No. 9425
Date
Fee $ 100
ICC Washington, D.C.

RECORDATION NO. 9425 Filed & Recorded
JUN 5 1978 -2 20 PM
INTERSTATE COMMERCE COMMISSION

National Railway Utilization Corporation
1100 Centre Square East
1500 Market Street
Philadelphia, Pennsylvania 19102

June 2, 1978

RECEIVED
JUN 5 2 14 PM '78
CERTIFICATION UNIT

RECORDATION NO. 9425-A Filed & Recorded
JUN 5 1978 -2 20 PM
INTERSTATE COMMERCE COMMISSION

Mr. H. Gordon Homme, Jr., Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Homme:

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

RECORDATION NO. 9425-B Filed & Recorded
JUN 5 1978 -2 20 PM
INTERSTATE COMMERCE COMMISSION

1. Conditional Sale Agreement Purchase Commitment Agreement dated as of May 31, 1978, between National Railway Utilization Corporation, Pickens Railroad Company, The First National Bank of Maryland and Sun Life Insurance Company of America, including Exhibits A B, C and D thereto.

2. Conditional Sale Agreement dated as of May 31, 1978 between Whittaker Corporation (Berwick Forge & Fabricating Division), Vendor, and National Railway Utilization Corporation Vendee.

3. Agreement and Assignment of Conditional Sale Agreement dated as of May 31, 1978, by Whittaker Corporation (Berwick Forge & Fabricating Division), Assignor, to The First National Bank of Maryland and Sun Life Insurance Company of America, Assignees, together with acknowledgment by National Railway Utilization Corporation.

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

CONDITIONAL SALE AGREEMENT PURCHASE COMMITMENT AGREEMENT

National Railway Utilization (Purchaser and Guarantor
1100 Centre Street
1500 Market Street
Philadelphia, Pennsylvania 19102

Countersigned
Julianna H. Wood

for recordation two counterparts of each document, stamp the remaining counterparts with the appropriate recordation number and return them with your fee receipt and letter confirming receipt to my delivering messenger. The documents should be recorded under National Railway Utilization Corporation and cross referenced to Pickens Railroad Company.

The necessary filing and recordation fees for these documents are submitted herewith.

Very truly yours,

Richard J. Kelly
Vice President

Exhibit A

pe	Specifications	Quantity	Road Numbers (Both Inclusive)	Price Per Unit	Total Base Price	Original Conditional Sale Indebtedness	Estimated Time and Place of Delivery
ton, '6" ass XM xcars	70 ton, 50'6" single sheaved boxcars with outside posts, 10'0" sliding doors, rigid underframe, Class XM, as further described in Builder's Specifications for Vendee, dated November 23, 1977, as amended, Revision B, on January 16, 1978	53	NSL 150051-150103	$35,365	$1,874,345	$1,780,628	June 2, 1978 at Renovo, Pennsylvania

Pikens Railroad Company (Purchaser)
402 Cedar Rock Street
Pikens, South Carolina 29671

Sun Life Insurance Company of America (Assignee)
Sun Life Building
20 South Charles Street
Baltimore, Maryland 21201

The First National Bank of Maryland (Assignee)
25 South Charles Street
Baltimore, Maryland 21201

CONDITIONAL SALE AGREEMENT

Whittaker Corporation (Berwick Forge
& Fabricating Division) (Vendor)
P. O. Box 188
Berwick, Pennsylvania 18603

National Railway Utilization Corporation (Vendee)
1100 Centre Square
1500 Market Street
Philadelphia, Pennsylvania 19102

AGREEMENT AND ASSIGNMENT OF CONDITIONAL SALE AGREEMENT

Whittaker Corporation (Berwick Forge
& Fabricating Division) (Assignor)
P. O. Box 188
Berwick, Pennsylvania 18603

The First National Bank of Maryland (Assignee)
25 South Charles Street
Baltimore, Maryland 21201

Sun Life Insurance Company of America (Assignee)
Sun Life Building
20 South Charles Street
Baltimore, Maryland 21201

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

The above identified documents have not heretofore been recorded with the Interstate Commerce Division. Please accept

Interstate Commerce Commission
Washington, D.C. 20423

6/5/78

OFFICE OF THE SECRETARY

Richard J. Kelly

National RYW. Utilization Corp.
1100 Centre Square East
1500 Market Street
Philadelphia. Pa. 19102

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 6/5/78 at 2:20pm, and assigned recordation number(s) 9425, 9425-A & 9425-B

Sincerely yours,

H.G. Homme, Jr.
Acting Secretary

Enclosure(s)

SE-30-T
(6/77)

RECORDATION NO. 9425 Filed & Recorded
JUN 5 1978 -2 20 PM
INTERSTATE COMMERCE COMMISSION

CONDITIONAL SALE AGREEMENT
PURCHASE COMMITMENT AGREEMENT

CONDITIONAL SALE AGREEMENT PURCHASE COMMITMENT AGREEMENT (the "Agreement"), dated as of May 31, 1978, among NATIONAL RAILWAY UTILIZATION CORPORATION, a South Carolina corporation ("NRUC"), Pickens Railroad Company, a South Carolina corporation ("Pickens"), THE FIRST NATIONAL BANK OF MARYLAND, a national banking corporation ("FNB"), and SUN LIFE INSURANCE COMPANY OF AMERICA, a Maryland corporation ("Sun"), FNB and Sun each being sometimes referred to as a "Purchaser" and collectively the "Purchasers."

W I T N E S S E T H:

NRUC and Pickens are engaged, among other things, in the business of owning, operating and leasing railroad boxcars. In this connection, NRUC and Pickens purchase from time to time substantial numbers of railroad boxcars pursuant to conditional sale agreements ("CSAs"). In order to facilitate the purchase of these cars and to permit NRUC and Pickens to make such purchases under the most favorable conditions, NRUC and Pickens desire to enter into an arrangement pursuant to which they will have a firm commitment to finance the purchase of railroad boxcars, and thereby provide NRUC and Pickens with the flexibility to accept the delivery of railroad boxcars and at the same time locate long term investors for the conditional sale agreements into which they may enter from time to time. The Purchasers desire to enter into an agreement to provide such financing from time to time.

Accordingly, the parties hereto agree as follows:

I. THE COMMITMENTS

SECTION 1.01. Commitment. Subject to the conditions and upon the terms hereof, the Purchasers jointly agree to purchase from time to time during the one (1) year period commencing on the date of this Agreement CSAs for railroad boxcars purchased by NRUC; provided, however, that the aggregate principal amount due and owing each Purchaser at any one time under CSAs purchased pursuant to this Agreement shall not exceed $3,500,000, and provided further that the aggregate principal amount due and owing the Purchasers at any time under CSAs purchased pursuant to this Agreement shall not exceed $7,000,000. NRUC may at its discretion elect to have Pickens execute and act as the vendee under any CSA, provided that NRUC unconditionally guarantees the prompt and satisfactory performance of all obligations of Pickens under any such CSA.

SECTION 1.02. Notice and Manner of Purchase. NRUC, at least thirty (30) days prior to the date of any proposed execution of a CSA, shall deliver to the Purchasers a written request to purchase a CSA pursuant to this Agreement, stating the proposed date of the purchase, the vendee under the CSA (that is NRUC or Pickens), the principal amount of the CSA, the name and address of the manufacturer of the boxcars and the type and number of boxcars to be purchased. Unless otherwise expressly agreed to by the Purchasers, all boxcars to be financed pursuant to this Agreement shall be 70 ton, 50' 6"

single sheaved Class XM boxcars with outside posts, 10' 0" sliding doors and rigid underframes. NRUC shall upon request by the Purchasers deliver to the Purchasers a copy of the manufacturer's specifications with respect to the boxcars to be purchased under any CSA, and if either of the Purchasers are not satisfied with such specifications, neither of the Purchasers shall have any obligation pursuant to this Agreement to purchase the CSA including such boxcars. The Purchasers may at their option prior to any closing with respect to boxcars manufactured by Golden Tye or other boxcar manufacturers controlled directly or indirectly by NRUC request that NRUC at its expense arrange for inspection of such boxcars by a third party approved by the Purchasers to insure that such boxcars comply with the applicable specifications and are of the same average quality and durability as boxcars generally purchased by NRUC from unrelated manufacturers. The closing for each CSA shall be made at the offices of Piper & Marbury, 2000 First Maryland Building, 25 South Charles Street, Baltimore, Maryland 21201, or such other place as shall be mutually agreed upon by the parties.

SECTION 1.03. Conditional Sale Agreement. Each CSA shall be substantially in the form attached hereto as Exhibit A and shall be sold and assigned to the Purchasers pursuant to an Assignment substantially in the form attached hereto as Exhibit B (in each case, with such noted additions and deletions as are appropriate depending upon whether the Vendee

under the CSA is NRUC or Pickens), each with such terms and conditions as are provided in this Agreement, duly executed on behalf of NRUC, Pickens (if applicable) and the manufacturer, dated the date of their delivery and in appropriate form for filing with the ICC. The Purchasers shall not be obligated to execute any Assignment and purchase any CSA unless (i) the form of such Assignment, CSA and all other related documents and opinions are in form satisfactory to the Purchasers and their counsel and (ii) all actions and filings (including filings with the ICC and any state or local jurisdictions) deemed appropriate by the Purchasers or their counsel shall have been taken.

