JOHN MARISCOTTI
EXECUTIVE VICE PRESIDENT

NATIONAL RAILWAY UTILIZATION CORP.
860 Suburban Station / 1617 John F. Kennedy Blvd., Phila., Pa. 19103 / (215) 569-2220

RECORDATION NO. 9140-A Filed & Recorded
DEC 28 1977 -3 15 AM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 9140 Filed & Recorded
DEC 28 1977 -3 15 AM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 9140-B Filed & Recorded
DEC 28 1977 -3 15 AM
INTERSTATE COMMERCE COMMISSION

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December 28, 1977

RECORDATION NO. 9140-C Filed & Recorded
DEC 28 1977 -3 15 AM
INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Washington, DC 20423

Attention: Secreatry

Dear Sir:

It is hereby respectfully requested that the following documents be recorded pursuant to the provisions of Section 20c of the Interstate Commerce Act:

1. Conditional Sale Agreement, dated as of December 1, 1977:

   Vendor - Whittaker Corporation(Berwick Forge & Fabricating Division)
   West 9th Street
   Berwick, PA 18603

   Vendee (Purchaser) - St. Lawrence Partners
   c/o FDI Management
   300 Delaware Avenue (Suite 1100)
   Wilmington, Delaware 19801

7-362A074
No.
DEC 28 1977
Date
Fee $ 100
ICC Washington, D.C.

2. Agreement and Assignment (of Conditional Sale Agreement), dated as of December 1, 1977:

   Assignor (Vendor-Builder) - Whittaker Corporation (Berwick Forge & Fabricating Division)
   (address as stated above)

   Assignee - Mercantile - Safe Deposit and Trust Company
   2 Hopkins Plaza
   Baltimore, MD 21203

3. Lease of Railroad Equipment, dated as of December 1, 1977:

   Lessor - St. Lawrence Partners
   (address as stated above)

   Lessee - Pickens Railroad Company
   402 Cedar Rock Street
   Pickens, South Carolina 29671

   Co-Lessee - National Railway Utilization Corporation
   (address as stated above)

Counterpart
Angela Olson

4. Assignment of Lease and Agreement, dated as of December 1, 1977:

   Assignor - St. Lawrence Partners
   (address as stated above)

   Assignee - Mercantile - Safe Deposit and Trust Company
   (address as stated above)

General Description of the Equipment:

30 Box Cars, Type XM (50' - 6" 70-ton), bearing Pickens Railroad Company Road Numbers M&NJ 120805 - 834 (both inclusive), and each being marked: "Ownership subject to a Security Agreement filed under the Interstate Commerce Act, Section 20c".

Very truly yours,

John Mariscotti, Executive Vice President

JAM:tws

RECORDATION NO. 9140-A Filed & Recorded

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INTERSTATE COMMERCE COMMISSION

SIGNED COPY

AGREEMENT AND ASSIGNMENT

Dated as of December 1, 1977

between

WHITTAKER CORPORATION (BERWICK FORGE & FABRICATING DIVISION)

and

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Agent

AGREEMENT AND ASSIGNMENT, dated as of December 1, 1977, between WHITTAKER CORPORATION (BERWICK FORGE & FABRICATING DIVISION) (hereinafter called the Builder) and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, acting as Agent under a Participation Agreement dated as of the date hereof (hereinafter called the Participation Agreement), a copy of which has been delivered to the Builder, said Agent, as so acting, being hereinafter called the Assignee.

WHEREAS, the Builder and St. Lawrence Partners (hereinafter called the Vendee) have entered into a Conditional Sale Agreement dated as of the date hereof (hereinafter called the Conditional Sale Agreement) covering the assembly, construction, sale and delivery, on the conditions therein set forth, by the Builder and the purchase by the Vendee of the railroad equipment described in Annex B to the Conditional Sale Agreement(said equipment being hereinafter called the Equipment); and

WHEREAS, the Vendee and the Pickens Railroad Company (hereinafter called the Lessee) and National Railway Utilization Corporation, as co-lessee, have entered into a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the Lease) providing for the lease to the Lessee of 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, the parties hereto agree as follows:

SECTION 1. 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 Vendee, subject to payment by the Assignee to the Builder of the amount required to be paid pursuant to Section 4 hereof;

(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 subparagraph (a) of the third paragraph of Article 4 thereof and

reimbursement for taxes paid or incurred by the Builder), and except as aforesaid in and to any and all amounts which may be or become due or owing to the Builder under the Conditional Sale Agreement on account of the 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 Vendee under the Conditional Sale Agreement, other than those hereinabove excluded; and

