BESSEMER AND LAKE ERIE RAILROAD COMPANY

600 GRANT STREET • P. O. BOX 536 • PITTSBURGH, PENNSYLVANIA 15230

October 26, 1977

RECORDATION NO. 9055 Filed & Recorded

OCT 27 1977 • 11 25 AM

INTERSTATE COMMERCE COMMISSION

JOHN D. MORRISON
GENERAL COUNSEL

WILLIAM C. LEIPER
ASST. GEN. COUNSEL

PAUL M. WILLARD
ATTORNEY

RECORDATION NO. 9055-B Filed & Recorded

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INTERSTATE COMMERCE COMMISSION

7-20CA

Date OCT 27 1977

Fee $ 100

ICC Washington, D. C.

RECORDATION NO. 9055-A Filed & Recorded

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INTERSTATE COMMERCE COMMISSION

FEE OPERATION BR.

Interstate Commerce Commission
Washington, D.C. 20423

Gentlemen:

Enclosed for recordation under the provisions of Section 20(c) of the Interstate Commerce Act, as amended, are the original and seven (7) executed counterparts of a Conditional Sale Agreement, a Finance Agreement and an Agreement and Assignment dated as of October 1, 1977.

The general description of the railroad equipment covered by the enclosed documents is set forth in Schedule A attached to this letter and made a part hereof.

The names and addresses of the parties are:

Assignor under Agreement and Assignment:	Greenville Steel Car Company Foot of Union Street Greenville, Pennsylvania 16125
Assignee under Agreement and Assignment:	American National Bank and Trust Company of Chicago 33 North LaSalle Street Chicago, Illinois 60690
Agent under Finance Agreement	American National Bank and Trust Company of Chicago 33 North LaSalle Street Chicago, Illinois 60690
Railroad under Finance Agreement	Bessemer and Lake Erie Railroad Company 600 Grant Street P.O. Box 536 Pittsburgh, Pennsylvania 15230

Confirmed - Stephen F. Chiles

Investors under Finance Agreement:	The Bowery Savings Bank 110 East 42nd Street New York, New York 10017
	Cumis Insurance Society, Inc. P.O. Box 391 Madison, Wisconsin 53701
Vendor under the Conditional Sale Agreement:	Greenville Steel Car Company Foot of Union Street Greenville, Pennsylvania 16125
Vendee under the Conditional Sale Agreement:	Bessemer and Lake Erie Railroad Company 600 Grant Street P.O. Box 536 Pittsburgh, Pennsylvania 15230

The undersigned consents to the above Conditional Sale Agreement, Finance Agreement and Agreement and Assignment and has knowledge of the matters set forth in the enclosed documents.

Please return the original and six (6) copies of the Conditional Sale Agreement, Finance Agreement and Agreement and Assignment to Paul M. Willard, Esq., Bessemer and Lake Erie Railroad Company, P.O. Box 536, Pittsburgh, Pennsylvania 15230.

Enclosed is a check in the amount of $50.00 covering the required recording fee.

Very truly yours,

BESSEMER AND LAKE ERIE
RAILROAD COMPANY

By _____
Assistant Secretary

PMW/rja

Enclosures

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INTERSTATE COMMERCE COMMISSION

FINANCE AGREEMENT

Among

AMERICAN NATIONAL BANK AND TRUST COMPANY
OF CHICAGO, as Agent,

BESSEMER AND LAKE ERIE RAILROAD COMPANY

and

THE PARTIES NAMED IN SCHEDULE A HERETO

Dated as of October 1, 1977

[Covering 600 100-Ton Open Top Hopper Cars]

7.50% Conditional Sale Indebtedness due March 1, 1986

FINANCE AGREEMENT

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EXHIBIT III -- CERTIFICATE OF INTEREST

FINANCE AGREEMENT dated as of October 1, 1977 (hereinafter called the Agreement), among AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association (hereinafter called the Agent), BESSEMER AND LAKE ERIE RAILROAD COMPANY, a Pennsylvania corporation (hereinafter called the Railroad) and the parties named in Schedule A hereto (hereinafter called the Investors).

WHEREAS, the Railroad proposes to enter into a conditional sale agreement, dated as of the date hereof and substantially in the form annexed hereto as Exhibit I (hereinafter called the Conditional Sale Agreement), with GREENVILLE STEEL CAR COMPANY (hereinafter called the Builder) for the purchase from the Builder of the new standard-gauge railroad equipment referred to in the Conditional Sale Agreement (hereinafter called the Equipment).

WHEREAS, the Agent is willing to acquire, pursuant to an agreement and assignment dated as of the date hereof (hereinafter called the Assignment), substantially in the form annexed hereto as Exhibit II, the right, title and interest of the Builder under the Conditional Sale Agreement in the units of the Equipment, all upon and subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter contained, the parties hereto hereby agree as follows:

1. Each Investor will pay or cause to be paid to the Agent, by bank wire transfer of immediately available funds, not later than 10:00 a.m., Chicago time, on the respective date or dates (each such date being hereinafter called a Date of Deposit) indicated for such Investor on Schedule A hereto, the amount of Maximum Investment set forth opposite such Investor's name in Schedule A hereto with respect to such date; provided, however, that the Investors shall have no obligation to make the aforementioned Maximum Investment on such Date of Deposit if a Default (as hereinafter defined in Paragraph 4) shall have occurred and be continuing. The Agent will give to each

Investor not less than six business days' prior written notice specifying the amount to be paid by such Investor to the Agent on a Date of Deposit; provided, however, that if the Agent has actual knowledge that a Default has occurred and is continuing, the Agent instead will give each Investor prompt notice of such Default.

Upon payment to the Agent of the amount required to be paid by an Investor pursuant to this Paragraph 1, the Agent will execute and deliver to such Investor (or, upon the written request of such Investor, to the nominee or nominees of such Investor) a certificate or certificates of interest with respect to such payment substantially in the form annexed hereto as Exhibit III containing the appropriate information with respect to such Investor as set forth in Schedule A and dated the Date of Deposit.

Each Investor, simultaneously with the final payment to it of all amounts payable under any certificate of interest delivered to it pursuant to this Agreement, will surrender such certificate of interest to the Agent.

The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois or New York, New York are closed. All interest under this Agreement shall be calculated on the basis of a 360-day year of twelve 30-day months.

2. Pursuant to the Assignment, the Agent will acquire from the Builder all of its right, title and interest under the Conditional Sale Agreement, except as specifically excepted by the Assignment.

The forms of the Exhibits annexed to this Agreement are hereby approved by the Investors. Any modification of such forms must be approved in writing by the Investors prior to the execution thereof, except as otherwise provided in this Paragraph 2. The Conditional Sale Agreement may hereafter be supplemented or amended, or the Railroad may enter into new conditional sale agreements substantially in the form annexed hereto as Exhibit I, with such changes as may be appropriate, with the Builder or with other builders of railroad equipment, to provide for the inclusion therein of new standard-gauge railroad equipment first put into service not earlier than the date of this Agreement (other than passenger or work equipment

including but not limited to locomotives and cabooses), in substitution for or in addition to any of the Equipment, and the Agent is hereby authorized by the Investors to enter into such supplements to or amendments of the Conditional Sale Agreement and the Assignment or to accept the assignment to it of new conditional sale agreements pursuant to assignments thereof substantially in the form of the Assignment, with such changes as may be appropriate to provide therefor, in either case in such form as may be approved by Messrs. Cadwalader, Wickersham & Taft, acting as special counsel for the Agent and the Investors; provided, however, that (i) the aggregate Conditional Sale Indebtedness (as defined in the Conditional Sale Agreement) under the Conditional Sale Agreement and any such new conditional sale agreement shall not exceed $12,525,000; (ii) settlement for all the Equipment shall take place on or prior to May 31, 1978; and (iii) any such additional equipment shall be of types similar to, and having a useful life and a commercial value equal to or greater than, the Equipment it purports to replace. In the event that the Agent shall enter into new conditional sale agreements or supplements to or amendments of the Conditional Sale Agreement and Assignment as hereinabove authorized, the Agent will enter into an appropriate supplement to this Agreement to give effect thereto in such form as may be approved by said counsel.