SECTION 1.04. Purchase Price of a CSA. The purchase price for each CSA purchased by the Purchasers pursuant to this Agreement shall be (i) 95% of the ICC valuation, including inspection and certification fees, of the railroad boxcars acquired by NRUC pursuant to such CSA in the case where such boxcars are manufactured by manufacturers other than Golden Tye or other boxcar manufacturers controlled directly or indirectly by NRUC, and (ii) 90% of the ICC valuation, excluding inspection and certification fees, of the railroad boxcars acquired by NRUC pursuant to such CSA in the case where such boxcars are manufactured by Golden Tye or other boxcar manufacturers controlled directly or indirectly by NRUC. The purchase price for each CSA must be supported by the manufacturer's invoice with respect to the boxcars ac-

quired and financed thereunder, and such other information as may be deemed appropriate by the Purchasers and their counsel.

SECTION 1.05. Principal Payments. The unpaid balance due and owing under each CSA shall be payable as to principal (i) in an initial installment due on the last day of the 6th month after the date of the CSA in an amount equal to (a) 10% of the original ICC valuation of the boxcars being purchased pursuant to the CSA in the case of boxcars manufactured by manufacturers other than Golden Tye (or any other boxcar manufacturer controlled, directly or indirectly, by NRUC), or (b) 5% of the original ICC valuation of the boxcars being purchased pursuant to the CSA in the case of boxcars manufactured by Golden Tye (or any other manufacturer controlled, directly or indirectly, by NRUC); and (ii) thereafter, in 40 equal consecutive quarterly installments commencing on the last day of the 9th month after the date of the CSA, so that the unpaid balance due and owing under the CSA shall be fully amortized during such period. Except in the case of the last monthly installment, all installment payments of principal determined pursuant to the foregoing formula may be rounded up to the next dollar.

SECTION 1.06. Interest Rate. Interest (computed on the basis of the actual number of days elapsed from the date of a CSA divided by a year of three hundred sixty (360) days) on the unpaid balance due under each CSA shall be accrued and paid as follows:

(a) During the period commencing with the date of each CSA and ending with the last day of the 6th month after the date of each CSA at a fluctuating rate of interest equal at all times to FNB's Prime Rate plus 1-3/4% per annum.

(b) On the first day of the 7th month after the date of each CSA, the balance due and owing under each such CSA shall be divided into two (2) equal amounts, one of which shall hereinafter be called "FNB's Portion", and one of which shall hereinafter be called "Sun's Portion". Interest on the unpaid balance of FNB's Portion shall be accrued and paid at the following rates for the periods indicated:

(i) During the period commencing with the first day of the 7th month after the date of each CSA and ending with the last day of the 12th month after the date of each CSA, at a fluctuating rate of interest equal at all times to FNB's Prime Rate plus 2-1/4% per annum; and

(ii) Thereafter, and until the unpaid balance of FNB's Portion due and owing under such CSA is paid at maturity, at a rate equal to FNB's Prime Rate from time to time plus 2-1/2% per annum, provided that such rate after addition of the 2-1/2% shall not be less than 8-1/2% per annum or greater than 12% per annum, and provided further that NRUC may elect, by written notice to the Purchasers prior to the first day of the 13th month after the date of any CSA, a

fixed rate of 10 1/2% per annum in lieu of the floating rate provided by this subsection (b)(ii).

Interest on the unpaid balance of Sun's Portion shall be accrued and paid at the following rates for the periods indicated:

(iii) During the period commencing with the first day of the 7th month after the date of each CSA and ending with the last day of the 12th month after the date of each CSA, at a fluctuating rate of interest equal at all times to FNB's Prime Rate plus 2 1/4% per annum; and

(iv) Thereafter, and until the unpaid balance of Sun's Portion due and owing under such CSA is paid at maturity, at a rate equal to the fixed rate of 10 1/2% per annum.

All scheduled principal payments payable on or after the first day after the 7th month of each CSA shall be applied first to the unpaid balance of FNB's Portion until such portion shall be paid in full, and after full repayment of such portion, then to the unpaid balance of Sun's Portion until such portion shall be paid in full.

Interest shall be payable quarterly, commencing on the last day of the 3rd month following the date of a CSA. For purposes of the above, Prime Rate shall mean the lowest unregulated per annum corporate lending rate publicly quoted by FNB for borrowers from time to time on loans of 90-day maturity.

SECTION 1.07. Interest Rate Application. As the Prime Rate of interest charged by FNB (or its equivalent if the term Prime Rate is discontinued) shall increase or decrease from time to time, the rate or rates of interest charged before maturity on the unpaid balance due and owing under a CSA, to the extent that the interest rate charged on such amount is determined by references to the Prime Rate, will likewise simultaneously increase or decrease so as to reflect such increase or decrease in the Prime Rate of interest.

SECTION 1.08. Prepayment. NRUC and Pickens may, at their option, prepay any unpaid balance due and owing under a CSA in whole at any time or in part from time to time without penalty or premium, provided, however, that such prepayments shall be applied to the CSAs in order of their respective dates (with the oldest CSAs being prepaid first). Each partial prepayment of a CSA shall be in the amount of $100,000 or a multiple thereof. Each partial prepayment of a CSA shall be applied to the principal installment payable thereunder in the inverse order of maturity, provided, however, that with respect to any CSA, all partial prepayments shall be applied first to prepay FNB's Portion and then to prepay Sun's Portion. All prepayments shall be accompanied by accrued interest on the amount thereof to the date of prepayment and any reimburseable expenses then due and owing under this Agreement and any CSA or related document, and shall be applied first to payment of such expenses, then to all interest accrued and the balance,

if any, to payment of the balance due and owing under the CSA.

SECTION 1.09. Commitment Fee and Equity Interest.

(a) NRUC shall pay to FNB a commitment fee of $45,000, of which $35,000 FNB acknowledges as having been paid and of which $10,000 shall be paid in four (4) equal consecutive quarterly installments, commencing June 1, 1978.

(b) Subject to ICC approval, NRUC shall issue to Sun a five (5) year warrant to purchase 2,000 shares of NRUC common stock at $100 per share (the "Warrants"). Such 2,000 shares, based upon the current 181,169 shares (including 275 shares subject to issuance pursuant to a Merger Agreement and 8,000 shares subject to issuance pursuant to employee stock option agreements and bonus stock awards, but excluding any shares subject to issuance upon conversion of the 197,571 issued and outstanding 9% Cumulative Preferred Stock, all as further described in Section 2.13 of this Agreement) of issued and outstanding shares of NRUC common stock, is equal to 1.10394% of NRUC's issued outstanding common stock, and the number of shares and price per share of the common stock which may be purchased by Sun Life pursuant to the Warrant shall be adjusted as may be necessary to preserve the right of Sun to acquire 1.10394 % of the issued and outstanding common stock of NRUC (on a fully diluted basis) for a total consideration of $200,000 (including such adjustments as may be caused upon approval by the ICC of the stock splits referred to in Section 2.13 of this Agreement). The Warrants shall be substantially

in the form attached hereto as Exhibit C, subject to such changes or modifications as may be deemed appropriate by the parties and their counsel. The Warrants (and stock purchased on exercise) shall have piggyback registration rights in connection with any registered public offering by NRUC during life of the Warrants and so long as the stock is restricted, one such registration to be at the full expense of NRUC and all other registrations to be at the marginal costs to NRUC of including Sun's stock or the Warrants in such registration.

NRUC agrees to use its best efforts to secure as soon as practicable at its own cost and expense the necessary regulatory approvals for the warrants described above. The Purchasers shall cooperate with NRUC to secure such approval, provided that any out-of-pocket expenses incurred by the Purchasers with respect thereto (including reasonable attorney's fees) shall be reimbursed by NRUC. In the event such regulatory approval is not received within one year from the date of this Agreement, Sun may, at its option, by written notice to NRUC within 5 years of the date of this Agreement and at any time prior to the issuance of the Warrants, elect to forego its right to the Warrants, and to receive in lieu thereof, the unconditional obligation of NRUC to make a payment equal to what would have been the fair market value of the Warrants on the fifth anniversary date of this Agreement assuming that the Warrants had been issued. In the event of any such election, payment by NRUC shall be made within thirty (30) days after establishment of a value as provided herein.

For the purpose of the above valuation, NRUC and Sun shall in good faith attempt to agree on a fair market value of the Warrants. In the event that Sun and NRUC are unable to agree to a fair value of the Warrants, each shall submit in writing its final estimate of the value thereof, and if still in disagreement, NRUC and Sun shall appoint an investment banking firm reasonably acceptable to each of them for the purpose of evaluating the Warrants. The valuation reached by such investment banking firm shall be conclusive. If the determination of such investment banking firm is resolved adversely to the final position of NRUC, NRUC shall pay the fee of such investment banking firm; if the determination of such investment banking firm is determined adversely to the position of Sun, then Sun shall pay the expenses of such firm; if such determination is partly adverse to both parties, such expense shall be borne on a pro rata basis in proportion to the relative resolution of the issue.

