shall be deemed to be a conditional sale and enforced as such.

Except as otherwise provided in this Agreement, the Trustee and the Railroad, to the full extent permitted by law, hereby waive all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Equipment, or any one or more units thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Vendor's

rights under this Agreement and any and all rights of redemption.

ARTICLE 18. *Recording.* The Railroad will cause this Agreement, any assignments hereof and any amendments or supplements hereto or thereto to be filed and recorded in accordance with Section 20c of the Interstate Commerce Act; and the Railroad will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments required by law or reasonably requested by the Vendor for the purpose of proper protection, to the satisfaction of counsel for the Vendor, of its security title to the Equipment and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement; and the Railroad will promptly furnish to the Trustee and the Vendor certificates or other evidence of such filing, registering, depositing and recording satisfactory to the Vendor.

ARTICLE 19. *Payment of Expenses.* The Trustee will pay all reasonable costs and expenses incident to this Agreement, and any instrument supplemental or related hereto or thereto, including all fees and expenses of counsel for the Vendor.

ARTICLE 20. *Article Headings; Effect and Modification of Agreement.* All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

This Agreement, including the Schedule hereto, exclusively and completely states the rights of the Vendor, the Builder, the Trustee and the Railroad with respect to the Hulks and the Equipment and supersedes all other agreements, oral or written, with respect to the Hulks and the Equipment except the Hulk Purchase Agreement. 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 representatives of the Vendor, the Trustee and the Railroad.

ARTICLE 21. *Notice.* Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it at its place of business at the following specified addresses:

(a) to the Vendor, at P. O. Box 987, Pittsburgh, Pennsylvania 15230, Attention: Hay Walker, Vice President,

(b) to the Trustee, at P. O. Box 318, Church Street Station, New York, N. Y. 10015, Attention: Corporate Trust Division

(with a copy to General Electric Credit Corporation, P. O. Box 8300, Stamford, Connecticut 06904 and P. O. Box 81 (North Station) White Plains, N. Y. 10603),

(c) to the Railroad, at 201 North Charles Street, Baltimore, Maryland 21201, Attention: Law Department

(d) to any assignee of the Vendor, or of the Trustee, at such address as may have been furnished in writing to the Trustee, or the Vendor, as the case may be, and to the Railroad, by such assignee.

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

ARTICLE 22. *Immunities; Satisfaction of Undertakings.* 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 Vendor, the Trustee or the Railroad, solely by reason of the fact that such person is an incorporator, stockholder, director, or officer, 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 such incorporators, stockholders, directors or officers being forever released as a condition of and as consideration for the execution of this Agreement.

The obligations of the Trustee under the first paragraph of Article 6, the last paragraph of Article 14 and under Articles 5, 8, 9, 10, 12, 13 and 18 hereof shall be deemed in all respects satisfied by the Railroad's undertakings contained in the Lease. The Railroad shall be liable in respect of its guaranty hereunder for such obligations under said Articles regardless of whether or not the lease provides for the discharge of such obligations or is in effect. The Trustee shall not have any responsibility for the Railroad's failure to perform such obligations, but if the same shall not be performed they shall constitute the basis for an event of default hereunder pursuant to Article 15 hereof. No waiver or amendment of the Railroad's undertakings under the Lease shall be effective unless joined in by the Vendor.

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, undertakings and agreements herein made on the part of the Trustee, while in form purporting to be the representations, undertakings and agreements of the Trustee are nevertheless each and every one of them, made and intended not as personal representations, undertakings and agreements by the Trustee or for the purpose or with the intention of binding the Trustee personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Agreement is executed and delivered by the Trustee

not in its own right but solely in the exercise of the powers expressly conferred upon it as such Trustee; and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Trustee, or any beneficiary of the trust under which the Trustee is acting on account of this Agreement or on account of any representation, undertaking or agreement of the Trustee or any beneficiary under the Trust Agreement, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; *provided, however*, that the Vendor or any person claiming by, through or under any of them, making claim hereunder, may look to the Trust Estate for satisfaction of the same.

ARTICLE 23. *Law Governing.* The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of New York; *provided, however*, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording or deposit hereof, if any, and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited.

ARTICLE 24. *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. Although this Agreement is dated as of April 1, 1972, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respec-

tively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed all as of the date first above written.

DOLLAR SAVINGS BANK

by *Ray Walker*
.....
Vice President

[CORPORATE SEAL]

Attest:

Betty J. Stait
.....
Assistant Secretary

BANKERS TRUST COMPANY,
as Trustee

by *Richard J. Illi*
.....
Assistant Vice President

[CORPORATE SEAL]

Attest:

[Signature]
.....
Assistant Secre'ary

WESTERN MARYLAND RAILWAY
COMPANY

by *Norman C. Melvin*
Vice President

[CORPORATE SEAL]

Attest:

Odeu A. Kemp
Assistant Secretary

WESTERN MARYLAND COMPANY

by *Norman C. Melvin*
Vice President

[CORPORATE SEAL]

Attest:

Odeu A. Kemp
Assistant Secretary

STATE OF PENNSYLVANIA }
COUNTY OF ALLEGHENY } ss.:

On this 27th day of April, 1972, before me personally appeared *Ray Walker*, to me personally known, who, being by me duly sworn, says that he is a Vice President of DOLLAR SAVINGS BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said bank, that said instrument was signed and sealed on behalf of said bank 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 bank.