3. The Agent will hold the funds deposited with it pursuant to Paragraph 1 hereof, any Investments (as defined in Article 7 of the Conditional Sale Agreement) purchased by the use of such funds and any proceeds thereof, interest thereon or deficiency with respect thereto paid by the Railroad as provided in Paragraph 4 hereof, and the rights under the Conditional Sale Agreement acquired under the Assignment and security title to the Equipment following its delivery and acceptance thereunder, as provided in the Assignment and the Conditional Sale Agreement, in trust for the benefit of the Investors in accordance with their respective interests therein as such interests shall from time to time appear, but without priority of one over the other. The interest of the Investors in the Conditional Sale Indebtedness and in and to the Investment Surplus (as defined in Paragraph 4 hereof) shall be in proportion to their respective investments therein, the amounts thereof being set forth in Schedule A hereto as Maximum Investments plus accrued and unpaid interest from time to time outstanding, but without priority of one over the other. It is expressly understood and agreed that the

obligations of the Agent hereunder and with respect to the payments to the Investors to be made by the Agent are, in the absence of negligence or willful misconduct, only those expressly set forth herein.

4. So long as, to the actual knowledge of the Agent, the Railroad is not in default under this Agreement and no Event of Default (as defined in Article 15 of the Conditional Sale Agreement) or event which with the giving of notice, the lapse of time or demand could constitute an Event of Default shall have occurred and be continuing (any such default, Event of Default or event being hereinafter called a Default), the Agent shall, upon the written request of the Railroad, invest and reinvest the moneys deposited with it pursuant to Paragraph 1 hereof in Investments. Any interest received by the Agent on any Investment shall be held by the Agent and applied as hereinafter provided. Upon any sale or payment at maturity of any Investment, the proceeds thereof, plus any interest received by the Agent thereon, up to the cost of acquistion (including accrued interest) thereof, shall be held by the Agent for application pursuant to this Paragraph 4 and, so long as no Default shall have occurred and be continuing, any excess of such proceeds over such cost shall be paid to the Railroad, provided, however, to the extent there exists an unpaid deficiency or expenses due from the Railroad to the Agent pursuant to the sentence immediately following, such excess shall be retained, to the extent necessary, by the Agent as payment for such deficiency or expenses. The Railroad agrees, upon request of the Agent, to pay to the Agent promptly all expenses incurred by the Agent in connection with the purchase and sale of Investments together with an amount equal to any deficiency due to the fact that the proceeds upon any sale or payment at maturity of any Investment and any interest received by the Agent thereon are less than the cost of acquistion thereof (including accrued interest). Any payment in respect of such deficiency shall be applied by the Agent in like manner as the proceeds of the sale of Investments.

Upon each delivery to the Railroad under the Conditional Sale Agreement of a Group (as defined in Article 3 thereof) of the Equipment and the receipt by the Agent of the closing papers with respect thereto to be delivered by the Railroad as specified in Article 14 of the Conditional Sale Agreement and in Section 4 of the

Assignment, the Agent will promptly deliver one counterpart or copy of each of such papers to each Investor requesting the same in writing and to Messrs. Cadwalader, Wickersham & Taft, acting as special counsel for the Agent and the Investors.

After receipt by the Agent of such closing papers in form and substance satisfactory to Messrs. Cadwalader, Wickersham & Taft, with respect to each Group as aforesaid, the Agent will on each Closing Date (as defined in Article 3 of the Conditional Sale Agreement):

(a) pay to the Builder in accordance with the Assignment, out of the moneys paid to the Agent pursuant to Paragraph 1 hereof and then on deposit with the Agent, an amount equal to the Conditional Sale Indebtedness (as defined in Article 3 of the Conditional Sale Agreement) with respect to such Group; and

(b) if such moneys then on deposit are insufficient to make any such payment, promptly upon receipt of notice of closing with respect to such Group under the Conditional Sale Agreement, sell such portion of the Investments as may be necessary in order to provide sufficient funds for such payment and use the funds so derived, together with interest received on the Investments and any deficiency paid by the Railroad as contemplated by this Paragraph 4 and held by the Agent, to make such payment to the Builder required to be made on such Closing Date pursuant to the Assignment; provided, however, that the amount of such payment to be made by the Agent with respect to all Equipment covered by the Conditional Sale Agreement shall not exceed the aggregate of the amounts set forth opposite the names of the Investors in Schedule A hereto.

If, on the earliest of (1) the last Closing Date (which shall be specified in a written notice given to the Agent by the Railroad), (2) June 1, 1978, and (3) the date of any Default as to which the Agent has actual knowledge (the earliest of said dates being hereinafter called the Repayment Date), the aggregate Conditional Sale Indebtedness is or will be less than the aggregate amount theretofore paid by the Investors to the Agent pursuant to Paragraph 1 hereof (hereinafter called the Aggregate

Deposit; any excess of said Aggregate Deposit over the aggregate Conditional Sale Indebtedness being hereinafter called the Investment Surplus), the Agent shall during the five business days' period immediately preceding the Repayment Date (or as promptly as possible if the Repayment Date occurs by reason of (3) above), (i) notify in writing the Investors thereof, (ii) sell all Investments then held by the Agent as promptly as possible and (iii) against surrender to the Agent of the certificates of interest theretofore delivered by the Agent in respect of which repayment is to be made, as hereinafter provided, for new certificates of interest evidencing each Investor's actual investment in the aggregate Conditional Sale Indebtedness, apply on the Repayment Date (or as promptly as possible if the Repayment Date occurs by reason of (3) above) (a) the balance of the funds on deposit with the Agent pursuant to Paragraph 1 hereof and (b) all proceeds of the sale of Investments and interest thereon received by the Agent on Investments, together with any deficiency paid by the Railroad as contemplated by this Paragraph 4 (and not utilized pursuant to clause (b) of the preceding paragraph) and moneys paid to the Agent pursuant to the last paragraph of this Paragraph 4, to the pro rata repayment, without premium, of the investments made by such Investor hereunder to the extent required so that such Investor will receive an amount bearing the same ratio to the Investment Surplus that such Investor's funded Maximum Investment hereunder bears to the Aggregate Deposit, together with interest on such repayment, as provided in the next succeeding paragraph hereof. Any remaining balance of such funds and proceeds shall be paid by the Agent to the Railroad so long as the Agent has no actual notice of a Default. Each Investor, at its option, in lieu of surrendering its certificate or certificates of interest as set forth in clause (iii) above, may make appropriate notation on such certificate or certificates of interest of repayment of a portion of its investment and notify the Agent in writing that such notation has been made.