II. REPRESENTATIONS AND WARRANTIES

NRUC and Pickens represent and warrant to each of the Purchasers that:

SECTION 2.01. Organization, Corporate Powers, etc. NRUC and each of its Subsidiaries (i) are corporations duly organized, validly existing and in good standing under the laws of their respective jurisdictions of incorporation, without limitation on the duration of their existence, (ii) have the corporate power and authority to own their respective prop-

erties and to carry on their respective businesses as now being conducted and to undertake and perform their obligations under this Agreement and (iii) are duly licensed or qualified to do business in, and are in good standing in, all jurisdictions wherein the character of their respective properties or the nature of their respective businesses makes licensing or qualification as a foreign corporation necessary.

SECTION 2.02. Corporate Authorization. The execution, delivery and performance by NRUC and Pickens of this Agreement and the execution and delivery by NRUC and Pickens of the CSAs contemplated by this Agreement, and the performance by NRUC and its Subsidiaries of all other actions contemplated by this Agreement, including (subject to requisite approval by the ICC) the issuance of the Warrants by NRUC,(i) have been duly authorized by all requisite corporate action, (ii) will not violate (a) any provision of law, any order or judgment of any court or any decree, rule or regulation of any Federal, state, municipal or other governmental agency, department, commission, board, bureau or instrumentality, including, but not limited to, the ICC, (b) the Charters or Certificates of Incorporation, as amended, or By-Laws, as amended, of NRUC or its Subsidiaries or (c) any provision of any indenture, agreement or other instrument to which NRUC or any of its Subsidiaries is a party, or by which NRUC or any of its Subsidiaries or any of their respective properties are bound, and (iii) will not be in conflict with, result in a breach of or

constitute (with due notice and/or lapse of time) a default under, any such indenture, agreement or other instrument, or result in the creation or imposition of any Lien upon any of the property or assets of NRUC or any of its Subsidiaries.

SECTION 2.03. Valid and Binding Obligations, etc. This Agreement and the CSAs purchased pursuant hereto, when duly executed and delivered by NRUC and Pickens, will be valid and binding obligations of NRUC and Pickens, enforceable in accordance with their respective terms and provisions.

SECTION 2.04. Litigation. There are no actions, suits or proceedings (whether or not purportedly on behalf of NRUC) pending, or to the knowledge of NRUC or Pickens, threatened against or affecting NRUC or any of its Subsidiaries or any property or rights of NRUC or any of its Subsidiaries by or before any court or any Federal, state, municipal or other governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign, which involve any of the transactions herein contemplated or which, if adversely determined, could materially adversely affect the business, operations, properties, assets or condition, financial or other, of NRUC and its Subsidiaries taken as a whole; and neither NRUC nor any of its Subsidiaries is in default with respect to any judgment, order, writ, injunction, decree, rule or regulation of any court or Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which default could mate-

rially adversely affect the business, operations, properties, assets or condition, financial or other, of NRUC and its Subsidiaries taken as a whole.

SECTION 2.05. Financial Condition. The balance sheet of NRUC and the consoldated balance sheet of NRUC and its Subsidiaries as at December 31, 1977, and the related statements of income, stockholders' equity and changes in financial position of NRUC and of NRUC and its Subsidiaries for the fiscal year then ended, and the supporting schedules thereto, duly certified by S. D. Leidesdorf & Co., copies of which have been furnished to the Purchasers, are complete and correct and fairly present the financial condition of NRUC and of NRUC and its Subsidiaries as at such date and the results of operations of NRUC and of NRUC and its Subsidiaries for the period ended on such date, all in accordance with generally accepted accounting principles consistently applied. There were no liabilities, direct or indirect, fixed or contingent, of NRUC or of NRUC and its Subsidiaries on a consolidated basis, of a character which under generally accepted accounting principles should have been but were not reflected in such financial statements or in the notes thereto. Other than as may be caused by the redemption by NRUC on May 23, 1978 of 731,290 shares of 9% Cummulative Preferred Stock for an aggregate cash price of $731,290, there has been no material adverse change in the financial condition of NRUC or of NRUC and its Subsidiaries since December 31, 1977.

SECTION 2.06. Title to Properties. NRUC and its Subsidiaries have good and marketable title to all their respective properties and assets reflected on the balance sheets referred to in Section 2.05 hereof (except for such properties and assets as have been disposed of since the dates of such balance sheet as no longer used or useful in the conduct of their respective businesses or as have been disposed of in the ordinary course of business), and good and marketable title to all the other properties and assets acquired thereafter (subject, in each case, to such minor defects or irregularities in title, easements or encumbrances, if any, as do not, either individually or in the aggregate, materially detract from the value of NRUC's properties and assets or materially impair the use of NRUC's properties or assets for the purposes for which they are held), and all properties and assets and all revenues (present and future) of NRUC and its Subsidiaries are free and clear of all Liens other than those incurred in the ordinary course of NRUC's and its Subsidiaries' business.

SECTION 2.07. Agreements. Neither NRUC nor any Subsidiary is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in this Agreement or any other material agreement or instrument governing indebtedness for borrowed money or the deferred purchase price of property to which any of them is a party.

SECTION 2.08. Taxes. NRUC and its Subsidiaries have filed all tax returns and reports required by law, and

all Taxes which are due and payable or which have been assessed have been paid.

SECTION 2.09. Subsidiaries. The Schedule of Subsidiaries attached hereto as Exhibit D lists as of the date hereof the name of each Subsidiary of NRUC. NRUC is the owner, beneficially and of record, of all of the issued and outstanding shares of capital stock of each Subsidiary listed on such schedule, free and clear of any liens, including, without limitation, claims arising out of any preemptive rights granted in connection with the issuance of any such shares. All such shares are duly issued, fully paid and nonassessable, and there are no outstanding options, warrants or other rights entitling the holder thereof to purchase any shares of capital stock of any Subsidiary.

SECTION 2.10. Employee Benefit Plans. Based upon ERISA and the regulations and published interpretations thereunder, NRUC and its Subsidiaries are in compliance in all material respects with the applicable provisions of ERISA. No Reportable Event (as defined in Section 4043(b) of Title IV of ERISA) has occurred with respect to any Plan.

SECTION 2.11. Governmental and Stockholder Approvals. No consent, approval, authorization, permit or license from any Federal, state or local regulatory authority or commission, including, without limitation, the ICC, is required in connection with the making or performance of this Agreement and the transactions contemplated hereby (other than ICC approval for

the issue of the Warrants as contemplated by Section 1.09(b) hereof), including, without limitation, the execution and performance of this Agreement and each CSA by NRUC (and, if applicable, Pickens), and the execution of the Assignment by the Purchasers and the purchase by the Purchasers from time to time of CSAs, nor is any consent, approval or authorization of stockholders of NRUC or Pickens required in connection therewith (except with respect to the issuance of the Warrants as contemplated by Section 1.09(b) hereof, which requires the approval of NRUC stockholders, which approval was granted at a stockholders' meeting held on August 23, 1977). The terms of this Agreement, the CSA and the Assignment conform in all respects with the applicable provisions of the Interstate Commerce Act and the rules and regulations of the ICC thereunder.

Section 2.12. Corporate Authorization of Warrants. Valid and sufficient corporate action has been taken by the stockholders and the Board of Directors of NRUC to authorize and reserve for issue the Warrants and all shares of stock of NRUC issuable upon exercise of the Warrants; the Warrants have been duly authorized and upon receipt of ICC approval may be validly issued and will be enforceable in accordance with their terms; and upon the issuance of any shares of the Common Stock of NRUC (as defined in the Warrants) upon exercise of the Warrants, the same will have been duly and validly issued and will be fully paid and non-assessable shares of the Common Stock of NRUC in the hands of the holders thereof.

Section 2.13. Capitalization. NRUC's entire authorized, issued and outstanding Capital Stock consists of (i) 1,000,000 authorized shares of 9% Cumulative Convertible Preferred Stock, par value $1 per share, of which 197,571 shares are issued and outstanding and (ii) 500,000 authorized shares of Common Stock, par value $1 per share, of which 172,894 are issued and outstanding. The Board of Directors and shareholders of NRUC authorized a ten for one split of NRUC's Common Stock on August 23, 1977, and a two for one split of NRUC's Common Stock on May 23, 1978, each such split to take effect upon approval by the ICC. All outstanding shares of the Preferred Stock and the Common Stock of NRUC have been duly authorized and validly issued and are fully paid and non-assessable, and none of such shares are held as treasury stock. NRUC is not a party to or bound by any options, contracts or commitments of any character relating to any issued or unissued Preferred Stock or Common Stock or any other equity security, except for (a) in the case of the Preferred Stock, the agreement to pay dividends and to issue Common Stock in conversion of such Preferred Stock, (b) in the case of the Common Stock, the obligation to issue 275 shares of the Common Stock pursuant to a Merger Agreement dated May 31, 1974 and the obligation to issue 8,000 shares of Common Stock to key employees pursuant to stock option agreements and bonus stock awards.

III. CONDITIONS PRECEDENT.

The obligation of each Purchaser to purchase CSAs pursuant hereto is subject to the following conditions precedent:

SECTION 3.01. Representations and Warranties. At the time of each closing under an Assignment selling and assigning a CSA pursuant to this Agreement, the representations and warranties set forth in Article II hereof shall be true and correct on and as of such time with the same effect as though such representations and warranties had been made on and as of such time.