Kathryn E. Mangano
Notary Public

[NOTARIAL SEAL]

My Commission Expires

KATHRYN E. MANGANO, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES JAN. 20, 1973
Member, Pennsylvania Association of Notaries

STATE OF NEW YORK, }
COUNTY OF NEW YORK, } ss.:

On this 26th day of April, 1972 before me personally appeared ROMANO I. PELUSO, to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of BANKERS 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.

Phyllis Buccieri
Notary Public

[NOTARIAL SEAL]

PHYLLIS BUCCHIERI
Notary Public, State of New York
No. 21000000000
Qualified to perform Notary Public duties
Certificate of the State of New York
Commission Expires 12/31/73

STATE OF MARYLAND }
CITY OF BALTIMORE } ss.:

On this ~~28th~~ day of April, 1972, before me personally appeared NORMAN C. MELVIN, to me personally known, who, being by me duly sworn, says that he is a Vice President of WESTERN MARYLAND RAILWAY 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.

[NOTARIAL SEAL]

Dorothy H. Whittington
Notary Public

My Commission Expires July 1, 1974.

STATE OF MARYLAND }
CITY OF BALTIMORE } ss.:

On this ~~28th~~ day of April, 1972, before me personally appeared NORMAN C. MELVIN, to me personally known, who, being by me duly sworn, says that he is a Vice President of WESTERN MARYLAND COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

Dorothy H. Whittington
Notary Public

My Commission Expires July 1, 1974.

SCHEDULE A

Quantity	Description of Equipment	Railroad's Road Numbers	Hulk Purchase Price		Base Reconstruction Cost		Purchase Price	
			Per Unit	Total	Per Unit	Total	Per Unit	Total
150	40' 50-ton Box Cars	26501-26650 Both Inclusive	\$922.33	\$138,350	\$7,500	\$1,125,000	\$8,422.33	\$1,263,350

Specifications: Western Maryland Railway, General Arrangement, Drawing A-1350, Dated April 10, 1972.

EXHIBIT A

April 1, 1972

TRANSFER AGREEMENT

DOLLAR SAVINGS BANK
P. O. Box 987
Pittsburgh, Pennsylvania 15230

Attention: Hay Walker, Vice President

The undersigned is purchasing the used railroad equipment described in Schedule A hereto (hereinafter called the Hulks) from Western Maryland Railway Company (hereinafter called the Railroad). The undersigned desires to have such Hulks rebuilt. The undersigned hereby agrees with you as follows:

1. In order to cause the Hulks to be reconstructed and sold to us by you on conditional sale, the undersigned hereby assigns and transfers to you a security title to the Hulks.

2. You will hold security title under and pursuant to the Reconstruction and Conditional Sale Agreement dated as of April 1, 1972 (hereinafter called the Agreement), among you, the Railroad, Western Maryland Company (hereinafter called the Builder) and us, and you will direct that the Hulks be reconstructed, pursuant thereto in accordance with the specifications referred to in Schedule A thereto. In accordance with the Agreement the undersigned will direct the Hulks to be delivered to the Builder on your behalf at such point or points within the United States of America as the Builder shall designate.

3. Upon completion of the reconstruction, the reconstructed Hulks will be delivered and conditionally sold by you to us in accordance with the Agreement.

4. If Hulks are excluded from the Agreement you shall reassign to us your interest in such Hulks, without warranty.

5. It is understood and agreed that this Agreement is being entered into solely to permit you to effectuate the foregoing and your interests in the Hulks, in present form or as rebuilt, is a security interest and that the beneficiary for whom we are acting shall at all times be the beneficial owner of the same.

If the foregoing is in accordance with your understanding, please sign a copy of this letter in the space provided and return it to the undersigned, whereupon this letter shall become a valid and binding agreement between us.

Very truly yours,

BANKERS TRUST COMPANY,
as Trustee under Trust Agreement dated as of April 1, 1972

by
Assistant Vice President

[SEAL]

ACCEPTED:

DOLLAR SAVINGS BANK

by *Ray Walker*
Vice President

STATE OF PENNSYLVANIA }
COUNTY OF ALLEGHENY } ss.:

On this 27th day of April, 1972, before me personally appeared Jay Walker and , to me personally known, each of whom, being by me duly sworn, says that he is a Vice President of DOLLAR SAVINGS BANK, that the seal affixed to the foregoing instrument is the corporate seal of said bank, that said instrument was signed and sealed on behalf of said bank 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.

Kathryn E. Mangano
Notary Public

[NOTARIAL SEAL]

My Commission Expires

KATHRYN E. MANGANO, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES JAN. 20, 1973
Member, Pennsylvania Association of Notaries

EXHIBIT B

LEASE OF RAILROAD EQUIPMENT

Dated as of April 1, 1972

between

BANKERS TRUST COMPANY, as Trustee

and

WESTERN MARYLAND RAILWAY COMPANY

LEASE OF RAILROAD EQUIPMENT, dated as of April 1, 1972, between BANKERS TRUST COMPANY, as Trustee under a trust agreement dated as of April 1, 1972, with GENERAL ELECTRIC CREDIT CORPORATION, as beneficiary (said Trustee and said beneficiary being hereinafter called the Lessor and the Beneficiary, respectively) and WESTERN MARYLAND RAILWAY COMPANY (hereinafter called the Lessee).