The Railroad will pay to the Agent, upon receiving from the Agent at least five business days prior notice of the amounts required and the calculations leading thereto, by bank wire transfer of immediately available funds (a) on March 1, 1978, such amount, if any, as, when added to the interest received by the Agent on such date under the Conditional Sale Agreement, will enable the Agent to pay to each Investor an amount equal to interest on the unrepaid investment of such Investor at the rate of 7.50% per annum computed

to such date from such Investor's Date or Dates of Deposit; and (b) on the Repayment Date, such amount as will enable the Agent to pay to each Investor on the Repayment Date an amount equal to interest on each Investor's pro rata share of the Investment Surplus, if any, to such Investor at the rate of 7.50% per annum computed to the Repayment Date from the Date of Deposit less any interest paid in respect of the Investment Surplus by the Railroad pursuant to part (a) of this sentence. The Agent will apply the money so received to make the payments to Investors contemplated by the preceding sentence.

5. The Agent will accept all sums paid to it pursuant to Article 7 of the Conditional Sale Agreement, with respect to Casualty Occurrences (as therein defined). So long as, to the actual knowledge of the Agent, no event of default under the Conditional Sale Agreement shall have occurred and be continuing, the Agent will apply such sums (a) to the reduction, respectively, in the reverse order of maturity thereof, of outstanding instalments of Conditional Sale Indebtedness attributable to (i) subparagraph (b) of the third paragraph of Article 3 of the Conditional Sale Agreement and to (ii) subparagraph (c) of said third paragraph, provided that such applications to instalments arising as specified in (i) and (ii) above shall each be in the same proportion as the aggregate outstanding instalments with respect to each of (i) and (ii) above bear, respectively, to the aggregate outstanding Conditional Sale Indebtedness, all without premium, together with interest accrued on such prepaid Conditional Sale Indebtedness from the last date on which such interest was paid to the date of such prepayment or (b) toward the cost of other railroad equipment, all as provided in said Article 7.

6. The Agent will accept payments made to it by the Railroad pursuant to the Conditional Sale Agreement and the Assignment on account of the principal of or interest on the Conditional Sale Indebtedness thereunder and, so long as to the actual knowledge of the Agent, no Event of Default shall have occurred and be continuing, will apply such payments promptly to the payment to the Investors, first, of interest payable to them on their respective interests in the aggregate Conditional Sale Indebtedness, and second, of their respective interests in

the instalments of the aggregate Conditional Sale Indebtedness in the order of maturity thereof, until the same shall have been paid in full. If, to the knowledge of the Agent, an Event of Default shall have occurred and be continuing, all moneys held by or coming into the possession of the Agent which, under the provisions of the Conditional Sale Agreement, are applicable to the payment or prepayment of the Conditional Sale Indebtedness or interest thereon (including, without limitation, the net proceeds of any repossession and sale or lease of any unit of the Equipment after deduction of all expenses, including reasonable counsel fees, incurred by the Agent in connection with such repossession and sale or lease or otherwise incurred hereunder in connection with the Conditional Sale Agreement and the Assignment which shall not theretofore have been reimbursed to the Agent by the Railroad pursuant to the Conditional Sale Agreement) shall be distributed promptly by the Agent first, pro rata among the Investors in accordance with their respective interests in accrued and unpaid interest on the Conditional Sale Indebtedness thereunder, and second, pro rata among the Investors in accordance with their respective interests in the principal of the Conditional Sale Indebtedness thereunder at the time of such distribution, and the Agent shall otherwise take such action as is referred to in Paragraph 7 hereof.

7. So long as the Agent shall have no actual knowledge that a Default shall have occurred and be continuing, the Agent shall be obligated to act as a prudent person in exercising or refraining from exercising any rights or taking or refraining from taking any action which may be vested in it, or which it may be entitled to assert or take, under the Conditional Sale Agreement, except as otherwise specifically provided herein. The Agent shall incur no liability hereunder in acting upon any notice, certificate, warrant or other paper or instrument believed by it to be genuine and signed by the proper party or parties, or with respect to anything which it may do or refrain from doing in the exercise of its reasonable judgment, or which may seem to it to be necessary or desirable in the premises, except liability resulting from its willful misconduct or negligence; provided, however, that in case the Agent shall have actual knowledge of the occurrence of a Default, the Agent shall promptly notify the Investors thereof and shall take such action and assert such rights under the Conditional Sale Agreement as shall be agreed upon by the Investors holding interests

totaling more than 50% of the aggregate Conditional Sale Indebtedness then outstanding and provided, further, that the Agent shall, at the direction of Investors holding 10% of the aggregate Conditional Sale Indebtedness then outstanding, bring an action for past due instalments of principal and interest on such Conditional Sale Indebtedness then in default under paragraph (a) of Article 15 of the Conditional Sale Agreement, but unless Investors holding interests totaling more than 50% of the aggregate Conditional Sale Indebtedness then outstanding agree to such action, the Agent shall not exercise its rights in respect of the Equipment. In case the Agent is required to take action hereunder, it shall be indemnified by such Investors in proportion to their respective interests in the aggregate Conditional Sale Indebtedness then outstanding against any liability or expense, including reasonable counsel fees, in connection with taking such action or asserting such rights, to the extent such expenses are not paid by the Railroad pursuant to Article 16 of the Conditional Sale Agreement.

The Agent may consult with legal counsel of its own choice and the Agent shall be under no liability for any action taken or suffered in good faith by it in accordance with the written opinion of such counsel.

8. Each Investor represents that it is acquiring its interest in the aggregate Conditional Sale Indebtedness for its own account for investment and not with a view to, or for resale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same, but subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be within its control.

Each Investor further represents that it is not making its investment pursuant to this Agreement directly or indirectly with the assets of, or in connection with any arrangement or understanding in any way involving, any employee benefit plan with respect to which (i) any employe of the Railroad or Builder is a participant or (ii) the Railroad or Builder is otherwise a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974.

The interests of the Investors hereunder have not been registered under the Securities Act of 1933, as amended, and, accordingly, must be held indefinitely,

unless an exemption from registration is available. Each Investor agrees that it will not transfer its interest hereunder unless such transfer would not require registration of the interests of the Investors under said Act. Each Investor hereby agrees that any transfer authorized pursuant to the next preceding sentence of all or any part of its interest in the aggregate Conditional Sale Indebtedness shall be upon the express condition that the transferee thereof shall be bound by the terms of this Agreement. Prior to any such transfer such Investor shall notify the Agent in writing thereof and the Agent shall cause to be prepared and delivered to such Investor an appropriate agreement, to be entered into among the Investor, the transferee and the Agent, evidencing such transfer upon the terms hereof. Nothing herein shall prevent, as between an Investor and any third party, the sale of participations by such Investor in the Conditional Sale Indebtedness held by such Investor.

9. The Agent will promptly mail or deliver one counterpart or copy of all notices, statements or documents received by it from the Railroad pursuant to the Conditional Sale Agreement or Assignment and any other conditional sale agreement or assignment to each Investor and to Messrs. Cadwalader, Wickersham & Taft.

10. All notices, instructions, directions and approvals to be delivered hereunder to the Agent by any Investor shall be in writing signed by an officer, assistant officer, manager or assistant manager of such Investor, and the Agent may rely on any notice, instruction, direction or approval so signed.