SECTION 3.02. No Default. At the time of each closing under an Assignment selling and assigning a CSA pursuant to this Agreement, NRUC and its Subsidaries shall be in compliance with all the terms and provisions to be observed or performed by them as set forth herein and in each CSA theretofore purchased, and no Event of Default specified in Article VII hereof or in any CSA theretofore purchased, nor any event which, upon notice or lapse of time or both, would constitute such an event of default, shall have occurred and be continuing at the time of such borrowing or after giving effect to such borrowing.

SECTION 3.03. No Default Certificate. Prior to or at the time of each closing under an Assignment selling and assigning a CSA pursuant to this Agreement, the Purchaser shall have received an Officer's Certificate from NRUC (and, if applicable, Pickens), dated the date thereof, confirming compliance with the conditions precedent set forth in Sections 3.01 and 3.02 hereof.

SECTION 3.04. Documents Specified in Assignment. Prior to or at the time of each closing under an Assignment

selling and assigning a CSA pursuant to this Agreement, the Purchasers shall have received the documents and opinions specified in Section 4 of the Assignment.

SECTION 3.05. Specifications Certificate. Prior to or at the time of each closing under an Assignment selling and assigning a CSA pursuant to this Agreement involving boxcars manufactured by Golden Tye or any other boxcar manufacturer controlled directly or indirectly by NRUC, the Purchaser shall have received any requested opinion from a third party, satisfactory in form and substance to the Purchasers, concerning the compliance of such boxcars with the standards specified in Section 1.02 hereof.

SECTION 3.06. Approval of Special Counsel for the Purchasers. At the time of each closing under an Assignment selling and assigning a CSA pursuant to this Agreement, all documents, filings and other legal matters incident to such purchase shall be satisfactory to counsel for the Purchasers.

SECTION 3.07. Opinion of Counsel for NRUC and Pickens.

(a) Prior to or at the execution of this Agreement, the Purchasers shall have received the favorable written opinion dated the date of this Agreement of Messrs. Wyche, Burgess, Freeman & Parham, counsel for NRUC and Pickens, which opinion shall confirm the substance of the representations and warranties of NRUC set forth in Sections 2.01, 2.02, 2.03, 2.04, 2.07, 2.11, 2.12 and 2.13 hereof (but which in the case of the matters dealt with in clauses (ii)(c) and (iii) of Section 2.02 and in Sections 2.04 and 2.07 shall be to the best

knowledge of such counsel based upon due inquiry of proper officers of NRUC) and shall also be to the effect that (i) this Agreement has been duly and validly authorized, executed and delivered by NRUC and Pickens and constitutes a legal, valid and binding obligation of NRUC and Pickens enforceable in accordance with its terms and (ii) NRUC is the owner, beneficially and of record, of all the issued and outstanding shares of capital stock of each Subsidiary of NRUC, all such shares are duly issued, fully paid and nonassessable, and to the best knowledge of such counsel, there are no outstanding options, warrants or other rights entitling the holder thereof to purchase any shares of capital stock of any Subsidiary. In rendering their opinion, Messrs. Wyche, Burgess, Freeman & Parham may (i) assume the due authorization, execution and delivery by the Purchasers of this Agreement, (ii) qualify any opinion to the effect that this Agreement is a legal, valid and binding instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting the enforcement of creditors' rights generally and (iii) rely as to matters of law of jurisdictions other than the United States or South Carolina, upon the opinions of local counsel acceptable to the Purchasers and their counsel, provided that (a) copies of such opinions shall be delivered to the Purchasers and their counsel on or prior to the date of execution of this Agreement and (b) Messrs. Wyche, Burgess, Freeman & Parham shall state in their opinion that they

and the Purchasers are justified in relying on such opinions.

(b) Prior to or at the execution of this Agreement, each of the Purchasers shall have received the favorable written opinion dated the date of this Agreement of Andrew P. Goldstein, Esq., special ICC counsel for NRUC, to the effect that no consent, approval or authorization from the ICC is required in connection with the making or performance of this Agreement (other than with respect to issuance of the Warrants specified in Section 1.09(b) hereof) or any CSA purchased by the Purchasers from time to time in accordance with the provisions of this Agreement and the Assignment, and that such CSAs, upon execution and delivery by the parties thereto and upon assignment to the Purchasers pursuant to the Assignment, will be a valid and binding obligation of NRUC (and, if applicable, Pickens), enforceable in accordance with its terms.

(c) Prior to or at each closing under an Assignment selling and assigning a CSA pursuant to this Agreement, each Purchaser shall have received the favorable written opinion dated the closing date with respect to such closing of Messrs. Wyche, Burgess, Freeman & Parham, which opinion shall confirm the substance of the matters addressed in the opinion referred to in paragraph (a) of this Section 3.07 and which shall additionally confirm the matters addressed in Section 4(f) of the Assignment.

SECTION 3.08. Supporting Documents.

(a) Prior to the execution of this Agreement, each of the Purchasers shall have received (i) a copy of the Charter

of NRUC and all amendments thereto, certified as of a recent date by the Secretary of State for the State of South Carolina; (ii) a certificate as of a recent date of the Secretary of State for the State of South Carolina as to the good standing of NRUC in such state and its charter documents on file; (iii) a certified copy of resolutions of the Board of Directors of NRUC and Pickens authorizing the execution, delivery and performance of this Agreement and the performance by NRUC and its Subsidiaries, and Pickens, of all other actions contemplated by this Agreement; (iv) a certificate dated the date of this Agreement of the Secretary of NRUC as to (a) a true and correct copy of the By-Laws of NRUC being attached thereto, (b) the Charter of NRUC not having been amended since the date of the last amendment thereto indicated on the certificate of the Secretary of State of the State of South Carolina furnished pursuant to clause (ii) above, and (c) the incumbency and signatures of the officers of NRUC executing this Agreement, any Officer's Certificate or other certificate delivered pursuant to this Agreement; (v) a certificate dated the date of this Agreement of the Secretary of Pickens as to the incumbency and signatures of the officers of Pickens executing this Agreement and any officer's certificate or other certificate or document delivered pursuant to this Agreement; and (vi) such additional supporting documents as the Purchasers or their counsel may reasonably request.

(b) Prior to or at each closing under an Assignment selling and assigning a CSA pursuant to this Agreement,

the Purchasers shall have received the documents and certificates referred to in paragraph (a) of this Section 3.08, except that all certificates and resolutions shall refer to the CSA to be purchased and not this Agreement and except that, in lieu of delivering the documents referred to in clauses (i),(iv)(a) and (iv)(b), NRUC may deliver an Officer's Certificate to the effect that such documents have not been amended since the most recent date that such documents were delivered to the Purchasers in connection with the execution of this Agreement or any CSA purchased pursuant hereto.

IV. AFFIRMATIVE COVENANTS.

NRUC and Pickens covenant and agree that until the full and final payment of the principal and interest on any CSA purchased by the Purchasers pursuant to this Agreement and the performance by NRUC and its Subsidiaries of all their other obligations under this Agreement and any CSA, unless the Purchasers otherwise consent in writing, they will:

SECTION 4.01. Notices. Give prompt written notice to the Purchasers of the following:

(a) any Event of Default and any event which with notice or lapse of time or both would constitute an Event of Default;

(b) all events of default and all events which with notice or lapse of time or both would constitute events of default under any of the terms or provisions of any CSA, or of any other agreement or contract governing the borrowing of money or the deferred purchase price of property (including any

conditional sale agreement in the form of a lease agreement giving NRUC or its Subsidiaries the right to use any property), or other agreement or contract governing the rights of holders of its preferred stock, or as to any other matter which has resulted in, or might reasonably result in, a materially adverse change in the financial condition or operations of NRUC or any Subsidiary;

(c) levy of an attachment, execution or other process against any of the property or assets, real or personal, of NRUC or any Subsidiary, the loss of which property or assets could result in a material adverse change in the condition, financial or other, of NRUC and its Subsidiaries taken as a whole; and

(d) the filing or commencement of any action, suit or proceeding by or before any court or any Federal, state, municipal or other governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign, which, if adversely determined, could materially adversely affect the business, operations, properties, assets or condition, financial or other, of NRUC and its Subsidiaries taken as a whole.

SECTION 4.02. Maintenance of Records. Keep and maintain at their places of business and, in the case of NRUC, by such acts as may be necessary, cause its Subsidiaries to keep and maintain at their places of business, full and accurate accounts and records in accordance with generally accepted accounting principles; and permit access thereto and examination thereof by the Purchasers at all reasonable times.

SECTION 4.03. Financial Reports, etc. Furnish to each of the Purchasers two copies of the following:

(a) As soon as available but in no event more than 90 days after the end of each fiscal year of NRUC, (i) consolidated and consolidating balance sheets of NRUC and its Subsidiaries as of the close of such year, (ii) consolidated and consolidating statements of income and shareholders' equity of NRUC and its Subsidiaries for the year then ended, and (iii) consolidated statements of changes in the financial position of NRUC and its Subsidiaries for the year then ended, all audited (as to the NRUC consolidated statements and the separate statements of Pickens only) without exception as to scope and reported upon by independent public accountants of recognized national standing selected by NRUC and reasonably acceptable to the Purchasers;

(b) As soon as available but in no event more than 45 days after the end of each of the first three fiscal quarters of NRUC, consolidated balance sheets of NRUC and its Subsidiaries (including a separate balance sheet of Pickens only) and a consolidated and consolidating summary of operations and earnings of NRUC and its Subsidiaries, in each case unaudited but certified by the principal financial officer of NRUC, such balance sheets to be as of the end of such quarter and such summaries of operations and earnings to be for the period from the beginning of the then current fiscal year to the end of such quarter, in each case subject to audit and year-end adjustments.