WHEREAS, the Lessor has entered into a Reconstruction and Conditional Sale Agreement dated as of April 1, 1972 (hereinafter called the Reconstruction and Conditional Sale Agreement), with the Lessee, WESTERN MARYLAND COMPANY (hereinafter called the Builder) and DOLLAR SAVINGS BANK (hereinafter called the Vendor), wherein the Vendor has agreed to sell to the Lessor its interest in the railroad equipment described in Schedule A hereto after it has been reconstructed by the Builder;

WHEREAS, the Lessee desires to lease all the units of said equipment, or such lesser number as are delivered and accepted and settled for under the Reconstruction and Conditional Sale Agreement on or prior to December 15, 1972, (such units described in Schedule A hereto being hereinafter called the Units), at the rentals and for the terms and upon the conditions hereinafter provided;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions, but, upon default of the Lessee hereunder or under the Reconstruction and Conditional Sale Agreement, subject to all the rights and remedies of the Vendor under such Reconstruction and Conditional Sale Agreement:

§ 1. *Delivery and Acceptance of Units.* The Lessor will cause each Unit to be tendered to the Lessee at the point or points within the United States of America at which such Unit is delivered to the Lessor under the Reconstruction and Conditional Sale Agreement. Upon such tender, the Lessee will cause an authorized representative of the Lessee to inspect the same, and if such Unit is found to be in good order, to accept delivery of such Unit and execute and deliver to the Lessor a certificate of acceptance and delivery (hereinafter called the Certificate of Delivery), whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease.

§ 2. *Rental.* The Lessee agrees to pay to the Lessor as rental for each Unit subject to this Lease 31 consecutive semiannual payments, each payable on the business day preceding February 1 and August 1 in each year, commencing February 1, 1973. The first such semiannual rent payment shall be in an amount equal to .0002713 of the Purchase Price (as defined in the Reconstruction and Conditional Sale Agreement) of each Unit for each day elapsed from and including the date such Unit is settled for under the Reconstruction and Conditional Sale Agreement to February 1, 1973. The remaining 30 semiannual rental payments in respect of each Unit subject to this Lease shall be an amount equal to .04883 of the Purchase Price of each such Unit subject to this Lease.

The Lessee agrees to make all the payments provided for in this Lease to the Lessor in immediately available New York funds (including but not limited to the payments required under § 6 hereof).

This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent, including, but not limited to, abatements,

reductions or setoffs due or alleged to be due to, or by reason of, any past, present or future claims of the Lessee against the Lessor under this Lease or the Vendor or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, the prohibition of or other restriction against Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

§ 3. *Term of Lease.* The term of this Lease as to each Unit shall begin on the date of the delivery to and acceptance by the Lessee of such Unit and, subject to the provisions of §§ 6 and 9 hereof, shall terminate on the date on which the final semiannual payment of rent in respect thereof is due hereunder.

Notwithstanding anything to the contrary contained herein all rights and obligations under this Lease and in and to the Units, upon default by the Lessee hereunder, or under the Reconstruction and Conditional Sale Agreement in its capacity as guarantor or otherwise, are subject to the rights of the Vendor under the Reconstruction and Conditional Sale Agreement. If an event of default should occur under the Reconstruction and Conditional Sale Agree-

ment, the Vendor may terminate this Lease (or rescind its termination), all as provided therein, unless the Lessee is not so in default under this Lease or under the Reconstruction and Conditional Sale Agreement (in its capacity as guarantor or otherwise). If a Declaration of Default (as defined in the Reconstruction and Conditional Sale Agreement) should be made under the Reconstruction and Conditional Sale Agreement due to an event of default not occasioned by an act or omission of the Lessee hereunder or not attributable to the Lessee under the Reconstruction and Conditional Sale Agreement as aforesaid, and if such Declaration of Default shall not have been rescinded by the Vendor within 30 days of the making thereof, or if the Vendor theretofore has indicated either in writing to the Lessor or the Lessee or by the commencement of the remedies specified under Article 16 of the Reconstruction and Conditional Sale Agreement that it will not rescind such Declaration of Default, the Lessee, without penalty, may terminate this Lease.

§ 4. *Identification Marks.* The Lessee, so long as this Lease shall remain in effect, will cause each Unit to be kept numbered with the identifying number set forth in Schedule A to the Reconstruction and Conditional Sale Agreement and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of such Unit, in letters not less than one inch in height, the name of the Vendor followed by the words "Security Owner" or other appropriate words designated by the Vendor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor or the Vendor to such Unit and the rights of the Lessor under this Lease and of the Vendor under the Reconstruction and Conditional Sale Agreement. The Lessee will not place any such Unit in operation or exercise

any control or dominion over the same until such names and words shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the identifying number of any Unit except in accordance with a statement of new identifying numbers to be substituted therefor, which statement previously shall have been filed with the Vendor and the Lessor by the Lessee and filed, recorded or deposited by the Lessee in all public offices where this Lease will have been filed, recorded or deposited.