11. The Agent represents and warrants that it has proper corporate authority to enter into this Agreement and the Assignment and to execute and deliver the certificates of interest and it has duly executed and delivered this Agreement and the Assignment and will duly execute the certificates of interest; and that the terms of such agreements and instruments do not and will not conflict with, or result in any breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of, any lien or encumbrance upon any of the property of the Agent under applicable law, its certificate of incorporation or by-laws or under any other agreement or instrument to which the Agent is a party or by which it is bound. The Agent makes no representation and assumes no responsibility with respect to (i) the validity of the Conditional Sale Agreement or the Assignment or any

certificate of interest (except with respect to its own execution thereof) or any of the matters covered thereby insofar as they do not relate to the Agent or (ii) the value of or the title to the Equipment.

12. In the event of any dispute with respect to the delivery or ownership or right to possession of funds or documents at any time held by the Agent hereunder, or with respect to title to any unit of the Equipment, the Agent is hereby authorized and directed to retain, without liability to anyone, all or any of such funds or documents and title to such unit of the Equipment until such dispute shall have been settled either by agreement of the Investors or by final order, decree or judgment of a court of competent jurisdiction.

13. All documents and funds deliverable hereunder to the Agent shall be delivered to it at its address at 33 North LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Department, or as the Agent may otherwise specify. The Agent will (subject to timely receipt of available funds) make all payments hereunder by bank wire transfer of immediately available funds to the Investors in accordance with the instructions contained in Schedule A hereto or as may be otherwise specified by any Investor to the Agent in writing. All documents deliverable hereunder to Investors shall be delivered or mailed to them at their respective addresses set forth in Schedule A hereto. All documents deliverable hereunder to the Railroad shall be delivered to it at its address at 600 Grant Street, P.O. Box 536, Pittsburgh, Pennsylvania 15230, and all funds deliverable to the Railroad shall be wired in immediately available funds to Mellon Bank, N.A., for deposit to Bessemer and Lake Erie Railroad Company's account number 000-0705. All documents deliverable hereunder to Messrs. Cadwalader, Wickersham & Taft shall be delivered to them at One Wall Street, New York, New York 10005.

14. The terms of this Agreement, and all rights and obligations of the parties hereto hereunder, shall be governed by the laws of the State of New York. Such terms, rights and obligations may not be changed orally, but may be changed only by an agreement in writing signed by the party against whom enforcement of such change is sought.

15. The Agent shall be entitled to terminate its duties and responsibilities hereunder by giving written notice to the Investors that it desires to terminate such duties and responsibilities on a date (at least 30 days subsequent to the giving of such notice) stated in said notice; it being understood and agreed that the Agent shall also give such notice and be required to resign no less than 30 nor more than 45 days from the giving of such notice if it is directed to do so by Investors holding interests totaling 50% or more of the aggregate Conditional Sale Indebtedness then outstanding. If, prior to the date stated in said notice, Investors holding interests totaling more than 50% of the aggregate Conditional Sale Indebtedness then outstanding shall have requested in writing that the Agent assign to a person or institution designated by such Investors all right, title and interest of the Agent under the Conditional Sale Agreement and the Assignment and in and to the Equipment, the Agent shall comply with such request. In the event that such request is not received by the Agent on or before the date designated in such notice, the Agent shall be entitled to appoint a successor to act hereunder (which successor shall be a bank or trust company located in the City of Chicago, State of Illinois or in the Borough of Manhattan, City and State of New York, having capital and surplus aggregating at least $50,000,000) and to assign to such successor, subject to the provisions of this Agreement, all such right, title and interest of the Agent. Upon such assignment by the Agent to a person or institution designated by such Investors or, in the absence of such designation, to a successor appointed by the Agent, the Agent shall be thereafter relieved of all duties and responsibilities hereunder.

Any corportion resulting from any merger or consolidation to which the Agent or any successor to it shall be a party, or any corporation i any manner succeeding to all or substantially all the business of the Agent or any successor Agent, provided such corporation shall be a bank or a trust company doing business in the Borough of Manhattan, City and State of New York, or in the City of Chicago, State of Illinois, having capital and surplus aggregating at least $50,000,000, shall be the successor Agent hereunder without the execution or filing of any paper or further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

16. So long as any Conditional Sale Indebtedness shall be unpaid, the Railroad will deliver to the Agent and each Investor, in such number of counterparts as shall be reasonably requested, as soon as available and in any event within 120 days after the end of each fiscal year, copies of a certificate signed by the Chairman of the Board, the President, any Vice President, the Treasurer or any Assistant Treasurer of the Railroad, stating that a review of the activities of the Railroad during such year has been made under his supervision with a view to determining whether the Railroad has kept, observed, performed and fulfilled all of its obligations under this Agreement and the Conditional Sale Agreement and that to the best of his knowledge the Railroad during such year has kept, observed, performed and fulfilled each and every obligation contained herein and in the Conditional Sale Agreement, or if a Default shall exist, specifying such Default and the nature and status thereof. The Railroad will also deliver to the Agent and to the Investors (i) as soon as available and in any event within 10 days of filing with the Interstate Commerce Commission, the Railroad's Quarterly Report of Revenues, Expenses and Income (Form RE&I) for, and the Railroad's Quarterly Condensed Balance Sheet (Form CBS) as of the close of, the first, second and third quarterly accounting periods in each fiscal year; (ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Railroad, copies of the balance sheet of the Railroad as of the end of such fiscal year and of the related statements of income and retained earnings of the Railroad for such fiscal year, certified by the chief accounting officer of the Railroad, all in reasonable detail and stating in comparative form the consolidated figures as of the end of and for the previous fiscal year; provided, however, that so long as such balance sheet and related statements are contained in the report of the Railroad for such fiscal year filed with the Interstate Commerce Commission on Form R-1, the provision of such report shall be deemed to satisfy the foregoing requirement; (iii) as soon as available, the reports of the Railroad filed with the Interstate Commerce Commission on Form R-1; (iv) as soon as available, copies of the Annual Report to stockholders of United States Steel Corporation; and (v) from time to time such other information as the Investors may reasonably request.

The financial statements and other information of the Railroad heretofore delivered to the Investors do not, nor does this Agreement or any written statement furnished by the Railroad to the Investors in connection with the negotiation of the sale of the Conditional Sale Indebtedness under the Conditional Sale Agreement, contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained therein or herein not misleading. There is no fact which the Railroad has not disclosed to the Investors in writing which materially affects adversely or, so far as the Railroad can now foresee, will materially affect adversely the properties, business, prospects, profits or conditions (financial or otherwise) of the Railroad or the ability of the Railroad to perform this Agreement or its obligations under the Conditional Sale Agreement.

17. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by all the parties so long as each counterpart shall be signed by the Agent and by one or more of the Investors or the Railroad and so long as each Investor and the Railroad shall sign at least one counterpart which shall be delivered to the Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHICAGO

By _____
Second Vice President

[Corporate Seal]

Attest:

_____
Corporate Trust Officer

BESSEMER AND LAKE ERIE RAILROAD
COMPANY

By _____
PRESIDENT

THE BOWERY SAVINGS BANK

By _____
Vice President

CUMIS INSURANCE SOCIETY, INC.

