NEW NUMBER
$10

No. 5-157A063
Date JUN 6 1985
Fee $ 10.00
ICC Washington, D. C.

14696
RECORDATION NO. Filed 1425

JUN 6 1985 3 22 PM
INTERSTATE COMMERCE COMMISSION

ICC OFFICE OF THE SECRETARY
JUN 6 3 43 PM '85
MOTOR OPERATING UNIT

The Connecticut National Bank

May 29, 1985

Interstate Commerce Commission
Twelfth Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Secretary

Dear Secretary:

Enclosed herewith are one (1) original and four (4) counterparts of the document described below, to be filed and recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Railcar Security Agreement, a primary document, dated as of May 1, 1985.

The names and addresses of the parties to the enclosed document are as follows:

Debtor:	The Pittsburgh and Lake Erie Railroad Company Suite 680 Commerce Court Four Station Square Pittsburgh, Pennsylvania 15219-1199 Attn: Office of the Treasurer
Secured Party:	The Connecticut National Bank (not in its individual capacity but as Security Trustee under the certain Master Agreement Regarding the Restructuring of the Obligations of the Pittsburgh and Lake Erie Railroad Company, dated as of May 1, 1985) 777 Main Street Hartford, Connecticut 06115 Attn: Bond and Trustee Administration

Countersigned - C.T. Kappler

A description of the equipment covered by the enclosed document, as of December 31, 1985, is attached hereto as Annex A.

Included in the property covered by the aforesaid Railcar Security Agreement are railcars, locomotives and other rolling stock intended for use related to interstate commerce, or interests therein, owned by The Pittsburgh and Lake Erie Railroad Company at the date of said Railcar Security Agreement or thereafter acquired by it or its successors as owners of the lines of railway covered by said Railcar Security Agreement.

A fee of ten dollars ($10.00) is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Mr. Charles Kappler, Alvord & Alvord, 200 World Center Building, 918 Sixteenth Street, N.W., Washington, D.C. 20006-2973.

A short summary of the enclosed document to appear in the index follows:

> Railcar Security Agreement between The Pittsburgh and Lake Erie Railroad Company, Suite 680, Commerce Court, Four Station Square, Pittsburgh, Pennsylvania 15219-1199, Debtor, and The Connecticut National Bank (not in its individual capacity but as Security Trustee under that certain Master Agreement Regarding the Restructuring of the Obligations of The Pittsburgh and Lake Erie Railroad Company, dated as of May 1, 1985), 777 Main Street, Hartford, Connecticut 06115, Secured Party, dated as of May 1, 1985, and covering all of the present and hereafter acquired railcars, locomotives and other railroad equipment of The Pittsburgh and Lake Erie Railroad Company.

Very truly yours,

Michael Hopkins
Vice President

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY

ANNEX A

DESCRIPTION OF RAILCAR COLLATERAL

CONTRACT NUMBER	OWNER/CREDITOR	INVESTORS	CAR SERIES *	NUMBER OF CARS IN SERIES AS OF 12/31/84 **	CAR TYPE
13546	GREYHOUND LEASING & FINANCIAL CORP	N/A	39700-39999	297	UNEQT BOX
* 13577	C. I. GENERAL EQUIPMENT LEASING COMPANY	N/A	62746-62980	231	70-T OT HOPPER
13580	PITTSBURGH NATIONAL BANK AMERICAN FLETCHER	N/A	19948-19999 46500-46562	52 63	UNEQ GON UNDR 61 PIPE GON
				115	
* 13591	M.D.F.C. LEASING CO	N/A	62981-63098	118	70-T OT HOPPER
13869	PITTSBURGH & LAKE ERIE RAILROAD	PITTSBURGH NATIONAL BANK	64500-64869	368	70-T OT HOPPER
14031	PITTSBURGH & LAKE ERIE RAILROAD	MERCANTILE SAFE DEPOSIT AND TRUST (AGENT) STATE TREASURER OF THE STATE OF MICHIGAN & CUSTODIAN OF MICHIGAN RETIREMENT SYSTEM	81500-81779	279	100-T OT HOPPER
* 14060	GENERAL ELECTRIC CREDIT CORP J. P. MORGAN INTERFUNDING	AETNA LIFE INSURANCE & ANNUITY AMERICAN HEALTH LIFE INSURANCE CO THE CONNECTICUT BANK & TRUST CO HANSECO INSURANCE CO THE LAFAYETTE LIFE INSURANCE CO PRESBYTERIAN MINISTERS FUND STANDARD INSURANCE CO STATE TREASURER OF THE STATE OF MICHIGAN & CUSTODIAN OF MICHIGAN RETIREMENT SYSTEM VARIABLE ANNUITY LIFE INSURANCE	80500-81349	834	100-T OT HOPPER
* 14107	GENERAL ELECTRIC CREDIT CORP	CONNECTICUT GENERAL LIFE INSURANCE CO STATE OF WISCONSIN INVESTMENT BOARD	51000-51599	600	UNEQ GON UNDR 61
* 14108	GENERAL ELECTRIC CREDIT CORP	MACCABEES MUTUAL LIFE INSURANCE CO. MUTUAL SERVICE LIFE INSURANCE CO. NATIONAL INVESTORS PENSION INSURANCE CO. MICHIGAN & CUSTODIAN OF MICHIGAN RETIREMENT SYSTEM	50000-50799	800	UNEQ GON UNDR 61