Except as above provided, the Lessee, so long as this Lease shall remain in effect, will not allow the name of any person, association or corporation to be placed on the Units as a designation that might be interpreted as a claim of ownership; *provided, however*, that the Lessee may cause the Units to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates on railroad equipment used by them of the same or a similar type for convenience of identification of their rights to use the Units as permitted under this Lease.

§ 5. *Taxes.* All payments to be made by the Lessee hereunder will be free of expense to the Lessor for collection or other charges and will be free of expense to the Lessor with respect to the amount of any local, state, federal or foreign taxes (other than any United States federal income tax [and, to the extent that the Lessor receives credit therefor against its United States federal income tax liability, any foreign income tax] payable by the Lessor in consequence of the receipt of payments provided herein and other than the aggregate of all franchise taxes measured by net income based on such receipts, up to the amount of any such taxes which would be payable to the state and city in which the Lessor has its principal place of business without appor-

tionment to any other state, except any such tax which is in substitution for or relieves the Lessee 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 (hereinafter called impositions) hereafter levied or imposed upon or in connection with or measured by this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof or the Reconstruction and Conditional Sale Agreement, all of which impositions the Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. The Lessee will also pay promptly all impositions which may be imposed upon any Unit or for the use or operation thereof or upon the earnings arising therefrom or upon the Lessor solely by reason of its ownership thereof and will keep at all times all and every part of such Unit free and clear of all impositions which might in any way affect the title of the Lessor or result in a lien upon any such Unit; *provided, however,* that the Lessee shall be under no obligation to pay any 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 Lessor, adversely affect the title, property or rights of the Lessor hereunder or under the Reconstruction and Conditional Sale Agreement. If any impositions shall have been charged or levied against the Lessor directly and paid by the Lessor, the Lessee shall reimburse the Lessor on presentation of invoice therefor. Prior to making such payment, the Lessor shall promptly notify Lessee of the impositions charged or levied, and the Lessee shall have the opportunity to contest in good faith and by appropriate legal proceedings such impositions, at its sole expense.

In the event that the Lessor shall become obligated to make any payment to the Vendor pursuant to Article 5 of

the Reconstruction and Conditional Sale Agreement not covered by the foregoing paragraph of this § 5, the Lessee shall pay such additional amounts (which shall also be deemed impositions hereunder) to the Lessor as will enable the Lessor to fulfill completely its obligations pursuant to said Article 5.

In the event any reports with respect to impositions are required to be made on the basis of individual Units, the Lessee will either make such reports in such manner as to show the interests of the Lessor and the Vendor in such Units or notify the Lessor and the Vendor of such requirement and make such reports in such manner as shall be satisfactory to the Lessor and the Vendor.

In the event that, during the continuance of this Lease, the Lessee becomes liable for the payment or reimbursement of any impositions, pursuant to this § 5, such liability shall continue, notwithstanding the expiration of this Lease, until all such impositions are paid or reimbursed by the Lessee.

§ 6. *Payment for Casualty Occurrences.* In the event that any Unit shall be or become worn out, lost, stolen, destroyed or, in the opinion of the Lessee, irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (each such occurrence being hereinafter called a Casualty Occurrence) during the term of this Lease, the Lessee shall, within eight days after it shall have determined that such Unit has suffered a Casualty Occurrence, fully notify the Lessor and the Vendor in writing with respect thereto. On the business day preceding February 1 or August 1 next succeeding such notice (but not earlier than August 1, 1973) the Lessee shall pay to the Lessor an amount equal to the accrued rental for such Unit to the date of such payment plus a sum equal to the Casualty Value (as hereinafter defined) of such Unit as of such February 1 or August 1, as the case may be, in accord-

ance with the schedule set out below. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue as of the date of such payment, the term of this Lease as to such Unit shall terminate and the Lessor shall be entitled to recover possession of such Unit.

The Casualty Value of each Unit shall be determined by multiplying the Purchase Price of such Unit by the applicable percentages set forth opposite each date in the following schedule:

Rental Payment Date	Percentage of Purchase Price	Rental Payment Date	Percentage of Purchase Price
8/1/73	103.31%	2/1/81	66.12%
2/1/74	103.02	8/1/81	63.14
8/1/74	102.51	2/1/82	60.63
2/1/75	101.78	8/1/82	56.79
8/1/75	100.84	2/1/83	53.45
2/1/76	95.60	8/1/83	50.01
8/1/76	94.27	2/1/84	46.46
2/1/77	92.75	8/1/84	42.83
8/1/77	91.05	2/1/85	39.11
2/1/78	84.96	8/1/85	35.31
8/1/78	82.91	2/1/86	31.43
2/1/79	80.68	8/1/86	27.46
8/1/79	78.30	2/1/87	23.41
2/1/80	71.65	8/1/87	19.28
8/1/80	68.96	2/1/88	15.00

Except as hereinabove in this § 6 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit after delivery to and acceptance thereof by the Lessee hereunder.