By _____
Assistant Vice President

SCHEDULE A

Name and Address of Investor Participating in 7.50% Conditional Sale Indebtedness Due March 1, 1986	Maximum Investment on Date of Deposit	Date of Deposit
The Bowery Savings Bank 110 East 42nd Street New York, New York 10017 Attn: Miss Dolores J. Morrissey Vice President	$ 3,700,000 3,125,000 2,600,000 2,600,000	November 15, 1977 December 22, 1977 January 20, 1978 February 17, 1978
All notices and correspondence to the above address, with copies to Cadwalader, Wickersham & Taft, One Wall Street, New York, New York 10005. Payments of principal and interest should be by wire in immediately available funds to MORSAVCO, c/o Morgan Guaranty Trust Company, 23 Wall Street, New York, New York 10015, for the account of Savings Banks Trust Company, for the attention of the Custody Department, for the account of The Bowery Savings Bank, by order of Bessemer and Lake Erie Railroad Company (10/1/77 CSA), Account No. 185-07-592.		
TOTAL	$12,025,000	
CUMIS Insurance Society, Inc., P.O. Box 391 Madison Wisconsin 53701 Attn: Lyle T. Ibeling Securities Manager	$ 500,000	November 15, 1977
All notices and correspondence to the above address, with copies		

SCHEDULE A (Cont'd)

to Cadwalader, Wickersham & Taft, One Wall Street, New York, New York 10005. Payments of principal and interest should be by wire in immediately available funds to First Wisconsin National Bank of Madison, Corporate Trust Department, attention of James Taylor (telephone: Area Code 608-252-4258), for Trust Account Number 608180800, by order of Bessemer and Lake Erie Railroad Company.

TOTAL	$ 500,000

FINANCE AGREEMENT

Among

AMERICAN NATIONAL BANK AND TRUST COMPANY
OF CHICAGO, as Agent,

BESSEMER AND LAKE ERIE RAILROAD COMPANY

and

THE PARTIES NAMED IN SCHEDULE A HERETO

Dated as of October 1, 1977

[Covering 600 100-Ton Open Top Hopper Cars]

7.50% Conditional Sale Indebtedness due March 1, 1986

FINANCE AGREEMENT

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EXHIBIT II -- AGREEMENT AND ASSIGNMENT
Acknowledgment of Notice of Assignment

EXHIBIT III -- CERTIFICATE OF INTEREST

FINANCE AGREEMENT dated as of October 1, 1977 (hereinafter called the Agreement), among AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association (hereinafter called the Agent), BESSEMER AND LAKE ERIE RAILROAD COMPANY, a Pennsylvania corporation (hereinafter called the Railroad) and the parties named in Schedule A hereto (hereinafter called the Investors).

WHEREAS, the Railroad proposes to enter into a conditional sale agreement, dated as of the date hereof and substantially in the form annexed hereto as Exhibit I (hereinafter called the Conditional Sale Agreement), with GREENVILLE STEEL CAR COMPANY (hereinafter called the Builder) for the purchase from the Builder of the new standard-gauge railroad equipment referred to in the Conditional Sale Agreement (hereinafter called the Equipment).

WHEREAS, the Agent is willing to acquire, pursuant to an agreement and assignment dated as of the date hereof (hereinafter called the Assignment), substantially in the form annexed hereto as Exhibit II, the right, title and interest of the Builder under the Conditional Sale Agreement in the units of the Equipment, all upon and subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter contained, the parties hereto hereby agree as follows:

1. Each Investor will pay or cause to be paid to the Agent, by bank wire transfer of immediately available funds, not later than 10:00 a.m., Chicago time, on the respective date or dates (each such date being hereinafter called a Date of Deposit) indicated for such Investor on Schedule A hereto, the amount of Maximum Investment set forth opposite such Investor's name in Schedule A hereto with respect to such date; provided, however, that the Investors shall have no obligation to make the aforementioned Maximum Investment on such Date of Deposit if a Default (as hereinafter defined in Paragraph 4) shall have occurred and be continuing. The Agent will give to each

Investor not less than six business days' prior written notice specifying the amount to be paid by such Investor to the Agent on a Date of Deposit; provided, however, that if the Agent has actual knowledge that a Default has occurred and is continuing, the Agent instead will give each Investor prompt notice of such Default.

Upon payment to the Agent of the amount required to be paid by an Investor pursuant to this Paragraph 1, the Agent will execute and deliver to such Investor (or, upon the written request of such Investor, to the nominee or nominees of such Investor) a certificate or certificates of interest with respect to such payment substantially in the form annexed hereto as Exhibit III containing the appropriate information with respect to such Investor as set forth in Schedule A and dated the Date of Deposit.

Each Investor, simultaneously with the final payment to it of all amounts payable under any certificate of interest delivered to it pursuant to this Agreement, will surrender such certificate of interest to the Agent.

The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois or New York, New York are closed. All interest under this Agreement shall be calculated on the basis of a 360-day year of twelve 30-day months.

2. Pursuant to the Assignment, the Agent will acquire from the Builder all of its right, title and interest under the Conditional Sale Agreement, except as specifically excepted by the Assignment.

The forms of the Exhibits annexed to this Agreement are hereby approved by the Investors. Any modification of such forms must be approved in writing by the Investors prior to the execution thereof, except as otherwise provided in this Paragraph 2. The Conditional Sale Agreement may hereafter be supplemented or amended, or the Railroad may enter into new conditional sale agreements substantially in the form annexed hereto as Exhibit I, with such changes as may be appropriate, with the Builder or with other builders of railroad equipment, to provide for the inclusion therein of new standard-gauge railroad equipment first put into service not earlier than the date of this Agreement (other than passenger or work equipment

including but not limited to locomotives and cabooses), in substitution for or in addition to any of the Equipment, and the Agent is hereby authorized by the Investors to enter into such supplements to or amendments of the Conditional Sale Agreement and the Assignment or to accept the assignment to it of new conditional sale agreements pursuant to assignments thereof substantially in the form of the Assignment, with such changes as may be appropriate to provide therefor, in either case in such form as may be approved by Messrs. Cadwalader, Wickersham & Taft, acting as special counsel for the Agent and the Investors; provided, however, that (i) the aggregate Conditional Sale Indebtedness (as defined in the Conditional Sale Agreement) under the Conditional Sale Agreement and any such new conditional sale agreement shall not exceed $12,525,000; (ii) settlement for all the Equipment shall take place on or prior to May 31, 1978; and (iii) any such additional equipment shall be of types similar to, and having a useful life and a commercial value equal to or greater than, the Equipment it purports to replace. In the event that the Agent shall enter into new conditional sale agreements or supplements to or amendments of the Conditional Sale Agreement and Assignment as hereinabove authorized, the Agent will enter into an appropriate supplement to this Agreement to give effect thereto in such form as may be approved by said counsel.

3. The Agent will hold the funds deposited with it pursuant to Paragraph 1 hereof, any Investments (as defined in Article 7 of the Conditional Sale Agreement) purchased by the use of such funds and any proceeds thereof, interest thereon or deficiency with respect thereto paid by the Railroad as provided in Paragraph 4 hereof, and the rights under the Conditional Sale Agreement acquired under the Assignment and security title to the Equipment following its delivery and acceptance thereunder, as provided in the Assignment and the Conditional Sale Agreement, in trust for the benefit of the Investors in accordance with their respective interests therein as such interests shall from time to time appear, but without priority of one over the other. The interest of the Investors in the Conditional Sale Indebtedness and in and to the Investment Surplus (as defined in Paragraph 4 hereof) shall be in proportion to their respective investments therein, the amounts thereof being set forth in Schedule A hereto as Maximum Investments plus accrued and unpaid interest from time to time outstanding, but without priority of one over the other. It is expressly understood and agreed that the

obligations of the Agent hereunder and with respect to the payments to the Investors to be made by the Agent are, in the absence of negligence or willful misconduct, only those expressly set forth herein.