*dennotes railcars leased (and not owned) by the Company and in respect of which the Security Trustee's only interest under the Railcar Security Agreement is a Lien in and to such leasehold interest.

CONTRACT NUMBER	OWNER/CREDITOR	INVESTORS	CAR SERIES *	NUMBER OF CARS IN SERIES AS OF 12/31/84 **	CAR TYPE
14120	CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY	N/A	450-499	3	GENL & BULK FLAT
	THE FIRST NATIONAL BANK OF BOSTON		1700-1799	91	COVERED HOPPER
	MANUFACTURERS HANOVER TRUST CO		5000-5033	32	UNEQ BOX
	PITTSBURGH NATIONAL BANK		6000-6449	397	EQT BOX
	EQUIBANK, NA		6450-6499	49	EQT BOX
			9000-10499	23	UNEQ GON UNDR 61
			10500-10999	6	UNEQ GON UNDR 61
			12000-12999	31	UNEQ GON UNDR 61
			13000-13999	11	UNEQ GON UNDR 61
			14340-14883	403	UNEQ GON UNDR 61
			15100-15249	149	UNEQ GON UNDR 61
			16000-16499	274	UNEQ GON UNDR 61
			31000-31490	1	UNEQ BOX
			32500-32699	146	EQT BOX
			44300-44373	74	EQT & COIL GON
			81780-81964	182	100-T OT HOPPER
			203000-203064	64	EQT BOX
			220800-220924	118	EQT BOX
			1500-1501	2	LOCO
			1564-1573	10	LOCO
				2066	
14144	PITTSBURGH & LAKE ERIE RAILROAD	MORGAN GUARANTY TRUST CO	750-799	37	GENL & BULK FLAT
		PRESBYTERIAN MINISTER FUND	7300-7599	271	EQT BOX
		STATE OF WISCONSIN INVESTMENT BOARD	17000-17249	245	PIPE GON
			17500-17599	97	PIPE GON
			19000-19167	167	UNEQ GON UNDR 61
			19168-19416	246	UNEQ GON UNDR 61
			62000-62499	325	70-T OT HOPPER
				1388	
14147	MANUFACTURERS HANOVER TRUST CO	N/A	600-749	120	GENL & BULK FLAT
			850-869	20	70-T OT HOPPER
			1000-1024	22	GENL & BULK FLAT
			1900-1911	12	COVERED HOPPER
			7200-7299	95	EQT BOX
			18000-18249	177	UNEQ GON UNDR 61
			18250-18499	182	UNEQ GON UNDR 61
			44000-44024	24	EQT & COIL GON
			46000-46149	150	PIPE GON
			46563-46599	6	PIPE GON
			61000-61499	483	70-T OT HOPPER
			61500-61999	482	70-T OT HOPPER
			63099-63699	590	70-T OT HOPPER
			63700-64499	782	70-T OT HOPPER
			110000-118249	51	UNEQ GON UNDR 61
			142000-142249	145	EQT & COIL GON
			204000-204450	238	EQT BOX
			1534-1543	7	LOCO
			1544-1553	10	LOCO
			1554-1563	10	LOCO
			1584-1598	10	LOCO
			2034-2039	6	
			2057-2060	4	LOCO
			2000-2021	17	LOCO