§ 7. *Annual and Quarterly Reports.* On or before March 31 in each year, commencing with the year 1973, the Lessee

by 100 for the year in which the Loss occurs (such fraction is now $\frac{100}{100 - (.48)(100)}$). Such rate shall be adjusted for any changes in the federal, state or local tax laws after the date hereof, including changes affecting or concerning normal and surtax rates, surcharges, excess profits and other similar taxes, however denominated. If (other than for the reasons set forth below) there shall be a Loss, in whole or in part, of the ADR Deduction for any Unit, the Lessee shall, upon request of Lessor, pay to the Lessor, additional rental to compensate the Lessor for the consequent lost cumulative deferral of income tax liability (hereinafter called the Detriment), existing thereafter from time to time, as determined by the Lessor. Such Detriment shall be equal to the amount of cumulative additional income tax required to be paid by the Lessor on any increased taxable income from the time of the Loss until the end of the term of the Lease resulting from (i) the Loss and (ii) any increased taxable income during any or all years of the term of the Lease as a consequence of the adjustments which relate to the Loss. Said additional rental shall be an amount equal to $8\frac{1}{2}\%$ per annum multiplied by the Detriment applicable to each rental payment and further adjusted to provide for payment in equal amounts with each subsequent rental payment commencing with the first rental payment not less than five days after the Lessor notifies the Lessee of the required additional rental. This indemnification is intended to reimburse and make the Lessor whole for any increase in the Lessor's investment over the term of the Lease resulting from a loss of such income tax deferrals. For the purposes of this § 14, a Loss shall occur upon the earliest of (a) the happening of an event which may cause such Loss, (b) payment to the Internal Revenue Service of the tax increase resulting from such Loss or (c) the adjustment of the Lessor's tax return or of a consolidated tax return of which the Lessor

is a part to reflect such Loss. The Lessee will also pay any interest and penalties paid or which would be payable to the taxing authorities or jurisdiction if there were no other adjustments to said tax return; *provided, however*, that interest shall not run after the payment by the Lessee to the Lessor of the full amount of any indemnification then requested by the Lessor.

The Lessor shall not be entitled to a payment under this § 14 on account of any Loss or Detriment as a direct result of the occurrence of any of the following events:

(i) a Casualty Occurrence with respect to such Unit, if the Lessee shall have paid to the Lessor the amounts stipulated under § 6 hereof;

(ii) a voluntary transfer by the Lessor of legal title to such Unit, the disposition by the Lessor of any interest in such Unit or the reduction by the Lessor of its interest in the rentals from such Unit under the Lease, unless, in each case, an Event of Default shall have occurred and be continuing;

(iii) the amendment either of the Hulk Purchase Agreement or the Transfer Agreement (as defined in the Reconstruction and Conditional Sale Agreement) or the Reconstruction and Conditional Sale Agreement without the prior written consent of the Lessee and such amendment causes the Lessor to sustain a loss or detriment;

(iv) the failure of the Lessor to claim the Investment Credit or ADR Deduction, as applicable, in its income tax return for the appropriate year or the failure of the Lessor to follow proper procedure in claiming the Investment Credit or ADR Deduction, as applicable; or

(v) the failure of the Lessor to have sufficient liability for tax against which to credit such Investment

Credit or sufficient income to benefit from the ADR Deduction, as applicable.

The Lessee's agreement to pay any sums which may become payable pursuant to this § 14 shall survive the expiration or other termination of this Lease.

On or before the first Closing Date occurring under the Reconstruction and Conditional Sale Agreement, the Lessor, as a condition to its obligation to lease the units to the Lessee hereunder, shall have received counterparts of the written opinion of Messrs. Cravath, Swaine & Moore addressed to the Lessor to the effect that for federal income tax purposes and upon such review and on the basis of such understandings as such counsel deem necessary:

A. the Lessor will be considered the owner of the Units; and

B. the Lessor will be entitled to (i) the 7% investment credit on that portion of the basis of the Units attributable to reconstruction, as provided for in Section 38 of the Code, and (ii) depreciation deductions with respect to that portion of the basis of the Units attributable to reconstruction, computed in accordance with any of the methods listed in Section 167(b) of the Code.

§ 15. *Recording; Expenses.* The Lessee will cause this Lease, the Reconstruction and Conditional Sale Agreement and any assignment hereof or thereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. The Lessee will undertake the filing, recording and depositing and refile, re-recording and redepositing required of the Lessor under Article 18 of the Reconstruction and Conditional Sale Agreement and will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record and deposit (and will refile,

re-register, re-record or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Vendor for the purpose of proper protection, to their satisfaction, of the Vendor's and the Lessor's respective interests in the Units, or for the purpose of carrying out the intention of this Lease or the Reconstruction and Conditional Sale Agreement; and the Lessee will promptly furnish to the Vendor and the Lessor evidences of all such filing, registering, recording or depositing, and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Vendor and the Lessor. This Lease and the Reconstruction and Conditional Sale Agreement shall be filed and recorded with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any Unit.

The Lessor will pay or cause to be paid the reasonable costs and expenses involved in the preparation and printing of this Lease and the Lessee will pay the reasonable costs and expenses involved in the recording of this Lease. The Lessor and the Lessee will each bear the respective fees and disbursements, if any, of their respective counsel.