4. So long as, to the actual knowledge of the Agent, the Railroad is not in default under this Agreement and no Event of Default (as defined in Article 15 of the Conditional Sale Agreement) or event which with the giving of notice, the lapse of time or demand could constitute an Event of Default shall have occurred and be continuing (any such default, Event of Default or event being hereinafter called a Default), the Agent shall, upon the written request of the Railroad, invest and reinvest the moneys deposited with it pursuant to Paragraph 1 hereof in Investments. Any interest received by the Agent on any Investment shall be held by the Agent and applied as hereinafter provided. Upon any sale or payment at maturity of any Investment, the proceeds thereof, plus any interest received by the Agent thereon, up to the cost of acquistion (including accrued interest) thereof, shall be held by the Agent for application pursuant to this Paragraph 4 and, so long as no Default shall have occurred and be continuing, any excess of such proceeds over such cost shall be paid to the Railroad, provided, however, to the extent there exists an unpaid deficiency or expenses due from the Railroad to the Agent pursuant to the sentence immediately following, such excess shall be retained, to the extent necessary, by the Agent as payment for such deficiency or expenses. The Railroad agrees, upon request of the Agent, to pay to the Agent promptly all expenses incurred by the Agent in connection with the purchase and sale of Investments together with an amount equal to any deficiency due to the fact that the proceeds upon any sale or payment at maturity of any Investment and any interest received by the Agent thereon are less than the cost of acquistion thereof (including accrued interest). Any payment in respect of such deficiency shall be applied by the Agent in like manner as the proceeds of the sale of Investments.

Upon each delivery to the Railroad under the Conditional Sale Agreement of a Group (as defined in Article 3 thereof) of the Equipment and the receipt by the Agent of the closing papers with respect thereto to be delivered by the Railroad as specified in Article 14 of the Conditional Sale Agreement and in Section 4 of the

Assignment, the Agent will promptly deliver one counterpart or copy of each of such papers to each Investor requesting the same in writing and to Messrs. Cadwalader, Wickersham & Taft, acting as special counsel for the Agent and the Investors.

After receipt by the Agent of such closing papers in form and substance satisfactory to Messrs. Cadwalader, Wickersham & Taft, with respect to each Group as aforesaid, the Agent will on each Closing Date (as defined in Article 3 of the Conditional Sale Agreement):

(a) pay to the Builder in accordance with the Assignment, out of the moneys paid to the Agent pursuant to Paragraph 1 hereof and then on deposit with the Agent, an amount equal to the Conditional Sale Indebtedness (as defined in Article 3 of the Conditional Sale Agreement) with respect to such Group; and

(b) if such moneys then on deposit are insufficient to make any such payment, promptly upon receipt of notice of closing with respect to such Group under the Conditional Sale Agreement, sell such portion of the Investments as may be necessary in order to provide sufficient funds for such payment and use the funds so derived, together with interest received on the Investments and any deficiency paid by the Railroad as contemplated by this Paragraph 4 and held by the Agent, to make such payment to the Builder required to be made on such Closing Date pursuant to the Assignment; provided, however, that the amount of such payment to be made by the Agent with respect to all Equipment covered by the Conditional Sale Agreement shall not exceed the aggregate of the amounts set forth opposite the names of the Investors in Schedule A hereto.

If, on the earliest of (1) the last Closing Date (which shall be specified in a written notice given to the Agent by the Railroad), (2) June 1, 1978, and (3) the date of any Default as to which the Agent has actual knowledge (the earliest of said dates being hereinafter called the Repayment Date), the aggregate Conditional Sale Indebtedness is or will be less than the aggregate amount theretofore paid by the Investors to the Agent pursuant to Paragraph 1 hereof (hereinafter called the Aggregate

Deposit; any excess of said Aggregate Deposit over the aggregate Conditional Sale Indebtedness being hereinafter called the Investment Surplus), the Agent shall during the five business days' period immediately preceding the Repayment Date (or as promptly as possible if the Repayment Date occurs by reason of (3) above), (i) notify in writing the Investors thereof, (ii) sell all Investments then held by the Agent as promptly as possible and (iii) against surrender to the Agent of the certificates of interest theretofore delivered by the Agent in respect of which repayment is to be made, as hereinafter provided, for new certificates of interest evidencing each Investor's actual investment in the aggregate Conditional Sale Indebtedness, apply on the Repayment Date (or as promptly as possible if the Repayment Date occurs by reason of (3) above) (a) the balance of the funds on deposit with the Agent pursuant to Paragraph 1 hereof and (b) all proceeds of the sale of Investments and interest thereon received by the Agent on Investments, together with any deficiency paid by the Railroad as contemplated by this Paragraph 4 (and not utilized pursuant to clause (b) of the preceding paragraph) and moneys paid to the Agent pursuant to the last paragraph of this Paragraph 4, to the pro rata repayment, without premium, of the investments made by such Investor hereunder to the extent required so that such Investor will receive an amount bearing the same ratio to the Investment Surplus that such Investor's funded Maximum Investment hereunder bears to the Aggregate Deposit, together with interest on such repayment, as provided in the next succeeding paragraph hereof. Any remaining balance of such funds and proceeds shall be paid by the Agent to the Railroad so long as the Agent has no actual notice of a Default. Each Investor, at its option, in lieu of surrendering its certificate or certificates of interest as set forth in clause (iii) above, may make appropriate notation on such certificate or certificates of interest of repayment of a portion of its investment and notify the Agent in writing that such notation has been made.

The Railroad will pay to the Agent, upon receiving from the Agent at least five business days prior notice of the amounts required and the calculations leading thereto, by bank wire transfer of immediately available funds (a) on March 1, 1978, such amount, if any, as, when added to the interest received by the Agent on such date under the Conditional Sale Agreement, will enable the Agent to pay to each Investor an amount equal to interest on the unrepaid investment of such Investor at the rate of 7.50% per annum computed

to such date from such Investor's Date or Dates of Deposit; and (b) on the Repayment Date, such amount as will enable the Agent to pay to each Investor on the Repayment Date an amount equal to interest on each Investor's pro rata share of the Investment Surplus, if any, to such Investor at the rate of 7.50% per annum computed to the Repayment Date from the Date of Deposit less any interest paid in respect of the Investment Surplus by the Railroad pursuant to part (a) of this sentence. The Agent will apply the money so received to make the payments to Investors contemplated by the preceding sentence.

5. The Agent will accept all sums paid to it pursuant to Article 7 of the Conditional Sale Agreement, with respect to Casualty Occurrences (as therein defined). So long as, to the actual knowledge of the Agent, no event of default under the Conditional Sale Agreement shall have occurred and be continuing, the Agent will apply such sums (a) to the reduction, respectively, in the reverse order of maturity thereof, of outstanding instalments of Conditional Sale Indebtedness attributable to (i) subparagraph (b) of the third paragraph of Article 3 of the Conditional Sale Agreement and to (ii) subparagraph (c) of said third paragraph, provided that such applications to instalments arising as specified in (i) and (ii) above shall each be in the same proportion as the aggregate outstanding instalments with respect to each of (i) and (ii) above bear, respectively, to the aggregate outstanding Conditional Sale Indebtedness, all without premium, together with interest accrued on such prepaid Conditional Sale Indebtedness from the last date on which such interest was paid to the date of such prepayment or (b) toward the cost of other railroad equipment, all as provided in said Article 7.