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

without any recourse hereunder, however, against the Builder for or on account of the failure of the Vendee 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 obligations of the Builder to deliver the Equipment in accordance with the Conditional Sale Agreement or with respect to its warranties and agreements referred to in Article 13 of the Conditional Sale Agreement or relieve the Vendee from its obligations to the Builder contained in Articles 2, 3, 4, 6 and 13 of the Conditional Sale Agreement, it being understood and agreed that, notwithstanding this Agreement, or any subsequent assignment pursuant to the provisions of Article 14 of the Conditional Sale Agreement, all obligations of the Builder to the Vendee with respect to the Equipment shall be and remain enforceable by the Vendee, 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 Vendee 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 2. The Builder agrees that it shall construct the Equipment in full accordance with the Conditional Sale Agreement and will deliver the same upon completion to the Vendee in accordance with the provisions of the Conditional Sale Agreement;

and that, notwithstanding this Assignment, it will perform and fully comply with each of and all the covenants and conditions of the Conditional Sale Agreement set forth to be performed and complied with by the Builder. The Builder further agrees that it will warrant to the Assignee and the Vendee that at the time of delivery of each unit of the Equipment under the Conditional Sale Agreement it had legal title to such unit and good and lawful right to sell such unit and that such unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the Conditional Sale Agreement and the rights of the Lessee under the Lease; and the Builder further agrees that it will defend the title to such unit against the demands of all persons whomsoever based on claims originating prior to the delivery of such unit by the Builder under the Conditional Sale Agreement; all subject, however, to the provisions of the Consitional Sale Agreement and the rights of the Vendee thereunder. The Builder will not deliver any of the Equipment to the Vendee under the Conditional Sale Agreement (i) until the Conditional Sale Agreement and the Lease have been filed and recorded in accordance with Section 20c of the Interstate Commerce Act (the Builder and its counsel being entitled to rely on advice from special counsel for the Assignee that such filing and recordation have occurred); or (ii) if the Builder has been notified in writing by the Assignee or the Vendee of the occurrence of any event of default, as described in Article 15 of the Conditional Sale Agreement, or event which, with the lapse of time and/or demand, could constitute such an event of default.

SECTION 3. The Builder agrees with the Assignee that in any suit, proceeding or action brought by the Assignee under the Conditional Sale Agreement for any installment of, or interest on, indebtedness in respect of the Purchase Price of the Equipment or to enforce any provision of the Conditional Sale Agreement, the Builder will indemnify, protect and hold harmless the Assignee from and against all expenses, loss or damage sufferred by reason of any defense, setoff, counterclaim or recoupment whatsoever claimed by the Vendee or the Lessee arising out of a breach by the Builder of any obligation with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or by reason of any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee or the Lessee by the Builder. The Builder's obligation so to indemnify, protect and hold harmless the Assignee is conditional upon (a) the Assignee's timely motion or other appropriate action, on the basis of Article 14 of the Conditional Sale Agreement, to strike any defense, setoff, counterclaim or recoupment asserted by the Vendee or the Lessee in any such suit, proceeding or action, and (b) if the court or other body having jurisdiction in such suit, proceeding or action denies such motion or other action and accepts such defense, setoff, counterclaim or recoupment as a triable issue in such suit,

proceeding or action, the Assignee's prompt notification to the Builder of the asserted defense, setoff, counterclaim or recoupment and the Assignee's giving the Builder the right, at the Builder's expense, to compromise, settle or defend against such defense, setoff, counterclaim or recoupment.

Except in cases of articles or materials specified by the Vendee or the Lessee and not manufactured by the Builder and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not developed or purported to be developed by the Builder, the Builder agrees, except as otherwise specifically provided in Annex A to the Conditional Sale Agreement, to indemnify, protect and hold harmless the Assignee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Assignee or its assigns because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Assignee will give prompt notice to the Builder of any claim actually known to the Assignee which is based upon any such alleged infringement and will give the Builder the right, at the Builder's expense, to compromise, settle or defend against such claim. The Builder agrees that any amounts payable to it by the Vendee or the Lessee with respect to the Equipment, 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 4. The Assignee, on each Closing Date fixed as provided in Article 4 of the Conditional Sale Agreement with respect to a Group (as defined in said Article 4) of the Equipment, shall pay to the Builder an amount equal to the portion of the Purchase Price of the Equipment included in such Group which, under the terms of said Article 4 is payable in installments, provided that there shall have been delivered to the Assignee on or prior to such Closing Date, the following documents, in form and substance satisfactory to it and to its special counsel hereinafter mentioned, in such number of counterparts as may be reasonably requested by said special counsel:

(a) a bill or bills of sale from the Builder to the Assignee transferring to the Assignee the security interest of the Builder in the units of Equipment in such Group, warranting to the Assignee and to the Vendee that, at the time of delivery of such units under the Conditional Sale Agreement, the Builder had legal title to such units

and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the Conditional Sale Agreement and the rights of the Lessee under the Lease, and convenanting to defend the title to such units against demands of all persons whomsoever based on claims originating prior to the delivery of such units by the Builder under the Conditional Sale Agreement;