CONTRACT NUMBER	OWNER/CREDITOR	INVESTORS	CAR SERIES *	NUMBER OF CARS IN SERIES AS OF 12/31/84 **	CAR TYPE
14242	MANUFACTURERS HANOVER TRUST CO	N/A	950-952	3	100T D-CTR FLAT
			975-977	3	200T D-CTR FLAT
			6900-6999	89	EQT BOX
			14000-14339	256	UNEQ GON UNDR 61
			19417-19947	527	UNEQ GON UNDR 61
			32000-32004	2	EQT BOX
			39500-39699	199	UNEQT GON
			62500-62745	204	70-T OT HOPPER
				1283	
* 14310	GENERAL ELECTRIC CREDIT CORP	STATE OF WISCONSIN INVESTMENT BOARD	47100	1	PIPE GON
			47103	1	PIPE GON
			47105-47106	2	PIPE GON
			47113-47116	4	PIPE GON
			47120	1	PIPE GON
			47131-47133	3	PIPE GON
			47137-47399	263	PIPE GON
			960-962	3	100T D-CTR FLAT
			978-980	3	200T D-CTR FLAT
				281	
14341	PITTSBURGH & LAKE ERIE RAILROAD	AETNA LIFE INSURANCE COMPANY	47000-47099	100	PIPE GON
			47101-47102	2	PIPE GON
			47104	1	PIPE GON
			47107-47112	6	PIPE GON
			47117-47119	3	PIPE GON
			47121-47130	10	PIPE GON
			47134-47136	3	PIPE GON
				125	
UNASSIGNED	MANUFACTURERS HANOVER TRUST CO	N/A	1550-1699	138	COVERED HOPPER
			6500-6899	348	EQT GON
				486	

*denotes railcars leased (and not owned) by the Company and in respect of which the Security Trustee's only interest under the Railcar Security Agreement is a Lien in and to such leasehold interest.

CONTRACT NUMBER	OWNER/CREDITOR	INVESTORS	CAR SERIES *	NUMBER OF CARS IN SERIES AS OF 12/31/84 **	CAR TYPE
UNENCUMBERED	PITTSBURGH & LAKE ERIE RAILROAD	N/A	125-143	15	FLAT
			163	1	
			200-249	1	GENL & BULK FLAT
			445	1	
			533	1	
			1050-1099	1	GENL & BULK FLAT
			1200-1274	2	COVERED HOPPER
			1300-1549	227	COVERED HOPPER
			2000-2999	23	UNEQ GON UNDR 61
			3726	1	
			7100-7149	45	EQT BOX
			8000-8499	11	UNEQ GON UNDR 61
			9000-10499	15	
			10500-10999	6	
			11000-11499	20	UNEQ GON UNDR 61
			12000-12999	57	
			14666	1	
			15000-15099	100	UNEQ GON OVER 61
			23000-26149	34	UNEQT BOX
			32100-32200	2	EQT BOX
			32300-32399	4	EQT BOX
			36381	1	
			40374	1	
			42000-42099	23	EQT & COIL GON
			42100-42249	1	EQT & COIL GON
			42300-42449	131	EQT & COIL GON
			42500	1	EQT GON
			43258	1	
			43270-43299	7	EQT & COIL GON
			44025-44124	3	EQT & COIL GON
			44125-44274	2	EQT & COIL GON
			44375-44424	49	EQT & COIL GON
			45000-45099	2	PIPE GON
			60000-60499	1	70-T OT HOPPER
			67000-67999	32	70-T OT HOPPER
			71675	1	
			80000-80299	4	100-T OT HOPPER
			81965-81999	35	100-T OT HOPPER
			101561	1	
			101562	1	
			101573	1	
			101575	1	
			117000-117161	1	EQT & COIL GON
			118250-118499	50	UNEQ GON UNDR 61
			203500-203514	14	EQT BOX
			500-591	41	CABOOSE
			2025-2033	9	LOCO
			2040-2041	2	LOCO
				904	
			GRAND TOTAL	13897	

* THE FOLLOWING PAGES PROVIDE SPECIFIC IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

** INCLUDES AN ADJUSTMENT TO THE LOCOMOTIVE FLEET WHICH OCCURRED SUBSEQUENT TO 12/31/84. IN PARTICULAR, FIFTEEN LOCOMOTIVES FROM THE 1574-1598 SERIES WERE TRADED FOR SEVENTEEN LOCOMOTIVES WHICH HAVE BEEN NUMBERED 2025-2041.

