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RECORDATION NO. _____ Filed & Recorded

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INTERSTATE COMMERCE COMMISSION

Agreement and Assignment

dated as of February 15, 1974

between

BETHLEHEM STEEL CORPORATION

and

**MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, Agent**

AGREEMENT AND ASSIGNMENT, dated as of February 15, 1974, between the corporation first named following the testimonium below (hereinafter called the Builder) and **MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY** acting as Agent, a corporation of Maryland, under an Agreement dated as of the date hereof (hereinafter called the Finance Agreement) (said Agent, so acting, being hereinafter called the Assignee).

WHEREAS, the Builder, **SEABOARD COAST LINE RAILROAD COMPANY**, a corporation of Virginia, and **LOUISVILLE AND NASHVILLE RAILROAD COMPANY**, a corporation of Kentucky, which two railroad companies operate, among other lines of railroad, the line known as "**CLINCHFIELD RAILROAD COMPANY**," leased from Carolina, Clinchfield and Ohio Railway and Carolina, Clinchfield and Ohio Railway of South Carolina (which first two named railroad companies are hereinafter individually called **SCL** and **L&N**, respectively, and collectively called the Railroad), have entered into a Conditional Sale Agreement dated as of the date hereof (hereinafter called the Conditional Sale Agreement), covering the construction, sale and delivery, on the conditions therein set forth, by the Builder and the purchase by the Railroad of the railroad equipment described in Schedule B to the Conditional Sale Agreement (said equipment being hereinafter called the Equipment).

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT (hereinafter called this Assignment) WITNESSETH: That, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to the Builder, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained:

SECTION 1. Whenever this Assignment incorporates herein by reference, in whole or in part or as hereby amended, any provision of the document entitled "**Model Assignment Provisions**" annexed to the Conditional Sale Agreement as Part II of Annex A thereto (hereinafter called the **Model Assignment Provisions**), such provision of the **Model Assignment Provisions** shall be deemed to be a part of this Assignment as fully to all intents and purposes as though such provision had been set forth in full in this instrument.

SECTION 2. The Builder hereby assigns, transfers and sets over unto the Assignee, its successors and assigns:

(a) all the right, title and interest of the Builder in and to each unit of the Equipment when and as severally delivered to and accepted by the Railroad, subject to payment by the Assignee to the Builder of the amount required to be paid under Section 6 hereof and subject to payment by the Railroad pursuant to subparagraph (a) of the third paragraph of Article 4 of the Conditional Sale Agreement;

(b) all the right, title and interest of the Builder in and to the Conditional Sale Agreement (except the right to construct and deliver the Equipment and the right to receive the payments specified in the third paragraph of Article 3 thereof and in subparagraphs (a) and (b) of the third paragraph of Article 4 thereof and the last paragraph of Article 17 thereof and reimbursements for taxes paid or incurred by the Builder as provided in Article 5 thereof), and in and to any and all amounts which may be or become due or owing by the Railroad to the Builder under the Conditional Sale Agreement on account of its indebtedness in respect of the Purchase Price (as defined in the Conditional Sale Agreement) of the Equipment and interest thereon, and in and to any other sums becoming due from the Railroad under the Conditional Sale Agreement, other than those hereinabove excluded; and

(c) except as limited by subparagraph (b) hereof, all the Builder's rights, powers, privileges and remedies under the Conditional Sale Agreement;

without any recourse against the Builder for or on account of the failure of the Railroad to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the Conditional Sale Agreement; *provided, however*, that this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify, the liability of the Builder to construct and deliver the Equipment in accordance with the Conditional Sale Agreement or with respect to its obligations referred to or contained in Articles 10 and 16 of the Conditional Sale Agreement, or relieve the Railroad from its obligations to the Builder referred to or contained in Articles 2, 3, 4, 5, 15, 16 and 17 of the Conditional Sale Agreement, it being understood and agreed that, notwithstanding this Assignment, or any

subsequent assignment pursuant to the provisions of Article 17 of the Conditional Sale Agreement, all obligations of the Builder to the Railroad with respect to the Equipment shall be and remain enforceable by the Railroad, its successors and assigns, against and only against the Builder. In furtherance of the foregoing assignment and transfer, the Builder hereby authorizes and empowers the Assignee, in the Assignee's own name or in the name of the Assignee's nominee, or in the name of and as attorney hereby irrevocably constituted for the Builder, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Assignment and compliance by the Railroad with the terms and agreements on its part to be performed under the Conditional Sale Agreement, but at the expense and liability and for the sole benefit of the Assignee.

SECTION 3. Section 3 of the Model Assignment Provisions is herein incorporated as Section 3 hereof.

SECTION 4. Section 4 of the Model Assignment Provisions is herein incorporated as Section 4 hereof except that the last sentence is amended by substituting therefor the following:

The Builder agrees that any amounts payable to it by the Railroad with respect to the Equipment, with the exception of amounts payable pursuant to subparagraph (a) of the third paragraph of Article 4 of the Conditional Sale Agreement, whether pursuant to the Conditional Sale Agreement or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien, charge or security interest upon the Equipment or any unit thereof.