(c) With the statements submitted under paragraphs

(a) and (b) above, an Officer's Certificate (i) to the effect that to the best knowledge and belief based upon reasonable investigation of the officer signing such Certificate that no Event of Default, nor any event which upon notice or lapse of time or both, would constitute an Event of Default, has occurred, or if any such Event of Default or event has occurred, specifying the nature and extent thereof and the nature of any corrective action taken or proposed to be taken to cure such Event of Default or event and (ii) to the effect that NRUC (or, if applicable, Pickens) has fulfilled all its obligations under this Agreement and each CSA to which it is a party;

(d) With the statements and opinion submitted under paragraph (a) above, a certificate in form and substance satisfactory to the Purchasers of the independent public accountants furnishing such opinion stating that they are familiar with this Agreement and that in making the examination necessary for their certification of the statements submitted under paragraph (a) above, such accountants obtained no knowledge of any Event of Default or any event which, upon notice or lapse of time or both, would constitute an Event of Default, or if they shall have obtained knowledge of any such Event or event specifying the nature thereof;

(e) Promptly, copies of all financial statements, reports, notices and proxy statements sent by NRUC or by any of its Subsidiaries to stockholders, and of all regular and periodic reports filed by NRUC or any of its Subsidiaries with any securities exchange or with the ICC or the Securities

& Exchange Commission (the "SEC") or any governmental authority succeeding to any or all of the functions of the ICC or the SEC, respectively, (provided, however, that financial statements, reports and notices filed with the ICC must be submitted to the Purchasers only if requested);

(f) Promptly, from time to time such other information regarding the operations, business, affairs and financial condition of NRUC and its Subsidiaries as either of the Purchasers may reasonably request.

If NRUC or Pickens are required to provide any of the information or documents described above to either of the Purchasers pursuant to any other agreement, compliance by NRUC or Pickens with the requirements under such other agreement shall also satisfy the requirements of this Agreement, and it is not necessary for NRUC or Pickens to supply to such Purchaser duplicate copies of such information or documents.

SECTION 4.04. Inspection of Properties and Books. Permit the Purchasers through any of their officers or agents, at all reasonable times, to visit and examine or inspect any of the properties of, or products manufactured by, NRUC and any of its Subsidiaries and to examine, inspect and make extracts from the books and records of NRUC and from the books and records of its Subsidiaries.

SECTION 4.05. Insurance. Maintain, and in the case of NRUC, cause each of its Subsidiaries to maintain, insurance with well-rated and responsible insurance companies on such of their respective properties and businesses, in such

amounts, of such types and against such risks as is customarily carried by owners of similar properties and businesses or as is required by the ICC, whichever is greater. NRUC and each of its Subsidiaries will furnish the Purchasers, upon request, with a detailed list of the insurance then in effect and stating the names of the insurance companies, the types, the rates and the amounts of the insurance, the dates of the expiration thereof and the properties and risks covered thereby.

SECTION 4.06. Business, Corporate Existence, etc. Remain in, and in the case of NRUC, cause its Subsidiaries to remain in, and in each case continue to operate only in, the same lines of business presently engaged in (that is, the assembly, manufacturing, purchasing, leasing, maintenance and management of railroad boxcars and the operation of shortline railroads); maintain and preserve, and in the case of NRUC, cause its Subsidiaries' to maintain and preserve, its and their corporate existences and all rights, permits, privileges and franchises presently existing and required in the conduct of its and their businesses; conduct its business and in the case of NRUC, cause its Subsidiaries to conduct their businesses, in an orderly and efficient manner; and continue to be, and in the case of NRUC, cause its Subsidiaries to continue to be, duly authorized to execute and deliver any instruments and/or other documents to be executed and delivered hereunder.

SECTION 4.07. Preservation of Properties. Keep its properties, and in the case of NRUC, cause each of its Subsidiaries to keep their respective properties, whether owned

in fee or otherwise, or leased, in good operating condition and from time to time make, and in the case of NRUC, cause each of its Subsidiaries to make, all proper repairs, renewals, replacements, additions and improvements thereto needed to maintain such properties in good operating condition; comply at all times with, and in the case of NRUC, cause each of its Subsidiaries at all times to comply with, the provisions of all material leases to which it or they are a party or under which it or they occupy or operate property so as to prevent any loss or forfeiture thereof or thereunder; and comply at all times with, and in the case of NRUC, cause each of its Subsidiaries at all times to comply in all material respects with, all laws, rules, regulations and orders applicable to their respective properties or businesses or any part thereof (unless the same are being contested in good faith by appropriate proceedings promptly initiated and diligently conducted by NRUC, Pickens or any NRUC Subsidiary); provided, however, that nothing contained in this Section 4.07 shall require the making of any repair, renewal, replacement, addition or improvement of or to a particular property or the continued maintenance of any property or leasehold interest which would not be required in the exercise of sound business judgment.

SECTION 4.08. Taxes, Payment of Indebtedness, etc. Make, and in the case of NRUC, cause its Subsidiaries to make, appropriate accruals for all Taxes, and pay, and in the case of NRUC, cause its Subsidiaries to pay, all of its and their

indebtedness, liabilities and other obligations (including, without limitation, all Taxes) as and when due or payable (unless in good faith contested by appropriate proceedings promptly initiated and diligently conducted by NRUC, Pickens or any NRUC Subsidiary and NRUC, Pickens or such Subsidiary shall have set aside on its books such reserve or other provision with respect thereto, if any, as shall be required by sound accounting practice).

SECTION 4.09. ERISA Reports. Furnish to the Purchasers (i) as soon as possible, and in any event within 30 days after any executive officer of NRUC or any of its Subsidiaries knows or has reason to know that any Reportable Event (as defined in Section 4043(b) of Title IV of ERISA) with respect to any Plan has occurred, a statement of the President or principal financial officer of NRUC setting forth details as to such Reportable Event and the action which is proposed to be taken with respect thereto, together with a copy of the notice of such Reportable Event given to the Pension Benefit Guaranty Corporation, (ii) upon the request of the Purchasers, after the filing thereof with the United States Secretary of Labor or the Pension Benefit Guaranty Corporation, copies of each annual and other report with respect to each Plan and (iii) promptly after receipt thereof, a copy of any notice NRUC or any Subsidiary may receive from the Pension Benefit Guaranty Corporation relating to the intention of such Corporation to terminate any Plan or to appoint a trustee to administer any Plan.

SECTION 4.10. Compensating Balances. Maintain compensating balances with FNB, giving consideration to all balances of NRUC and its Subsidiaries, (i) during the one (1) year period commencing on the date of this Agreement in an amount equal to ten percent (10%) of the outstanding aggregate principal amount of FNB's pro rata share of CSAs purchased pursuant to this Agreement plus ten percent (10%) of the original aggregate principal amount of FNB's commitment to purchase CSAs pursuant to this Agreement; and (ii) thereafter, in an amount equal to twenty percent (20%) of the outstanding aggregate principal amount of FNB's pro rata share of CSAs purchased pursuant to this Agreement.

SECTION 4.11. Maintenance of Tracking System. Keep and maintain at its place of business, and in the case of NRUC by such acts as may be necessary cause its Subsidiaries to keep and maintain, a system or systems for tracking and locating at any time boxcars acquired under CSAs subject to this Agreement and for determining and recording the amount of revenues earned by such boxcars, which system or systems are to be made available to the Purchasers in the event of a default under this Agreement or any CSA.

SECTION 4.12. Inspection of Boxcars. Inspect at least 15% of the boxcars acquired under each CSA subject to this Agreement during the final three (3) months prior to the expiration of the manufacturer's warranty on such boxcars and to deliver a copy of each inspection report to the Purchasers.

V. NEGATIVE COVENANTS.

NRUC covenants and agrees that from and after the date of this Agreement and until the full and final payment of the principal and interest on all CSAs purchased under this Agreement and the performance by NRUC and Pickens of all their obligations pursuant to this Agreement and any CSA, unless the Purchasers otherwise consent in writing, it will not, nor will it permit any of its Subsidiaries to, directly or indirectly:

SECTION 5.01. Operating Cash Flow. Permit the Current Operating Cash Flow of NRUC and its Subsidiaries for any 12 month period to be less than 120% of Current Debt Service.

SECTION 5.02. Consolidated Adjusted Tangible Net Worth. Permit the Consolidated Adjusted Tangible Net Worth of NRUC and its Subsidiaries to be at any time less than the Consolidated Adjusted Tangible Net Worth as at December 31, 1977.

