

5905

RECORDATION NO. _____ Filed & Recorded

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THIS AGREEMENT, dated as of Dec. 7, 1970, by and between ACF INDUSTRIES, INCORPORATED, a New Jersey corporation (hereinafter "Manufacturer"), and TRANSERV SYSTEMS, INC., a DELAWARE corporation (hereinafter called the "Vendee"),

W I T N E S S E T H :

The Manufacturer and the Vendee have heretofore entered into the Purchase Agreement (hereinafter called the "Purchase Agreement") referred to in Section 1 of Schedule A hereto attached (hereinafter called "Schedule A") whereunder the Manufacturer has agreed to construct and deliver to the Vendee at the delivery point specified in Section 2 of Schedule A and the Vendee has agreed to accept and pay for the Railroad equipment (hereinafter called the "Cars") described in Section 3 of Schedule A; and

Inasmuch as the Vendee has not as yet consummated financing arrangements for the acquisition of the Cars, it is not in a position to accept delivery of and pay for the Cars under the terms of the Purchase Agreement at this time. The Vendee represents that such financing arrangements will be consummated on or before (*), 1971. The Vendee (in order that it may use the Cars pending completion of the above financing arrangements) has requested the Manufacturer to give the Vendee temporary custody and possession of the Cars on their completion, solely as a bailee of the Cars, and the Manufacturer is willing to do so upon the terms and conditions hereinafter stated.

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

1. The Manufacturer agrees to deliver the Cars to the Vendee and the Vendee agrees to accept the Cars from the Manufacturer at the delivery point above referred to. The rights of the Vendee hereunder in respect of each Car shall commence on the date of acceptance of such Car and end on the earlier of February 26, 1971, or the date of payment of the purchase price of such Car under the above financing arrangements. When the purchase price of all the Cars has been paid this Agreement shall automatically be terminated without further action by or notice to any party concerned. On delivery of each Car to the Vendee the Vendee will assume the responsibility and risk of loss with respect to such Car.

2. After the Vendee's representative finds that each Car upon completion has been built in accordance with the requirements of the Purchase Agreement, he will execute and deliver to the Manufacturer a certificate of inspection certifying to that effect. Upon delivery of each Car to the delivery point, the Vendee's representative will execute a certificate of acceptance acknowledging the receipt of delivery of each Car under this Agreement. Title to the Cars shall remain in the Manufacturer and the Vendee's right and interest therein is and shall be solely that of possession, custody, and use as bailee under this Agreement. Transfer of title shall be effected only at the time of delivery of the bills of sale. The Vendee, without expense to the Manufacturer, will promptly cause this Agreement to be filed with the Interstate Commerce Commission for recordation under Section 20c of the Interstate Commerce Act. In addition, the Vendee shall do such other acts as may be required by law, or reasonably requested by the Manufacturer, for the protection of the Manufacturer's title to and interest in the Cars.

3. The Vendee agrees to pay in respect of each Car an amount which is equivalent to the product of the purchase price of such Car, as set forth in Section 4 of Schedule A, multiplied by the rate or rates of interest per annum set forth in Section 5 of Schedule A, for the period specified in said Section 5 of Schedule A. Such amount shall be due and payable to the Manufacturer in cash upon the termination of this Agreement as to such Car.

*financing consummated with Teachers Insurance, but take-down of funds delayed until February 1971.

4. The Vendee agrees that it will permit no liens of any kind to attach to the Cars; and that it will

- (a) Indemnify and save harmless the Manufacturer from any and all claims, expenses, or liabilities of whatsoever kind; and
- (b) pay any and all taxes, fines, charges, and penalties

that may accrue or be assessed or imposed upon the Cars or the Manufacturer because of its ownership or because of the use, marking, operation, management or handling of the Cars by the Vendee during the term of this Agreement. The Vendee's obligations contained in this paragraph shall survive the termination of this Agreement by mutual agreement or otherwise.

5. The Vendee will, at its own expense, keep and maintain the Cars in good order and running condition and will at its option repair or replace or promptly pay to Manufacturer the purchase price in cash of those Cars which may be damaged or destroyed by any cause during the term of this Agreement. Upon the expiration or other termination of this Agreement the Vendee will surrender and deliver up the Cars in good order and running condition to the Manufacturer free of all charges at the point designated by the Manufacturer.

6. Prior to the delivery of each Car to the Vendee it will be numbered with a car number as set forth in Section 3 of Schedule A, and there shall be plainly, distinctly, permanently, and conspicuously marked and maintained by the Vendee upon each side of each Car in letters not less than one inch in height the words set forth in Section 6 of Schedule A.