§ 16. *Interest on Overdue Rentals.* Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations when due hereunder shall result in the obligation on the part of the Lessee promptly to pay also an amount equal to 9% per annum of the overdue rentals for the period of time during which they are overdue.

§ 17. *Notices.* Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States

certified mails, first-class postage prepaid, addressed as follows:

if to the Lessor, at P. O. Box 318, Church Street Station, New York, N. Y. 10015, Attention: Corporate Trust Division (with a copy to General Electric Credit Corporation, at P. O. Box 8300, Stamford, Connecticut 06904 and at P. O. Box 81 (North Station), White Plains, N. Y. 10603);

if to the Lessee, at 201 Charles Street, Baltimore, Maryland;

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

§ 18. *Severability; Effect and Modification of Lease.* Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Lessor and the Lessee.

§ 19. *Execution.* This Lease may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument. Although this Lease is dated as of April 1, 1972, for convenience, the actual date or dates of execution hereof by the parties

hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

§ 20. *Law Governing.* The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of New York; *provided, however,* that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be executed 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.

BANKERS TRUST COMPANY, as Trustee

[CORPORATE SEAL] by
Assistant Vice President

Attest:

.....
Assistant Secretary

WESTERN MARYLAND RAILWAY
COMPANY,

[CORPORATE SEAL] by
Vice President

Attest:

.....
Assistant Secretary

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this day of April, 1972, before me personally appeared ROMANO I. PELUSO, to me personally known who, being by me duly sworn, says he is an assistant Vice President of BANKERS TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said banking association, that said instrument was this day signed and sealed on behalf of said banking association 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.

.....
Notary Public

[NOTARIAL SEAL]

STATE OF MARYLAND }
CITY OF BALTIMORE } ss.:

On this day of April, 1972, before me personally appeared NORMAN C. MELVIN, to me personally known, who, being by me duly sworn, says that he is Vice President of WESTERN MARYLAND RAILWAY COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that such instrument was this day 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.

.....
Notary Public

[NOTARIAL SEAL]

My Commission Expires July 1, 1974.

SCHEDULE A

<u>Quantity</u>	<u>Description of Equipment</u>	<u>Lessee's Road Numbers</u>	<u>Unit Purchase Price</u>	<u>Aggregate Purchase Price</u>
150	40' 50-ton Box Cars	26501-26650	\$8,422.33	\$1,263,350

by 100 for the year in which the Loss occurs (such fraction is now $\frac{100}{100 - (.48)(100)}$). Such rate shall be adjusted for any changes in the federal, state or local tax laws after the date hereof, including changes affecting or concerning normal and surtax rates, surcharges, excess profits and other similar taxes, however denominated. If (other than for the reasons set forth below) there shall be a Loss, in whole or in part, of the ADR Deduction for any Unit, the Lessee shall, upon request of Lessor, pay to the Lessor, additional rental to compensate the Lessor for the consequent lost cumulative deferral of income tax liability (hereinafter called the Detriment), existing thereafter from time to time, as determined by the Lessor. Such Detriment shall be equal to the amount of cumulative additional income tax required to be paid by the Lessor on any increased taxable income from the time of the Loss until the end of the term of the Lease resulting from (i) the Loss and (ii) any increased taxable income during any or all years of the term of the Lease as a consequence of the adjustments which relate to the Loss. Said additional rental shall be an amount equal to $8\frac{1}{2}\%$ per annum multiplied by the Detriment applicable to each rental payment and further adjusted to provide for payment in equal amounts with each subsequent rental payment commencing with the first rental payment not less than five days after the Lessor notifies the Lessee of the required additional rental. This indemnification is intended to reimburse and make the Lessor whole for any increase in the Lessor's investment over the term of the Lease resulting from a loss of such income tax deferrals. For the purposes of this § 14, a Loss shall occur upon the earliest of (a) the happening of an event which may cause such Loss, (b) payment to the Internal Revenue Service of the tax increase resulting from such Loss or (c) the adjustment of the Lessor's tax return or of a consolidated tax return of which the Lessor

is a part to reflect such Loss. The Lessee will also pay any interest and penalties paid or which would be payable to the taxing authorities or jurisdiction if there were no other adjustments to said tax return; *provided, however*, that interest shall not run after the payment by the Lessee to the Lessor of the full amount of any indemnification then requested by the Lessor.

The Lessor shall not be entitled to a payment under this § 14 on account of any Loss or Detriment as a direct result of the occurrence of any of the following events:

(i) a Casualty Occurrence with respect to such Unit, if the Lessee shall have paid to the Lessor the amounts stipulated under § 6 hereof;

(ii) a voluntary transfer by the Lessor of legal title to such Unit, the disposition by the Lessor of any interest in such Unit or the reduction by the Lessor of its interest in the rentals from such Unit under the Lease, unless, in each case, an Event of Default shall have occurred and be continuing;

(iii) the amendment either of the Hulk Purchase Agreement or the Transfer Agreement (as defined in the Reconstruction and Conditional Sale Agreement) or the Reconstruction and Conditional Sale Agreement without the prior written consent of the Lessee and such amendment causes the Lessor to sustain a loss or detriment;

(iv) the failure of the Lessor to claim the Investment Credit or ADR Deduction, as applicable, in its income tax return for the appropriate year or the failure of the Lessor to follow proper procedure in claiming the Investment Credit or ADR Deduction, as applicable; or

(v) the failure of the Lessor to have sufficient liability for tax against which to credit such Investment

Credit or sufficient income to benefit from the ADR Deduction, as applicable.