SECTION 5.03. Sale of Assets, Consolidation, Merger, etc. (a) Sell, lease, transfer or otherwise dispose of all or a substantial portion of their respective properties or assets; provided, however, that (i) any Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its assets to NRUC or another Subsidiary of NRUC; (ii) all shares of stock and Indebtedness of any Subsidiary at the time owned by or owed to NRUC or any other Subsidiary may be sold as an entirety for a consideration which represents the fair value (as determined in good faith by the Board of Directors of NRUC

or the selling Subsidiary, as the case may be) at the time of the sale of the shares and Indebtedness so sold, provided that the assets of such Subsidiary and any other Subsidiaries, the shares and Indebtedness or assets of which have previously been sold pursuant to this clause (ii) or clause (iii) below, do not in the aggregate constitute a substantial part of the consolidated assets of NRUC and its Subsidiaries taken as a whole prior to any such sales and that such Subsidiary and any other Subsidiaries, the shares and Indebtedness or assets of which have previously been sold pursuant to this clause (ii) or clause (iii) below, shall not have contributed in the aggregate a substantial part of Consolidated Net Income for any of the three most recent fiscal years then ended, and that at the time of such sale such Subsidiary shall not own, directly or indirectly, any shares of stock or Indebtedness of any other Subsidiary (unless all of the shares of stock and Indebtedness of such other Subsidiary owned, directly or indirectly, by NRUC and all Subsidiaries are simultaneously being sold as permitted by this clause (ii)); and (iii) any Subsidiary may sell or otherwise dispose of all or substantially all of its assets as an entirety for a consideration which represents the fair value (determined as stated in the preceding clause) at the time of sale of such assets, subject to the limitations and conditions specified in the preceding clause; (b) sell, lease, transfer or otherwise dispose of any of their respective properties or assets for a consideration less than the fair

market value thereof; (c) consolidate with or merge into any other corporation, or permit another corporation to merge into it, or acquire all or substantially all the properties or assets of any other person; provided, however, that (i) any Subsidiary may merge or consolidate with one or more other Subsidiaries and any Subsidiary may be merged into NRUC, (ii) NRUC or any Subsidiary may merge or consolidate with another corporation (other than NRUC or another Subsidiary) if NRUC or the Subsidiary, as the case may be, shall be the surviving corporation in such merger and if no Event of Default, or event which with notice or lapse of time or both could constitute an Event of Default, shall have occurred immediately after giving effect to such merger; and (iii) NRUC or any Subsidiary may, with the written consent of the Purchasers (which consent shall not be unreasonably withheld), merge or consolidate with another corporation (other than NRUC or another Subsidiary) where such other corporation is the surviving corporation provided that such other corporation shall have duly assumed the obligations of NRUC or such Subsidiary hereunder and provided further that after substituting such other corporation for NRUC or its Subsidiary (as the case may be) no Event of Default, or event which with notice or lapse of time or both could constitute an Event of Default, shall occur immediately after giving effect to such merger or consolidation; (d) enter into any arrangement directly or indirectly, with any corporation, partnership or other organization or entity whereby NRUC or any Subsidiary shall sell or

transfer any property, real or personal, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred; or (e) discount or sell for less than the face value thereof or sell with recourse any of its notes or accounts receivable.

VI. CROSS COLLATERALIZATION. NRUC and Pickens agree that all Collateral provided to the Purchasers by the CSA's purchased and assigned pursuant to this Agreement shall serve as collateral and security for all obligations of NRUC and Pickens to the Purchasers arising pursuant to this Agreement, each of the CSA's assigned pursuant hereto and any related documents, and in furtherance thereof, NRUC and Pickens hereby expressly grant to the Purchasers a security interest in all of the Collateral provided by each CSA executed by them.

Pursuant to the above, Pickens agrees that the Collateral provided under each CSA in which it is the vendee shall secure not only the obligations of Pickens to the Purchasers pursuant to this Agreement and any CSAs, but shall also provide security for the obligations of NRUC to the Purchasers pursuant to this Agreement and any CSAs. In the same manner, NRUC agrees that the Collateral provided under each CSA in which it is the vendee shall secure not only the obligations of NRUC to the Purchasers pursuant to this Agreement and any CSAs, but shall also provide security for the obligations of Pickens to the Purchasers pursuant to this Agreement and any CSAs.

VII. EVENTS OF DEFAULT.

If one or more of the following shall occur (herein called "Events of Default"):

(a) NRUC or Pickens shall fail to pay promptly any interest or other sum payable under this Agreement or any of the CSAs when and as due and payable, or shall fail to maintain the compensating balances required by Section 4.10 of this Agreement, and such failure shall continue uncured for more than ten days after written notice thereof (provided, however that the written notice requirement shall be automatically satisfied by the prior delivery to NRUC or Pickens of an invoice or payment schedule providing notice of the due date and amount of interest or such other sums payable to the Purchasers); or

(b) NRUC or Pickens shall fail to pay promptly any principal of any of the CSAs when and as due and payable (whether at maturity or by prepayment, declaration, acceleration, extension or otherwise); or

(c) NRUC shall fail duly to perform, comply with or observe any of the terms, conditions or covenants contained in Article V of this Agreement; or

(d) NRUC or Pickens shall fail duly to perform, comply with or observe any of the other terms, conditions or covenants contained in this Agreement, and such failure shall continue uncured for more than 30 days after written notice thereof; or

(e) there shall occur any event of default under any CSA purchased by the Purchasers pursuant to this Agreement; or

(f) any representation or warranty made in this Agreement or any CSA assigned and purchased pursuant hereto, or any statement or representation made in any report, opinion, schedule, Officer's Certificate or other certificate furnished to the Purchasers or their counsel in connection with this Agreement or the purchases of CSAs hereunder, shall prove to be false, misleading or incorrect in any material respect as of the date on which made; or

(g) default shall be made in respect of any agreement or obligation relating to any indebtedness of NRUC or any of its Subsidiaries for borrowed money or any agreement or obligation relating to leased property, if the effect of such default is to accelerate the maturity of such indebtedness or obligation or to permit the holder thereof or a trustee on behalf of such holder to cause such indebtedness or obligation to become due prior to the stated maturity thereof or if any indebtedness or obligation of NRUC or any of its Subsidiaries is not paid, when due and payable, whether at the due date thereof or at a date fixed for prepayment or otherwise; or

(h) NRUC or any of its Subsidiaries shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator for it or any material portion of its properties or assets, (ii) admit in writing its inability to pay its debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent, or (v) file a voluntary petition in bankruptcy, or a petition or an answer

seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, whether now or hereafter in effect, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law or statute or if action shall be taken by NRUC or any of its Subsidiaries for the purpose of effecting any of the foregoing; or

(i) an order, judgment or decree shall be entered, without the application, approval or consent of NRUC or any of its Subsidiaries by any court of competent jurisdiction, approving a petition seeking reorganization of NRUC or any such Subsidiary or of all or a substantial part of the properties or assets of NRUC or any such Subsidiary or appointing a receiver, trustee, or liquidator of NRUC or any such Subsidiary or a receiver or trustee with respect to all or a substantial part of the properties or assets of NRUC or any such Subsidiary and such order, judgment or decree shall continue unstayed and in effect for any period of 60 days; or

(j) there is commenced against NRUC or any of its Subsidiaries an action seeking an order, judgment or decree described in paragraph (i) above and such action remains undismissed or uncontested for a period of 60 days; or

(k) final judgments for the payment of money (other than any judgment acknowledged in writing by any insurer of NRUC or to its Subsidiaries be fully covered by insurance maintained by NRUC or its Subsidiary with such insurer) in excess

of $125,000 in the aggregate shall be rendered against NRUC and its Subsidiaries and the same shall remain undischarged for a period of 60 days during which execution shall not be effectively stayed; or

(l) a Reportable Event (as defined in Section 4043(b) of Title IV of ERISA) shall have occurred with respect to any Plan and, within 30 days after the reporting of such Reportable Event to the Purchasers, the Purchasers shall have notified NRUC in writing that (i) it has made a determination that, on the basis of such Reportable Event, there are reasonable grounds for the termination of such Plan by the Pension Benefit Guaranty Corporation or for the appointment by the appropriate United States District Court of a trustee to administer such Plan and (ii) as a result thereof an Event of Default exists hereunder; or a trustee shall be appointed by a United States District Court to administer any Plan; or the Pension Benefit Corporation shall institute proceedings to terminate any Plan; or

(m) at anytime during the period commencing with the date of this Agreement and ending one year after the date of the last CSA purchased by the Purchasers pursuant to this Agreement, John H. Rees or John A. Mariscotti shall not maintain their respective positions of President and Vice President of NRUC and/or shall not continue to have the same general duties, responsibilities and/or control currently held in the operation of NRUC and its Subsidiaries; or

(n) at anytime during the period commencing with the

date of this Agreement and ending one year after the date of the last CSA purchased by the Purchasers pursuant to this Agreement, any two of the six stockholders who are currently the owners of the largest percentage of the voting stock of NRUC, or, on a cumulative basis, stockholders who in the aggregate currently own more than 30% of the voting stock of NRUC or Pickens, shall sell, pledge, encumber or otherwise convey part or all of their interest in NRUC or Pickens; then, at any time thereafter during the continuance of any such event, the Purchasers may take any or all of the following actions, at the same or different times:

(i) declare the principal and interest under all CSAs and all fees and other amounts due under this Agreement and all CSAs due and payable (it being expressly agreed that, notwithstanding the terms of any CSA, any default hereunder shall also cause an event of default under each CSA), whereupon such principal and interest and other amounts shall be due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the CSAs to the contrary notwithstanding; and

(ii) proceed to protect or enforce the rights of the Purchasers under the CSAs and hereunder by an action or actions at law or in equity or by any other appropriate proceeding, whether for the specific performance of any of the covenants herein contained or any other agreement contained herein, or for an injunction against the violation of any of the terms or covenants hereof, or in aid of the exercise or execution of any

right, remedy or power granted herein or by law, or to enforce payment of the CSAs; and

(iii) exert all of the remedies provided by the CSA's, including, but not limited to, all remedies provided with respect to the Collateral, including the right to repossession of the Collateral and the right to demand delivery and storage of the Collateral.