6. The Agent will accept payments made to it by the Railroad pursuant to the Conditional Sale Agreement and the Assignment on account of the principal of or interest on the Conditional Sale Indebtedness thereunder and, so long as to the actual knowledge of the Agent, no Event of Default shall have occurred and be continuing, will apply such payments promptly to the payment to the Investors, first, of interest payable to them on their respective interests in the aggregate Conditional Sale Indebtedness, and second, of their respective interests in

the instalments of the aggregate Conditional Sale Indebtedness in the order of maturity thereof, until the same shall have been paid in full. If, to the knowledge of the Agent, an Event of Default shall have occurred and be continuing, all moneys held by or coming into the possession of the Agent which, under the provisions of the Conditional Sale Agreement, are applicable to the payment or prepayment of the Conditional Sale Indebtedness or interest thereon (including, without limitation, the net proceeds of any repossession and sale or lease of any unit of the Equipment after deduction of all expenses, including reasonable counsel fees, incurred by the Agent in connection with such repossession and sale or lease or otherwise incurred hereunder in connection with the Conditional Sale Agreement and the Assignment which shall not theretofore have been reimbursed to the Agent by the Railroad pursuant to the Conditional Sale Agreement) shall be distributed promptly by the Agent first, pro rata among the Investors in accordance with their respective interests in accrued and unpaid interest on the Conditional Sale Indebtedness thereunder, and second, pro rata among the Investors in accordance with their respective interests in the principal of the Conditional Sale Indebtedness thereunder at the time of such distribution, and the Agent shall otherwise take such action as is referred to in Paragraph 7 hereof.

7. So long as the Agent shall have no actual knowledge that a Default shall have occurred and be continuing, the Agent shall be obligated to act as a prudent person in exercising or refraining from exercising any rights or taking or refraining from taking any action which may be vested in it, or which it may be entitled to assert or take, under the Conditional Sale Agreement, except as otherwise specifically provided herein. The Agent shall incur no liability hereunder in acting upon any notice, certificate, warrant or other paper or instrument believed by it to be genuine and signed by the proper party or parties, or with respect to anything which it may do or refrain from doing in the exercise of its reasonable judgment, or which may seem to it to be necessary or desirable in the premises, except liability resulting from its willful misconduct or negligence; provided, however, that in case the Agent shall have actual knowledge of the occurrence of a Default, the Agent shall promptly notify the Investors thereof and shall take such action and assert such rights under the Conditional Sale Agreement as shall be agreed upon by the Investors holding interests

totaling more than 50% of the aggregate Conditional Sale Indebtedness then outstanding and provided, further, that the Agent shall, at the direction of Investors holding 10% of the aggregate Conditional Sale Indebtedness then outstanding, bring an action for past due instalments of principal and interest on such Conditional Sale Indebtedness then in default under paragraph (a) of Article 15 of the Conditional Sale Agreement, but unless Investors holding interests totaling more than 50% of the aggregate Conditional Sale Indebtedness then outstanding agree to such action, the Agent shall not exercise its rights in respect of the Equipment. In case the Agent is required to take action hereunder, it shall be indemnified by such Investors in proportion to their respective interests in the aggregate Conditional Sale Indebtedness then outstanding against any liability or expense, including reasonable counsel fees, in connection with taking such action or asserting such rights, to the extent such expenses are not paid by the Railroad pursuant to Article 16 of the Conditional Sale Agreement.

The Agent may consult with legal counsel of its own choice and the Agent shall be under no liability for any action taken or suffered in good faith by it in accordance with the written opinion of such counsel.

8. Each Investor represents that it is acquiring its interest in the aggregate Conditional Sale Indebtedness for its own account for investment and not with a view to, or for resale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same, but subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be within its control.

Each Investor further represents that it is not making its investment pursuant to this Agreement directly or indirectly with the assets of, or in connection with any arrangement or understanding in any way involving, any employee benefit plan with respect to which (i) any employe of the Railroad or Builder is a participant or (ii) the Railroad or Builder is otherwise a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974.

The interests of the Investors hereunder have not been registered under the Securities Act of 1933, as amended, and, accordingly, must be held indefinitely,

unless an exemption from registration is available. Each Investor agrees that it will not transfer its interest hereunder unless such transfer would not require registration of the interests of the Investors under said Act. Each Investor hereby agrees that any transfer authorized pursuant to the next preceding sentence of all or any part of its interest in the aggregate Conditional Sale Indebtedness shall be upon the express condition that the transferee thereof shall be bound by the terms of this Agreement. Prior to any such transfer such Investor shall notify the Agent in writing thereof and the Agent shall cause to be prepared and delivered to such Investor an appropriate agreement, to be entered into among the Investor, the transferee and the Agent, evidencing such transfer upon the terms hereof. Nothing herein shall prevent, as between an Investor and any third party, the sale of participations by such Investor in the Conditional Sale Indebtedness held by such Investor.

9. The Agent will promptly mail or deliver one counterpart or copy of all notices, statements or documents received by it from the Railroad pursuant to the Conditional Sale Agreement or Assignment and any other conditional sale agreement or assignment to each Investor and to Messrs. Cadwalader, Wickersham & Taft.

10. All notices, instructions, directions and approvals to be delivered hereunder to the Agent by any Investor shall be in writing signed by an officer, assistant officer, manager or assistant manager of such Investor, and the Agent may rely on any notice, instruction, direction or approval so signed.

11. The Agent represents and warrants that it has proper corporate authority to enter into this Agreement and the Assignment and to execute and deliver the certificates of interest and it has duly executed and delivered this Agreement and the Assignment and will duly execute the certificates of interest; and that the terms of such agreements and instruments do not and will not conflict with, or result in any breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of, any lien or encumbrance upon any of the property of the Agent under applicable law, its certificate of incorporation or by-laws or under any other agreement or instrument to which the Agent is a party or by which it is bound. The Agent makes no representation and assumes no responsibility with respect to (i) the validity of the Conditional Sale Agreement or the Assignment or any

certificate of interest (except with respect to its own execution thereof) or any of the matters covered thereby insofar as they do not relate to the Agent or (ii) the value of or the title to the Equipment.

12. In the event of any dispute with respect to the delivery or ownership or right to possession of funds or documents at any time held by the Agent hereunder, or with respect to title to any unit of the Equipment, the Agent is hereby authorized and directed to retain, without liability to anyone, all or any of such funds or documents and title to such unit of the Equipment until such dispute shall have been settled either by agreement of the Investors or by final order, decree or judgment of a court of competent jurisdiction.