The Lessee's agreement to pay any sums which may become payable pursuant to this § 14 shall survive the expiration or other termination of this Lease.

On or before the first Closing Date occurring under the Reconstruction and Conditional Sale Agreement, the Lessor, as a condition to its obligation to lease the units to the Lessee hereunder, shall have received counterparts of the written opinion of Messrs. Cravath, Swaine & Moore addressed to the Lessor to the effect that for federal income tax purposes and upon such review and on the basis of such understandings as such counsel deem necessary:

A. the Lessor will be considered the owner of the Units; and

B. the Lessor will be entitled to (i) the 7% investment credit on that portion of the basis of the Units attributable to reconstruction, as provided for in Section 38 of the Code, and (ii) depreciation deductions with respect to that portion of the basis of the Units attributable to reconstruction, computed in accordance with any of the methods listed in Section 167(b) of the Code.

§ 15. *Recording; Expenses.* The Lessee will cause this Lease, the Reconstruction and Conditional Sale Agreement and any assignment hereof or thereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. The Lessee will undertake the filing, recording and depositing and refile, re-recording and redepositing required of the Lessor under Article 18 of the Reconstruction and Conditional Sale Agreement and will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record and deposit (and will refile,

re-register, re-record or re-deposit whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Vendor for the purpose of proper protection, to their satisfaction, of the Vendor's and the Lessor's respective interests in the Units, or for the purpose of carrying out the intention of this Lease or the Reconstruction and Conditional Sale Agreement; and the Lessee will promptly furnish to the Vendor and the Lessor evidences of all such filing, registering, recording or depositing, and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Vendor and the Lessor. This Lease and the Reconstruction and Conditional Sale Agreement shall be filed and recorded with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any Unit.

The Lessor will pay or cause to be paid the reasonable costs and expenses involved in the preparation and printing of this Lease and the Lessee will pay the reasonable costs and expenses involved in the recording of this Lease. The Lessor and the Lessee will each bear the respective fees and disbursements, if any, of their respective counsel.

§ 16. *Interest on Overdue Rentals.* Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations when due hereunder shall result in the obligation on the part of the Lessee promptly to pay also an amount equal to 9% per annum of the overdue rentals for the period of time during which they are overdue.

§ 17. *Notices.* Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States

certified mails, first-class postage prepaid, addressed as follows:

if to the Lessor, at P. O. Box 318, Church Street Station, New York, N. Y. 10015, Attention: Corporate Trust Division (with a copy to General Electric Credit Corporation, at P. O. Box 8300, Stamford, Connecticut 06904 and at P. O. Box 81 (North Station), White Plains, N. Y. 10603);

if to the Lessee, at 201 Charles Street, Baltimore, Maryland;

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

§ 18. *Severability; Effect and Modification of Lease.* Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Lessor and the Lessee.

§ 19. *Execution.* This Lease may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument. Although this Lease is dated as of April 1, 1972, for convenience, the actual date or dates of execution hereof by the parties

hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

§ 20. *Law Governing.* The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of New York; *provided, however,* that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be executed 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.

BANKERS TRUST COMPANY, as Trustee

[CORPORATE SEAL] by
Assistant Vice President

Attest:

.....
Assistant Secretary

WESTERN MARYLAND RAILWAY
COMPANY,

[CORPORATE SEAL] by
Vice President

Attest:

.....
Assistant Secretary

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this day of April, 1972, before me personally appeared ROMANO I. PELUSO, to me personally known who, being by me duly sworn, says he is an assistant Vice President of BANKERS TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said banking association, that said instrument was this day signed and sealed on behalf of said banking association 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.

.....
Notary Public

[NOTARIAL SEAL]

STATE OF MARYLAND }
CITY OF BALTIMORE } ss.:

On this day of April, 1972, before me personally appeared NORMAN C. MELVIN, to me personally known, who, being by me duly sworn, says that he is Vice President of WESTERN MARYLAND RAILWAY COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that such instrument was this day 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.

.....
Notary Public

[NOTARIAL SEAL]

My Commission Expires July 1, 1974.

SCHEDULE A

<u>Quantity</u>	<u>Description of Equipment</u>	<u>Lessee's Road Numbers</u>	<u>Unit Purchase Price</u>	<u>Aggregate Purchase Price</u>
150	40' 50-ton Box Cars	26501-26650	\$8,422.33	\$1,263,350