(b) a Certificate or Certificates of Acceptance with respect to the units of the Equipment in such Group as contemplated by Article 3 of the Conditional Sale Agreement and §2 of the Lease;

(c) an invoice of the Builder for the units of the Equipment in such Group accompanied by or having endorsed thereon a certification by the Vendee and the Lessee as to their approval thereof;

(d) an opinion of counsel for the Builder, dated as of such Closing Date, addressed to the Assignee and the Vendee, to the effect that the aforesaid bill or bills of sale have been duly authorized, executed and delivered by the Builder and are valid and effective to vest in the Assignee the security interest of the Builder in the units of the Equipment in such Group, free from all claims, liens, security interests and other encumbrances (other than those created by the Conditional Sale Agreement and the rights of the Lessee under the Lease) arising from, through or under the Builder; and

(e) a receipt from the Builder for any payment (other than the payment being made by the Assignee pursuant to the first paragraph of this Section 4) required to be made on such Closing Date to the Builder with respect to the Equipment, unless such payment is made by the Assignee with funds furnished to it for that purpose by the Vendee.

The obligation of the Assignee hereunder to make payment for any of the Equipment assigned hereunder is hereby expressly conditioned (i) upon the Assignee having on deposit or immediately available to it sufficient funds to make such payment, and upon payment by the Vendee of the amount required to be paid by it pursuant to subparagraph (a) of the third paragraph of Article 4 of the Conditional Sale Agreement; and (ii) upon no event having occurred of the type specified in clause (ii) of Section 2 hereof, and there having been delivered to the Assignee officer's certificates, dated as of such Closing Date, of the Vendee and of the Lessee to that effect.

and interest of the Assignee in and to the units of the Equipment with respect to which payment has not been made by the Assignee.

SECTION 5. 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 Vendee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, and upon giving the written notice required in Article 14 of the Conditional Sale Agreement, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 6. The Builder hereby:

(a) represents and warrants to the Assignee, the Vendee and their successors and assigns, that the Conditional Sale Agreement was duly authorized by it and lawfully executed and delivered by it for a valid consideration, that, assuming due authorization, execution and delivery by the Vendee, the Conditional Sale Agreement is, insofar as the Builder is concerned, a legal, valid and existing agreement binding upon the Builder in accordance with its terms and that it is now in force without amendment thereto;

(b) agrees that it will from time to time, at the request of the Assignee or its successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance and do all such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to the Assignee or intended so to be; and

(c) agrees that, subsequent to payment to it of sums due hereunder and under the Conditional Sale Agreement, upon request of the Assignee, its successors and assigns, it will execute any and all instruments which may be necessary or proper in order to discharge of record the Conditional Sale Agreement or any other instrument evidencing any interest of the Builder therein or in the Equipment.

SECTION 7. This Assignment, constituting an assignment of rights under a conditional sale agreement which by its terms is governed by the laws of the Commonwealth of Pennsylvania, the terms hereof, and all rights and obligations hereunder shall also be goverened by the laws of said Commonwealth, provided, however, that the parties shall be entitled to all the rights conferred by Section 20c of the Interstate Commerce Act, 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, or in which any unit of the Equipment shall be located, and any rights arising out of the marking on the units of Equipment.

SECTION 8. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Assignee shall be deemed to be the original counterpart. Although for convenience this Assignment is dated as of the date first above written, 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 parties hereto, each pursuant to due authority, have caused this instrument to be executed in their respective names by duly authorized officials or representatives, all as of the date first above written.

WHITTAKER CORPORATION
(BERWICK FORGE & FABRICATING DIVISION)

(CORPO

Attest:

Howard E McBinnon
Authorized Signatory

By George Fuse
Authorized Signatory

By James Jonkalatz
Authorized Signatory

(CORPORATE SEAL)

Attest:

F H Gilbert
ASSISTANT Corporate Trust Officer

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By G J Jones
Assistant Vice President

COMMONWEALTH OF PENNSYLVANIA :

ss:

COUNTY OF COLUMBIA :

On this 23rd day of December, 1977, before me, personally appeared George T. Porese and James J. Malatras, each to me personally known, who, being by me duly sworn, each says that he is an officer of Whittaker Corporation (Berwick Forge & Fabricating Division), 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 each acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

Lloyd H. Adams
Notary Public

My Commission expires:

LLOYD H. ADAMS, NOTARY PUBLIC
BERWICK BOROUGH, COLUMBIA COUNTY
MY COMMISSION EXPIRES SEPT. 19, 1978
Member, Pennsylvania Association of Notaries

STATE OF MARYLAND :

ss:

CITY OF BALTIMORE :

On this 20th day of December, 1977, before me personally appeared G. J. Johnston, to me personally known, who being by me duly sworn, says that he is an authorized officer of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Dorothy E. Schorf

Notary Public

DOROTHY E. SCHARF
NOTARY PUBLIC
My Commission Expires July 1, 1978

[Notarial Seal]

My Commission expires: 7-1-78