VIII. THE AGENT.

SECTION 8.01. Appointment of Agent. In order to expedite the various transactions contemplated by this Agreement, Sun hereby appoints FNB as its agent to act on its behalf and for its benefit in connection with the purchase of CSAs. Sun irrevocably authorizes and directs FNB, as its agent, to execute on its behalf and for its benefit the Assignments selling and assigning the CSAs purchased pursuant to this Agreement and to exercise such powers hereunder and under the Assignment and CSAs on behalf and for the benefit of Sun consistent with the terms and provisions hereof, together with such powers as are reasonably incidental thereto.

SECTION 8.02. Express Authorizations. FNB, as agent, is hereby expressly authorized on behalf of Sun, without hereby limiting any implied authority, to receive on behalf of Sun any payment of principal of or interest on any CSA outstanding pursuant hereto and all other amounts accrued thereunder, and to distribute to Sun its proper share of all payments so-received.

SECTION 8.03. Administration. All CSAs, Assignments

and other documents executed in connection therewith shall be executed and held by FNB as principal for its own account and also as agent for Sun. On request, FNB shall furnish to Sun copies of all such documents. Without the prior written consent of Sun, FNB shall not make or consent to any modification, waiver, change or amendment of any CSA, Assignment or other documents executed in connection therewith, or release, waive or discharge NRUC or Pickens from any of their obligations under this Agreement, the CSAs or any related documents. Except as otherwise expressly provided in this Agreement, the Purchasers shall decide by mutual consent upon the exercise of any and all rights in connection with any CSA, and any legal action to be taken with respect thereto.

SECTION 8.04. Notices, Financial Statements. Other than the notice of a request for the purchase of a CSA as required by Section 1.02 hereof, all payments, notices, reports, financial information or other data or information required by the terms of this Agreement or any Assignment, CSA or related documents connected herewith to be delivered by NRUC or Pickens to the Purchasers shall be satisfied by the delivery by NRUC or Pickens of such payment, notice, report, financial statement or other data or information to FNB, provided however, that Sun may at any time by written notice to NRUC, Pickens and FNB require that copies of any such notices, reports, financial data or other information be supplied directly to Sun in addition to being sent to FNB.

SECTION 8.05 Termination. Either Purchaser may, at any time after the full repayment of FNB's portion of the amounts due and owing under this Agreement and any CSA, by thirty (30) days written notice to the other Purchaser and to NRUC (and, if applicable, Pickens), terminate FNB's obligation to act as Sun's agent as provided hereunder, and thereafter NRUC and Pickens shall make all payments, and shall send all notices, reports, financial statements and other data or information as described in Section 8.04 hereof, directly to Sun, and Sun shall assume full control of, and the responsibility for administration of, this Agreement and all CSAs related thereto.

IX. MISCELLANEOUS.

SECTION 9.01. Notices. All notices, demands, requests, consents, or approvals required under this Agreement to be in writing, shall be deemed effective when mailed by first class registered mail, return receipt requested, postage prepaid (or, in the case of telex, telegraphic or personally delivered notices, when received at the appropriate address hereinafter specified), if to The First National Bank, at P.O. Box 1596, Baltimore, Maryland 21203, Attention: Arthur E. Jones, Jr., if to Sun Life Insurance Company of America, at Sun Life Building, Baltimore, Maryland 21201, Attention: Investment Department, if to NRUC, at 1100 Centre Square East, 1500 Market Street, Philadelphia, Pennsylvania 19102, Attention: Vice President - Finance and if to Pickens, at 402 Cedar Rock Street,

Pickens, South Carolina, Attention: Vice President - Finance, or at such other addresses or to the attention of such other officers as FNB, Sun, NRUC or Pickens shall have furnished in writing to the party giving notice.

SECTION 9.02. Scope and Survival of Agreement. This Agreement, together with the related instruments and transactions expressly referred to herein, constitutes the entire agreement of the parties and supersedes all prior written and oral agreements and understandings with respect hereto among NRUC, Pickens and the Purchasers with respect to the matters contained herein. All covenants, agreements, representations and warranties made herein and in the certificates or other instruments or documents delivered pursuant hereto shall survive the execution and delivery to the Purchasers of CSAs as herein contemplated and shall continue in full force and effect for one (1) year from the date of this Agreement and for so long as any amount is due to the Purchasers under any CSA is outstanding and unpaid. Whenever in this Agreement any of the parties hereto are referred to, such reference shall be deemed to include the successors and assigns of such party and all covenants, promises and agreements by or on behalf of NRUC and Pickens which are contained in this Agreement shall be binding upon any successors and assigns of NRUC and Pickens and shall inure to the benefit of the successors and assigns of each of the Purchasers, provided, however that NRUC and Pickens may not assign or transfer any of their

rights, benefits or obligations hereunder save with the prior written consent of each Purchaser.

SECTION 9.03. Expenses. NRUC will pay, or reimburse the Purchasers for, all reasonable costs and expenses, including but not limited to reasonable legal fees and disbursements of Piper & Marbury, special counsel for the Purchasers, incurred by the Purchasers in connection with the preparation, execution and delivery of this Agreement and any CSA and the instruments and documents to be delivered hereunder and thereunder (whether or not the transactions contemplated hereby or thereby shall be consummated), the subsequent assignment or sale of any CSA to another lender at the request of NRUC or Pickens, the operation of this Agreement and the enforcement, preservation and protection of the rights of the the Purchasers in connection with this Agreement and any CSA, and with respect to any action which may be instituted by any person against the Purchasers or any of the directors, officers, employees or agents of the Purchasers in respect of any of the foregoing or as a result of any transaction, action or non-action arising from or inconnection with any of the foregoing.

SECTION 9.04. Assignment of CSA. Upon any total assignment of a CSA by the Purchasers in a transaction whereby the Purchasers are paid an amount equal to all principal, interest and other sums owing to them under such CSA, the CSA so assigned, and the Collateral provided thereunder, shall no longer be subject to any of the terms and conditions of this

Agreement, including, but not limited to, all provisions of this Agreement concerning cross-collateralization and cross-default.

SECTION 9.05. Set-Off. NRUC and Pickens authorize FNB to apply any credit balance outstanding under any account of NRUC with any branch of FNB (other than any accounts which by their express terms exclude any right of set off) in or towards satisfaction of any sum (whether of principal, interest or otherwise) past due to FNB or Sun under any CSA and to do all such acts and execute all such documents as may be necessary or expedient for any such purpose.

SECTION 9.06. Modification of Agreement. No modification, amendment or waiver of any provision of, or any consent required by, this Agreement or any CSA, nor any consent to any departure by NRUC or Pickens therefrom, shall in any event be effective unless the same shall be in writing and signed by each of the Purchasers, and then such modification, amendment, waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on NRUC or Pickens in any case shall entitle NRUC or Pickens to any other or further notice or demand in the same, similar or other circumstances.

SECTION 9.07. Remedies Cumulative, etc. No right, power or remedy herein conferred upon or reserved to the Purchasers is intended to be exclusive of any other right, power or remedy or remedies, and each and every right, power and

remedy of the Purchasers pursuant to this Agreement or any CSA or now or hereafter existing at law or in equity or by statute or otherwise shall, to the extent permitted by law, be cumulative and concurrent and shall be in addition to every other right, power or remedy pursuant to this Agreement or any CSA or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the the Purchasers of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the Purchaser of any or all such other rights, power or remedies.

The Purchasers may proceed against any and all Collateral in satisfaction of any or all obligations secured hereby in whatever order they may deem appropriate, and the Purchasers shall have no obligation to satisfy the payment of any amount owing hereunder or under any CSA out of any part or portion of the Collateral including, but not limited to, any obligation to satisfy the payment of any amount owing under any CSA out of the Collateral granted by such CSA, NRUC and Pickens hereby reconfirm that all Collateral is intended to secure any and all obligations of NRUC and Pickens under this Agreement and any CSA, and each hereby expressly waives any rights it may have with respect to marshalling of Collateral.

SECTION 9.08. No Waiver, etc. No failure or delay by the Purchasers to insist upon the strict performance of any term, condition, covenant or agreement of this Agreement

or of any CSA, or to exercise any right, power or remedy hereunder or thereunder or consequent upon a breach hereof or thereof, shall constitute a waiver of any such term, condition, covenant, agreement, right, power or remedy or of any such breach, or preclude the Purchasers or both from exercising any such right, power or remedy at any later time or times. In particular, and not by means of limitation, by accepting payment after the due date of any amount payable under this Agreement or under any CSA, the Purchasers shall not be deemed to have waived the rights either to require prompt payment when due of all other amounts payable under this Agreement or under any CSA, or to declare a default for failure to effect such prompt payment of any such other amount.

SECTION 9.09. Severability. In case any one or more of the provisions contained in this Agreement or any CSA should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

SECTION 9.10. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument.

SECTION 9.11. Applicable Law. This Agreement shall be governed and construed in accordance with the laws of the State of Maryland.