SECTION 5. The Builder will cause each side of each unit of the Equipment, at the time of delivery thereof to the Railroad, to be plainly, distinctly, permanently and conspicuously marked as set forth in Item 5 in Schedule A to the Conditional Sale Agreement.

SECTION 6. Section 6 of the Model Assignment Provisions is amended as follows;

(a) by substituting for the first sentence of the third paragraph thereof the following: "The obligation of the Assignee hereunder to make payment for any Group of the Equipment is conditioned upon the Assignee having on deposit, pursuant to the terms of the Finance Agreement, sufficient funds available thereunder for such payment."

(b) by substituting for subparagraph (e) of first paragraph thereof the following:

“(e) Opinions of counsel for SCL and L & N, dated as of such Closing Date, to the effect set forth in clauses (i), (ii), (iii), (v), (vi) and (vii) of subparagraph (d) and stating that SCL and L & N are duly organized and existing corporations in good standing under the laws of their respective jurisdictions of incorporation and have the power and authority to own their respective properties and to carry on their businesses as now conducted;” and

(c) by substituting for the last sentence of the second paragraph thereof the following:

“In giving the opinions specified in said subparagraphs (d) and (e), counsel may rely, as to authorization, execution and delivery by the Builder of the documents executed by the Builder and title to the Equipment at the time of delivery thereof under the Conditional Sale Agreement, on the opinion of counsel for the Builder; and in giving the opinion specified in subparagraph (d) counsel may rely as to any matter governed by the law of any jurisdiction other than New York or the United States, on the opinion of counsel for the Builder or the opinions of counsel for the Railroad as to such matter; and in giving the opinion specified in subparagraph (e) counsel may rely as to authorization, execution and delivery of the documents executed by the Assignee on the opinion of counsel for the Assignee.”

Section 6 of the Model Assignment Provisions, as so amended, is herein incorporated as Section 6 hereof.

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

SECTION 8. Section 8 of the Model Assignment Provisions is herein incorporated as Section 8 hereof.

SECTION 9. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Virginia; *provided, however*, that the parties shall be entitled to all the rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording or depositing of the Conditional Sale Agreement and this Assignment as shall be conferred by the laws of the several jurisdictions in which the Conditional Sale Agreement or this Assignment shall be filed, recorded or deposited.

SECTION 10. The Assignee agrees to deliver an executed counterpart of this Assignment to the Railroad, which delivery shall constitute due notice of the assignment hereby made. Although this Assignment is dated for convenience February 15, 1974, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

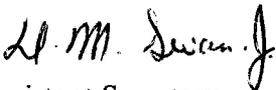
IN WITNESS WHEREOF, the Builder and the Assignee, each pursuant to due authority, have caused this Assignment to be executed in their respective corporate names by duly authorized officers, and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

BETHLEHEM STEEL CORPORATION

[CORPORATE SEAL]

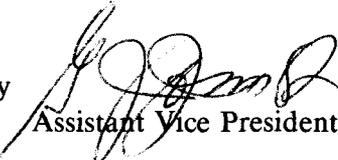
By 
Vice President

Attest:


Assistant Secretary

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Agent,

[CORPORATE SEAL]

By 
Assistant Vice President

Attest:


Corporate Trust Officer

COMMONWEALTH OF PENNSYLVANIA }
COUNTY OF LEHIGH } ss.:

On this 27th day of February, 1974, before me personally appeared A. M. REED, to me personally known, who, being by me duly sworn, says that he is a Vice President of BETHLEHEM STEEL 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.

Evelyn J. Weeks
.....

My Commission Expires Notary Public

[NOTARIAL SEAL]

City of Bethlehem
Lehigh County

My Commission Expires October 13, 1974

STATE OF MARYLAND }
CITY OF BALTIMORE } ss.:

On this 7th day of March, 1974, before me personally appeared G. J. Johnston, to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Company and that said instrument was signed and sealed on behalf of said Company 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 Company.

Nancy C. Schmidt
.....

Notary Public

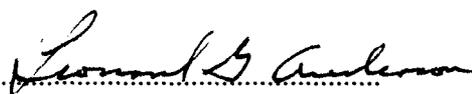
[NOTARIAL SEAL]

My Commission Expires JUL 1 1974

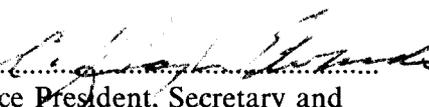
ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

SEABOARD COAST LINE RAILROAD COMPANY and LOUISVILLE AND NASHVILLE RAILROAD COMPANY hereby acknowledge due notice of and consent to the assignment made by the foregoing Agreement and Assignment as of February 15, 1974.

SEABOARD COAST LINE RAILROAD
COMPANY,

By.....
Vice President and Treasurer

LOUISVILLE AND NASHVILLE RAILROAD
COMPANY,

By.....
Amy Vice President, Secretary and
Treasurer