13. All documents and funds deliverable hereunder to the Agent shall be delivered to it at its address at 33 North LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Department, or as the Agent may otherwise specify. The Agent will (subject to timely receipt of available funds) make all payments hereunder by bank wire transfer of immediately available funds to the Investors in accordance with the instructions contained in Schedule A hereto or as may be otherwise specified by any Investor to the Agent in writing. All documents deliverable hereunder to Investors shall be delivered or mailed to them at their respective addresses set forth in Schedule A hereto. All documents deliverable hereunder to the Railroad shall be delivered to it at its address at 600 Grant Street, P.O. Box 536, Pittsburgh, Pennsylvania 15230, and all funds deliverable to the Railroad shall be wired in immediately available funds to Mellon Bank, N.A., for deposit to Bessemer and Lake Erie Railroad Company's account number 000-0705. All documents deliverable hereunder to Messrs. Cadwalader, Wickersham & Taft shall be delivered to them at One Wall Street, New York, New York 10005.

14. The terms of this Agreement, and all rights and obligations of the parties hereto hereunder, shall be governed by the laws of the State of New York. Such terms, rights and obligations may not be changed orally, but may be changed only by an agreement in writing signed by the party against whom enforcement of such change is sought.

15. The Agent shall be entitled to terminate its duties and responsibilities hereunder by giving written notice to the Investors that it desires to terminate such duties and responsibilities on a date (at least 30 days subsequent to the giving of such notice) stated in said notice; it being understood and agreed that the Agent shall also give such notice and be required to resign no less than 30 nor more than 45 days from the giving of such notice if it is directed to do so by Investors holding interests totaling 50% or more of the aggregate Conditional Sale Indebtedness then outstanding. If, prior to the date stated in said notice, Investors holding interests totaling more than 50% of the aggregate Conditional Sale Indebtedness then outstanding shall have requested in writing that the Agent assign to a person or institution designated by such Investors all right, title and interest of the Agent under the Conditional Sale Agreement and the Assignment and in and to the Equipment, the Agent shall comply with such request. In the event that such request is not received by the Agent on or before the date designated in such notice, the Agent shall be entitled to appoint a successor to act hereunder (which successor shall be a bank or trust company located in the City of Chicago, State of Illinois or in the Borough of Manhattan, City and State of New York, having capital and surplus aggregating at least $50,000,000) and to assign to such successor, subject to the provisions of this Agreement, all such right, title and interest of the Agent. Upon such assignment by the Agent to a person or institution designated by such Investors or, in the absence of such designation, to a successor appointed by the Agent, the Agent shall be thereafter relieved of all duties and responsibilities hereunder.

Any corportion resulting from any merger or consolidation to which the Agent or any successor to it shall be a party, or any corporation i any manner succeeding to all or substantially all the business of the Agent or any successor Agent, provided such corporation shall be a bank or a trust company doing business in the Borough of Manhattan, City and State of New York, or in the City of Chicago, State of Illinois, having capital and surplus aggregating at least $50,000,000, shall be the successor Agent hereunder without the execution or filing of any paper or further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

16. So long as any Conditional Sale Indebtedness shall be unpaid, the Railroad will deliver to the Agent and each Investor, in such number of counterparts as shall be reasonably requested, as soon as available and in any event within 120 days after the end of each fiscal year, copies of a certificate signed by the Chairman of the Board, the President, any Vice President, the Treasurer or any Assistant Treasurer of the Railroad, stating that a review of the activities of the Railroad during such year has been made under his supervision with a view to determining whether the Railroad has kept, observed, performed and fulfilled all of its obligations under this Agreement and the Conditional Sale Agreement and that to the best of his knowledge the Railroad during such year has kept, observed, performed and fulfilled each and every obligation contained herein and in the Conditional Sale Agreement, or if a Default shall exist, specifying such Default and the nature and status thereof. The Railroad will also deliver to the Agent and to the Investors (i) as soon as available and in any event within 10 days of filing with the Interstate Commerce Commission, the Railroad's Quarterly Report of Revenues, Expenses and Income (Form RE&I) for, and the Railroad's Quarterly Condensed Balance Sheet (Form CBS) as of the close of, the first, second and third quarterly accounting periods in each fiscal year; (ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Railroad, copies of the balance sheet of the Railroad as of the end of such fiscal year and of the related statements of income and retained earnings of the Railroad for such fiscal year, certified by the chief accounting officer of the Railroad, all in reasonable detail and stating in comparative form the consolidated figures as of the end of and for the previous fiscal year; provided, however, that so long as such balance sheet and related statements are contained in the report of the Railroad for such fiscal year filed with the Interstate Commerce Commission on Form R-1, the provision of such report shall be deemed to satisfy the foregoing requirement; (iii) as soon as available, the reports of the Railroad filed with the Interstate Commerce Commission on Form R-1; (iv) as soon as available, copies of the Annual Report to stockholders of United States Steel Corporation; and (v) from time to time such other information as the Investors may reasonably request.

The financial statements and other information of the Railroad heretofore delivered to the Investors do not, nor does this Agreement or any written statement furnished by the Railroad to the Investors in connection with the negotiation of the sale of the Conditional Sale Indebtedness under the Conditional Sale Agreement, contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained therein or herein not misleading. There is no fact which the Railroad has not disclosed to the Investors in writing which materially affects adversely or, so far as the Railroad can now foresee, will materially affect adversely the properties, business, prospects, profits or conditions (financial or otherwise) of the Railroad or the ability of the Railroad to perform this Agreement or its obligations under the Conditional Sale Agreement.

17. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by all the parties so long as each counterpart shall be signed by the Agent and by one or more of the Investors or the Railroad and so long as each Investor and the Railroad shall sign at least one counterpart which shall be delivered to the Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHICAGO

By _____
Second Vice President

[Corporate Seal]

Attest:

_____
Corporate Trust Officer

BESSEMER AND LAKE ERIE RAILROAD
COMPANY

By _____

THE BOWERY SAVINGS BANK

By _____
Vice President

CUMIS INSURANCE SOCIETY, INC.

By _____ C.F.A.
Assistant Vice President

SCHEDULE A

Name and Address of Investor Participating in 7.50% Conditional Sale Indebtedness Due March 1, 1986	Maximum Investment on Date of Deposit	Date of Deposit
The Bowery Savings Bank 110 East 42nd Street New York, New York 10017 Attn: Miss Dolores J. Morrissey Vice President	$ 3,700,000	November 15, 1977
	3,125,000	December 22, 1977
	2,600,000	January 20, 1978
	2,600,000	February 17, 1978
All notices and correspondence to the above address, with copies to Cadwalader, Wickersham & Taft, One Wall Street, New York, New York 10005. Payments of principal and interest should be by wire in immediately available funds to MORSAVCO, c/o Morgan Guaranty Trust Company, 23 Wall Street, New York, New York 10015, for the account of Savings Banks Trust Company, for the attention of the Custody Department, for the account of The Bowery Savings Bank, by order of Bessemer and Lake Erie Railroad Company (10/1/77 CSA), Account No. 185-07-592.		
TOTAL	$12,025,000	
CUMIS Insurance Society, Inc., P.O. Box 391 Madison Wisconsin 53701 Attn: Lyle T. Ibeling Securities Manager	$ 500,000	November 15, 1977
All notices and correspondence to the above address, with copies		

SCHEDULE A (Cont'd)

to Cadwalader, Wickersham & Taft, One Wall Street, New York, New York 10005. Payments of principal and interest should be by wire in immediately available funds to First Wisconsin National Bank of Madison, Corporate Trust Department, attention of James Taylor (telephone: Area Code 608-252-4258), for Trust Account Number 608180800, by order of Bessemer and Lake Erie Railroad Company.

TOTAL	$ 500,000