SECTION 9.12. Headings. Section and other headings have been inserted in this Agreement as a matter of convenience for reference only and it is agreed that such headings are not a part of this Agreement and shall not be used in the interpretation of any provision of this Agreement.

X. DEFINITIONS.

All accounting terms not specifically defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles. Unless the context otherwise requires, when used herein, the following terms shall have the following meanings.

SECTION 10.01. "Assignment" shall mean the form of Agreement and Assignment attached hereto as Exhibit B which shall be executed from time to time for the purchase of CSAs pursuant to this Agreement.

SECTION 10.02. "Business Day" shall mean any day not a Saturday, Sunday or legal holiday in the State of Maryland.

SECTION 10.03. "Collateral" shall mean the railroad boxcars, equipment and other collateral and additional security granted to the Purchasers by any CSA.

SECTION 10.04. "CSA" shall mean the form of Conditional Sale Agreement attached hereto as Exhibit A which shall be executed from time to time by NRUC and Pickens for the purchase of railroad boxcars.

SECTION 10.05. "Consolidated Adjusted Tangible Net Worth" shall mean (a) the aggregate amount of all assets as may

be classified as such of NRUC and its Subsidiaries other than goodwill and other such assets as are classified as "intangible assets", less (b) the aggregate amount of all Indebtedness of NRUC and its Subsidiaries, in each case without duplication, and on a consolidated basis, after eliminating all inter-company items, and after appropriate deductions for minority interests, all in accordance with generally accepted accounting principles.

SECTION 10.06. "Current Debt Service" shall mean all principal and interest obligations due within 12 months plus all noncancellable lease and rental payments due within 12 months.

SECTION 10.07. "Current Operating Cash Flow" shall mean Consolidated Net Income plus non-cash items (including deferred taxes) plus all non-cancellable interest, lease and rental payments due within 12 months.

SECTION 10.08. "Consolidated Net Income" shall mean consolidated gross revenues of NRUC and its Subsidiaries less all operating and non-operating expenses of NRUC and its Subsidiaries including all charges of a proper character (including current and deferred taxes on income and current additions to reserves), but not including in gross revenues any gains (net of expenses and taxes applicable thereto) in excess of losses resulting from the sale, conversion or other disposition of capital assets (i.e., assets other than current assets), any gains resulting from the writeup of assets, any equity of NRUC or any Subsidiary in the undistributed earnings of any corporation which is not a Subsidiary, any earnings of any corpora-

tion, partnership or other organization or entity acquired by NRUC or any Subsidiary through purchase, merger or consolidation or otherwise for any time prior to the date of acquisition (other than undistributed earnings for the year of acquisition of any corporation acquired in a pooling of interests), or any deferred credits representing the excess of equity in any Subsidiary at the date of acquisition over the cost of the investment in such Subsidiary, all determined in accordance with generally accepted accounting principles.

SECTION 10.09. "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended.

SECTION 10.10. "Event of Default" shall have the meaning specified in Article VII of this Agreement.

SECTION 10.11. "Indebtedness" shall mean as applied to NRUC or any Subsidiary, (a) all items, except items of capital stock or of surplus or of contingency reserves (including maintenance reserves, and deferred gains and profit reserves on Golden Tye cars) or provisions for deferred income taxes, which in accordance with generally accepted accounting principles would be included in determining total liabilities as shown on the liability side of a balance sheet of NRUC or such Subsidiary as at the date as of which Indebtedness is to be determined, and all conditional sales obligations and lease agreements tantamount to a conditional sales obligations of NRUC or such Subsidiary, whether or not required by generally accepted

accounting principles to be included in such total liabilities, (b) all Indebtedness secured by any Lien existing on property owned by NRUC or such Subsidiary whether or not the Indebtedness secured thereby shall have been assumed, and (c) all Indebtedness of others which NRUC or such Subsidiary has directly or indirectly guaranteed, endorsed (otherwise than for collection or deposit in the ordinary course of business), discounted, sold with recourse, purchased or agreed (contingently or otherwise) to purchase or otherwise acquire, or in respect of which NRUC or such Subsidiary has agreed to supply or advance funds (whether by way of loan, stock purchase, capital contribution or otherwise) or otherwise to become directly or indirectly liable, including without limitation, all Indebtedness of others in effect guaranteed by NRUC or such Subsidiary through an agreement to purchase property, securities or services or to use facilities (including through-put and take or pay agreements), maintain working capital or other balance sheet condition, or otherwise, having the effect of enabling the obligor to satisfy Indebtedness or to assure the owner of Indebtedness against loss.

SECTION 10.12. "Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind whatsoever, (including any conditional sale or other title retention agreement, any lease in the nature thereof, and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction).

SECTION 10.13. "Officer's Certificate" shall mean a certificate signed by the President or the principal financial officer of NRUC or Pickens.

SECTION 10.14. "Plan" shall mean any employee benefit plan subject to the provisions of Title IV of ERISA and which is maintained for employees of NRUC or any Subsidiary.

SECTION 10.15. "Prime Rate" shall have the same meaning assigned in Section 1.06 of this Agreement.

SECTION 10.16. "Subsidiary" shall mean any corporation, association or other business entity, of which more than fifty percent (50%) of the issued and outstanding capital stock or equivalent thereof, having ordinary voting power is owned or controlled by NRUC or by one or more Subsidiaries of NRUC or by NRUC and one or more Subsidiaries of NRUC.

SECTION 10.17. "Taxes" shall mean all taxes and assessments whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character (including all penalties or interest thereon), which at any time may be assessed, levied, confirmed or imposed on NRUC or any Subsidiary or any of their respective properties or assets or any part thereof or in respect of any of their respective franchises, business, income or profits, and all claims for sums which by law have or might become a lien upon any of their respective properties or assets.

IN WITNESS WHEREOF, the Purchasers and NRUC have caused this Agreement to be duly executed by their duly

authorized officers, as indicated below, all as of the day and year first above written.

NATIONAL RAILWAY UTILIZATION CORPORATION

[Corporate Seal]

By _____
Vice President

ATTEST:

_____
Asst. Secretary

SUN LIFE INSURANCE COMPANY OF AMERICA

[Corporate Seal]

By _____
Vice President

ATTEST:

_____
Assistant Secretary

FIRST NATIONAL BANK OF MARYLAND

[Corporate Seal]

By _____
Senior Loan Executive

ATTEST:

_____

PICKENS RAILROAD COMPANY

By Richard J. Kelly
Vice President

[Corporate Seal]

Attest:

T. W. Strzepek
Asst. Secretary

STATE OF MARYLAND)
) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY, that on this 31st day of May, 1978, before the subscriber, a Notary Public in and for said City and State, personally appeared Richard J. Kelly, who, being by me duly sworn, says that he is a Vice President of Pickens Railroad 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.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 31st day of May, 1978.

PATRICIA McC. FABIAN
NOTARY PUBLIC
BALTIMORE CITY, MD.

Patricia McC. Fabian
Notary Public

[Notarial Seal]

My Commission expires: 7/1/78

STATE OF MARYLAND)
) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY, that on this 31st day of May, 1978, before the subscriber, a Notary Public in and for said City and State, personally appeared Richard J. Kelly, who, being by me duly sworn, says that he is a Vice President of National Railway Utilization Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this 31st day of May, 1978.

PATRICIA McC. FABIAN NOTARY PUBLIC BALTIMORE CITY, MD.

Patricia McC. Fabian
Notary Public

[Notarial Seal]

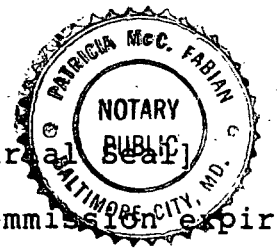
My Commission expires: 7/1/78

STATE OF MARYLAND)
) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY, that on this 31st day of May, 1978, before the subscriber, a Notary Public in and for said City and State, personally appeared Eugene J. Stanton, who, being by me duly sworn, says that he is a Vice President of Sun Life Insurance Company of America, 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.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this 31st day of May, 1978.



Patricia McC. Fabian
Notary Public

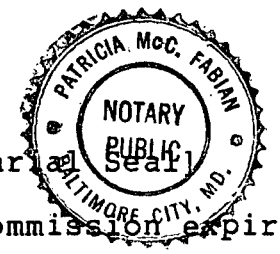
[Notarial Seal]

My Commission expires: 7/1/78

STATE OF MARYLAND)
) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY, that on this 31st day of May, 1978, before the subscriber, a Notary Public in and for said City and State, personally appeared Arthur J. Jones, Jr., who, being by me duly sworn, says that he is a Senior Loan Executive of The First National Bank of Maryland, 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.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this 31st day of May, 1978.



Patricia McC. Fabian
Notary Public

[Notarial Seal]

My Commission expires: 7/1/78

Exhibit A

to

Conditional Sale Agreement
Purchase Commitment Agreement

Form of Conditional Sale Agreement

Exhibit B

to

Conditional Sale Agreement
Purchase Commitment Agreement

Form of Agreement and Assignment

Exhibit C

to

Conditional Sale Agreement
Purchase Commitment Agreement

Form of Warrant Agreement

Exhibit D

to

Conditional Sale Agreement
Purchase Commitment Agreement

Schedule of Subsidiaries of
National Railway Utilization Corporation

Pickens Railroad Company