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS
ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
13546	39700-39815	116
	39817-39892	76
	39894-39967	74
	39969-39999	31
		297
* 13577	62746-62753	8
	62756-62854	99
	62856-62875	20
	62877-62968	92
	62970-62980	11
		230
13580	19948-19999	52
	46500-46562	63
		115
* 13591	62981-63098	118
13869	64500-64634	135
	64636-64812	177
	64814-64869	56
		368
14031	81500-81671	172
	81673-81779	107
		279

*dennotes railcars leased (and not owned) by the Company and in respect of which the Security Trustee's only interest under the Railcar Security Agreement is a Lien in and to such leasehold interest.

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS
ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
* 14060	80500-80536	37
	80538-80553	16
	80555-80588	34
	80590-80598	9
	80600-80752	153
	80754-80797	44
	80799-80843	45
	80845-80916	72
	80918-80982	65
	80984-81043	60
	81045-81100	56
	81102-81107	6
	81109-81148	40
	81150-81158	9
	81160-81339	180
	81341-81346	6
	81348-81349	2
		834
* 14107	51000-51599	600
* 14108	50000-50799	800

*dennotes railcars leased (and not owned) by the Company and in respect of which the Security Trustee's only interest under the Railcar Security Agreement is a Lien in and to such leasehold interest.

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBER	NUMBER OF CARS	CAR IDENTIFICATION NUMBER	NUMBER OF CARS	CAR IDENTIFICATION NUMBER	NUMBER OF CARS	CAR IDENTIFICATION NUMBER	NUMBER OF CARS
14120	450-452	3	6408-6414	7	12637	1	14490-14492	3
	1700-1716	17	6416-6436	21	12653	1	14494-14495	2
	1718-1719	2	6438-6442	5	12681	1	14497	1
	1721-1723	3	6444-6448	5	12684	1	14499-14500	2
	1736-1737	12	6450-6473	24	12703	1	14504-14505	2
	1739-1741	3	6475-6499	25	12766	1	14508-14510	3
	1743-1753	11	9004	1	12788	1	14512	1
	1755-1763	9	9058	1	12830	1	14514-14515	2
	1765	1	9202	1	12834	1	14517-14519	3
	1767-1799	33	9271	1	12835	1	14521	1
	5000-5003	4	9274	1	12850	1	14523	1
	5005-5024	20	9326	1	12954	1	14528	1
	5026-5033	8	9355	1	12971	1	14531-14534	4
	6001	1	9368	1	13143	1	14536-14537	2
	6003-6009	7	9417	1	13275	1	14539	1
	6011-6012	2	9678	1	13319	1	14541	1
	6015-6024	10	9963	1	13321	1	14543-14550	8
	6026-6032	7	9990	1	13567	1	14552-14557	6
	6034-6043	10	10023	1	13638	1	14560	1
	6045	1	10031	1	13749	1	14561-14563	2
	6047-6055	9	10066	1	13780	1	14565	1
	6058-6070	13	10135	1	13867	1	14567	1
	6072-6075	4	10200	1	13881	1	14569	1
	6077-6078	2	10217	1	13887	1	14571-14572	2
	6083-6089	7	10282	1	14340	1	14574	1
	6091-6113	23	10353	1	14342-14349	8	14576-14582	7
	6115-6121	7	10361	1	14351-14354	4	14584-14586	3
	6123-6125	3	10420	1	14356-14358	3	14588-14590	3
	6127-6129	3	10443	1	14360	1	14592	1
	6131-6152	22	10775	1	14362-14363	2	14596-14600	5
	6154	1	10794	1	14365-14368	4	14602-14610	9
	6156-6157	2	10826	1	14370	1	14612	1
	6159-6163	5	10859	1	14372-14380	9	14615-14619	5
	6165-6167	3	10944	1	14382-14387	6	14621	1
	6169-6199	31	10970	1	14389	1	14623-14625	3
	6201-6206	6	12045	1	14391-14392	2	14627	1
	6208-6213	6	12088	1	14395	1	14629-14632	4
	6215-6224	10	12093	1	14398	1	14634-14649	16
	6226-6229	4	12115	1	14400-14403	4	14651	1
	6231-6247	17	12127	1	14405	1	14653-14658	6
	6249-6270	22	12177	1	14407-14420	14	14660	1
	6273-6297	25	12185	1	14423-14437	15	14662	1
	6299-6309	11	12196	1	14440-14441	2	14664-14665	2
	6311	1	12221	1	14443-14445	3	14667-14669	3
	6313	1	12224	1	14447	1	14671	1
	6315-6329	15	12229	1	14449-14452	4	14672-14674	3
	6331-6343	13	12277	1	14454	1	14676	1
	6345-6350	6	12291	1	14458	1	14678-14681	4
	6352-6353	2	12377	1	14461-14462	2	14683-14684	2
	6356-6387	32	12437	1	14464-14466	3	14686-14690	5
	6389-6393	5	12572	1	14468	1	14692-14696	5
	6396	1	12607	1	14471-14482	12	14699-14705	7
	6398-6406	9	12626	1	14486	1	14707	1