7. (a) All or any of the rights, benefits, or advantages of the Manufacturer, including the right to receive the purchase price of the Cars as provided in the Purchase Agreement, may be assigned by Manufacturer and re-assigned by any Assignee at any time or from time to time, provided, however, that no such assignment shall subject any such assignee to any of Manufacturer's guarantees, warranties, indemnities, or any other obligations contained in this Agreement or in the Purchase Agreement relating to the Cars. In the event Manufacturer assigns its rights to receive the payments herein and/or under the Purchase Agreement, and the Vendee receives written notice thereof from the Manufacturer, together with a counterpart of such assignment stating the identity and the post office address of the assignee, all payments thereafter to be made by the Vendee under this Agreement shall, to the extent so assigned, be made to the assignee against proper receipt therefor in form satisfactory to the Vendee.

(b) In the event of any assignment by the Manufacturer of its rights to receive any payments under this Agreement and/or under the Purchase Agreement, the rights of such assignee to such payments as may be assigned together with any other rights hereunder which can be and are so assigned, shall not be subject to any defense, set-off, counterclaim, or recoupment whatsoever arising out of any breach of any obligation of the Manufacturer in respect to the Cars or arising by reason of any other indebtedness or liability at any time owing to the Vendee by the Manufacturer. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Vendee, its successors and assigns only against the Manufacturer and its successors and assigns (other than assignees as such of rights, benefits or advantages assigned pursuant to this Agreement).

8. The Vendee agrees with the Manufacturer that the execution by the Manufacturer of this Agreement or the delivery by the Manufacturer to the Vendee of the Cars, as contemplated by this Agreement, shall not relieve the Vendee of its obligations to accept, take, and pay for the Cars in accordance with the terms of the Purchase Agreement, or impair any of the Manufacturer's rights under the Purchase Agreement, which is by reference made a part of this Agreement as fully as though expressly set forth herein.

Attest

[Signature]
ASSISTANT Secretary

ACF INDUSTRIES, INCORPORATED

By [Signature]
Treasurer

Attest

[Signature]
Asst Secretary

TRANSERV SYSTEMS, INC.

By [Signature]
President

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this 17th day of December, 1971, before me personally appeared W.C. Anderson, known, who, being by me duly sworn, says that he is Treasurer of ACF Industries, Incorporated, 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.

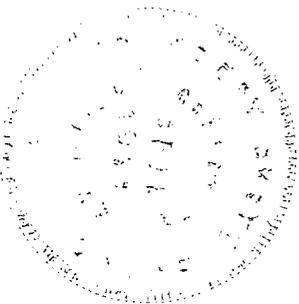


Edwin F. Meyer

EDWIN F. MEYER
NOTARY PUBLIC, State of New York
No. 30-7917803
Qualified in Nassau County
Certificate filed in New York County
Commission Expires March 30, 1972

STATE OF NEW YORK)
) SS.:
COUNTY OF WESTCHESTER)

On this Fourteenth day of December, 1970, before me personally appeared Paul W. Siege, known, who, being by me duly sworn says that he is PRESIDENT of Transerv Systems, Inc., 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.



Rosalie A. Klevickas

ROSALIE A. KLEVICKAS
Notary Public, State of New York
No. 7301575
Qualified in Putnam County
Term Expires, March 30, 1972

SCHEDULE A

SECTION 1. Purchase Agreement

Transerv Systems, Inc. Letter Purchase Order dated October 15, 1970.
ACF acknowledgment letter dated October 30, 1970.
ACF supplemental letters dated October 30, 1970 and December 3, 1970.

SECTION 2. Delivery Point

ACF Industries, Incorporated, Amcar Division plant, Milton, Pennsylvania

SECTION 3. Railroad Equipment

- (a) Twenty (20) 70 ton Roller Bearing DOT 111A100W1 10,400 Gallon Tank Cars with 8 lines exterior coils, 6" fiberglass insulation.
- (b) Twenty-one (21) 100 ton Roller Bearing DOT 111A100W1 18,950 Gallon non-coiled non-insulated tank cars

SECTION 4. Purchase Price

- (a) \$16,095 per car - F.O.B. Milton, Pa.
- (b) \$16,735 per car - F.O.B. Milton, Pa.

SECTION 5. Interest and Payment Period

1/2 of 1% above the prime rate of interest charged by The Chase Manhattan Bank, New York, over the period interest is earned. Interest will be computed on a per car basis commencing the day each accepted car is shipped from our Milton, Pennsylvania, plant and ending one day prior to settlement of the purchase price.

SECTION 6. Markings on Cars

- (a) TSVX 1000 thru 1019, inclusive
- (b) TSVX 18000 thru 18020, inclusive