by 100 for the year in which the Loss occurs (such fraction is now $\frac{100}{100 - (.48)(100)}$). Such rate shall be adjusted for any changes in the federal, state or local tax laws after the date hereof, including changes affecting or concerning normal and surtax rates, surcharges, excess profits and other similar taxes, however denominated. If (other than for the reasons set forth below) there shall be a Loss, in whole or in part, of the ADR Deduction for any Unit, the Lessee shall, upon request of Lessor, pay to the Lessor, additional rental to compensate the Lessor for the consequent lost cumulative deferral of income tax liability (hereinafter called the Detriment), existing thereafter from time to time, as determined by the Lessor. Such Detriment shall be equal to the amount of cumulative additional income tax required to be paid by the Lessor on any increased taxable income from the time of the Loss until the end of the term of the Lease resulting from (i) the Loss and (ii) any increased taxable income during any or all years of the term of the Lease as a consequence of the adjustments which relate to the Loss. Said additional rental shall be an amount equal to $8\frac{1}{2}\%$ per annum multiplied by the Detriment applicable to each rental payment and further adjusted to provide for payment in equal amounts with each subsequent rental payment commencing with the first rental payment not less than five days after the Lessor notifies the Lessee of the required additional rental. This indemnification is intended to reimburse and make the Lessor whole for any increase in the Lessor's investment over the term of the Lease resulting from a loss of such income tax deferrals. For the purposes of this § 14, a Loss shall occur upon the earliest of (a) the happening of an event which may cause such Loss, (b) payment to the Internal Revenue Service of the tax increase resulting from such Loss or (c) the adjustment of the Lessor's tax return or of a consolidated tax return of which the Lessor

is a part to reflect such Loss. The Lessee will also pay any interest and penalties paid or which would be payable to the taxing authorities or jurisdiction if there were no other adjustments to said tax return; *provided, however*, that interest shall not run after the payment by the Lessee to the Lessor of the full amount of any indemnification then requested by the Lessor.

The Lessor shall not be entitled to a payment under this § 14 on account of any Loss or Detriment as a direct result of the occurrence of any of the following events:

(i) a Casualty Occurrence with respect to such Unit, if the Lessee shall have paid to the Lessor the amounts stipulated under § 6 hereof;

(ii) a voluntary transfer by the Lessor of legal title to such Unit, the disposition by the Lessor of any interest in such Unit or the reduction by the Lessor of its interest in the rentals from such Unit under the Lease, unless, in each case, an Event of Default shall have occurred and be continuing;

(iii) the amendment either of the Hulk Purchase Agreement or the Transfer Agreement (as defined in the Reconstruction and Conditional Sale Agreement) or the Reconstruction and Conditional Sale Agreement without the prior written consent of the Lessee and such amendment causes the Lessor to sustain a loss or detriment;

(iv) the failure of the Lessor to claim the Investment Credit or ADR Deduction, as applicable, in its income tax return for the appropriate year or the failure of the Lessor to follow proper procedure in claiming the Investment Credit or ADR Deduction, as applicable; or

(v) the failure of the Lessor to have sufficient liability for tax against which to credit such Investment

Credit or sufficient income to benefit from the ADR Deduction, as applicable.

The Lessee's agreement to pay any sums which may become payable pursuant to this § 14 shall survive the expiration or other termination of this Lease.

On or before the first Closing Date occurring under the Reconstruction and Conditional Sale Agreement, the Lessor, as a condition to its obligation to lease the units to the Lessee hereunder, shall have received counterparts of the written opinion of Messrs. Cravath, Swaine & Moore addressed to the Lessor to the effect that for federal income tax purposes and upon such review and on the basis of such understandings as such counsel deem necessary:

A. the Lessor will be considered the owner of the Units; and

B. the Lessor will be entitled to (i) the 7% investment credit on that portion of the basis of the Units attributable to reconstruction, as provided for in Section 38 of the Code, and (ii) depreciation deductions with respect to that portion of the basis of the Units attributable to reconstruction, computed in accordance with any of the methods listed in Section 167(b) of the Code.

§ 15. *Recording; Expenses.* The Lessee will cause this Lease, the Reconstruction and Conditional Sale Agreement and any assignment hereof or thereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. The Lessee will undertake the filing, recording and depositing and refile, re-recording and redepositing required of the Lessor under Article 18 of the Reconstruction and Conditional Sale Agreement and will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record and deposit (and will refile,

re-register, re-record or re-deposit whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Vendor for the purpose of proper protection, to their satisfaction, of the Vendor's and the Lessor's respective interests in the Units, or for the purpose of carrying out the intention of this Lease or the Reconstruction and Conditional Sale Agreement; and the Lessee will promptly furnish to the Vendor and the Lessor evidences of all such filing, registering, recording or depositing, and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Vendor and the Lessor. This Lease and the Reconstruction and Conditional Sale Agreement shall be filed and recorded with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any Unit.

The Lessor will pay or cause to be paid the reasonable costs and expenses involved in the preparation and printing of this Lease and the Lessee will pay the reasonable costs and expenses involved in the recording of this Lease. The Lessor and the Lessee will each bear the respective fees and disbursements, if any, of their respective counsel.

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BANKERS TRUST COMPANY, as Trustee

[CORPORATE SEAL] by
Assistant Vice President

Attest:

.....
Assistant Secretary

WESTERN MARYLAND RAILWAY
COMPANY,

[CORPORATE SEAL] by
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COUNTY OF NEW YORK } ss.:

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Notary Public

[NOTARIAL SEAL]

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CITY OF BALTIMORE } ss.:

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Notary Public

[NOTARIAL SEAL]

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SCHEDULE A

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