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBER	NUMBER OF CARS	CAR IDENTIFICATION NUMBER	NUMBER OF CARS	CAR IDENTIFICATION NUMBER	NUMBER OF CARS	CAR IDENTIFICATION NUMBER	NUMBER OF CARS
14120 (CON'T.)	14711-14712	2	16209-16210	2	16429	1	32657	1
	14714	1	16214	1	16432	1	32660-32661	2
	14716-14721	6	16217-16218	2	16445	1	32664-32665	2
	14723-14726	4	16223	1	16447	1	32667-32673	7
	14728-14736	9	16225	1	16449-16452	4	32675-32680	6
	14738-14739	2	16231	1	16455	1	32682	1
	14741-14750	10	16233	1	16457	1	32684-32685	2
	14752-14758	7	16235-16236	2	16460	1	32687-32693	7
	14760	1	16240	1	16465	1	32696-32699	4
	14762-14773	12	16247	1	16468-16469	2	44300-44373	74
	14775-14779	5	16251	1	16472-16473	2	81780-81848	69
	14780-14784	5	16253	1	16475	1	81850-81893	44
	14786-14796	11	16262-16265	4	16480	1	81895-81899	5
	14798-14803	6	16271	1	16488	1	81901-81964	64
	14805-14811	7	16273-16274	2	16490	1	203000-203051	52
	14813	1	16277	1	16493	1	203053-203064	12
	14815-14817	3	16279	1	16495	1	220000-220034	35
	14821	1	16282	1	16497	1	220036-220068	33
	14824-14828	5	16284	1	16499	1	220071-220083	13
	14830	1	16287-16288	2	31437	1	220085-220087	3
	14832-14840	9	16301	1	32501-32506	6	220090-220096	7
	14843	1	16304	1	32509-32515	7	220898-220924	27
	14845	1	16310	1	32517-32525	9	1500-1501	2
	14847-14850	4	16312	1	32527-32528	2	1564-1573	10
	14852-14854	3	16314	1	32530-32531	2		
	14856-14858	3	16324	1	32533-32534	2		
	14860-14866	7	16327	1	32536-32537	2		
	14868-14872	5	16329	1	32539-32540	2		
	14874-14876	3	16334	1	32543-32544	2		
	14878	1	16336	1	32546-32551	6		
	14880	1	16341	1	32553	1		
	14882-14883	2	16343-16344	2	32555	1		
	15100-15204	105	16346	1	32557-32560	4		
	15206-15249	44	16352-16353	2	32562-32572	11		
	16000	1	16357-16358	2	32574	1		
	16002-16007	6	16360	1	32577-32579	3		
	16009-16019	11	16364	1	32581-32585	5		
	16021-16040	20	16366	1	32587-32590	4		
	16042-16054	13	16369	1	32592-32593	2		
	16056-16062	7	16371	1	32596-32598	3		
	16064-16070	15	16373	1	32600-32602	3		
	16080-16085	6	16382	1	32605-32606	2		
	16087-16096	10	16384	1	32608-32612	5		
	16098-16113	16	16386-16387	2	32615-32618	4		
	16115-16124	10	16389	1	32622	1		
	16126-16135	10	16394	1	32625-32631	7		
	16137-16138	2	16401	1	32633	1		
	16140-16190	51	16403	1	32635	1		
	16195-16196	2	16415-16416	2	32639-32642	4		
	16201-16202	2	16419	1	32644-32645	2		
	16204-16206	3	16424-16425	2	32647-32655	9		

CONTRACT 14120 - 2066 CARS

IDENTIFICATION W/ INDIVIDUAL CAR NUMBERS BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
14144	750-757	8	17512-17531	20	62172-62173	2	62380-62381	2
	759-761	3	17533-17561	29	62175	1	62385	1
	763-764	2	17563-17599	37	62177	1	62387	1
	766-773	8	19000-19164	165	62179-62185	7	62390	1
	775-777	3	19166-19167	2	62187-62192	6	62393-62395	3
	779-780	2	19168-19256	89	62194-62195	2	62398-62399	2
	782-783	2	19258-19284	27	62197-62199	3	62401-62404	4
	785	1	19286-19290	5	62201	1	62406-62407	2
	787-789	3	19292-19416	125	62204-62207	4	62409-62413	5
	791-793	3	62002-62003	2	62209-62210	2	62415	1
	795	1	62005-62011	7	62212	1	62418-62420	3
	799	1	62013-62015	3	62214	1	62422-62423	2
	7300-7301	2	62017	1	62218-62223	6	62426-62428	3
	7303-7304	2	62019-62021	3	62225-62227	3	62430-62432	3
	7306-7320	15	62023-62025	3	62230	1	62436-62437	2
	7321-7351	31	62027-62028	2	62233-62236	4	62439-62441	3
	7353	1	62030	1	62238-62242	5	62443	1
	7355-7374	20	62032-62038	7	62245	1	62446-62449	4
	7377	1	62041	1	62247-62250	4	62451	1
	7379-7380	2	62043-62046	4	62252	1	62454-62455	2
	7382-7409	28	62048	1	62255	1	62457-62463	7
	7411-7445	35	62051-62052	2	62257-62259	3	62466-62467	2
	7447-7453	7	62054-62056	3	62261	1	62469-62470	2
	7455	1	62059	1	62263-62265	3	62473-62474	2
	7457-7462	6	62061-62062	2	62267-62270	4	62476	1
	7464-7481	18	62064	1	62272-62273	2	62478-62482	5
	7483-7490	8	62066	1	62275-62276	2	62484-62485	2
	7492-7498	7	62068	1	62279-62280	2	62487-62488	2
	7499-7501	3	62070-62072	3	62282-62284	3	62491-62492	2
	7503	1	62074	1	62287-62291	5	62494-62499	6
	7506-7511	6	62076-62077	2	62293	1		
	7513-7515	3	62079-62080	2	62295-62298	4		
	7517	1	62082-62083	2	62300-62304	5		
	7518-7531	14	62085-62088	4	62306-62307	2		
	7533-7535	3	62090-62092	3	62309-62314	6		
	7537-7540	4	62094	1	62316-62317	2		
	7542-7547	6	62096	1	62319	1		
	7549-7559	11	62099	1	62322	1		
	7560-7573	14	62101-62102	2	62324	1		
	7575-7580	6	62104-62107	4	62327	1		
	7582-7585	4	62110-62112	3	62332-62334	3		
	7589-7599	11	62117-62121	5	62336	1		
	17000-17052	53	62123-62133	11	62338	1		
	17054-17056	3	62135	1	62341-62346	6		
	17058-17086	29	62137	1	62348-62349	2		
	17088-17167	80	62139	1	62352	1		
	17169-17220	52	62142	1	62354-62359	6		
	17222-17249	28	62144	1	62361-62362	2		
	17500-17510	11	62146-62147	2	62365	1		
			62149-62150	2	62368	1		
			62154	1	62370-62371	2		
			62157-62164	8	62373	1		
			62167-62170	4	62377-62378	2		

CONTRACT 14144 - 1,388 CARS
B:SERIES11
DISK XXIV

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
14147	600	1	10005	1	10313-10324	12	61343-61346	4
	603	1	10009-10090	2	10326-10331	6	61340-61370	23
	605-606	2	10092-10100	9	10334-10335	2	61372-61379	8
	608-611	4	10102	1	10337	1	61381-61446	66
	613-614	2	10104-10105	2	10340-10343	4	61448-61499	52
	617-634	18	10107	1	10347-10351	5	61500-61506	7
	636	1	10109-10111	3	10353	1	61508-61516	9
	638	1	10114-10115	2	10355-10359	5	61518-61519	2
	640-646	7	10117	1	10361	1	61521-61576	56
	649	1	10119-10123	7	10364-10367	4	61578-61597	20
	651	1	10127-10129	3	10370-10377	8	61599-61626	28
	653-660	8	10133	1	10379-10383	5	61628-61694	67
	662-665	4	10135	1	10385	1	61696-61754	59
	668-671	4	10137	1	10386	1	61756-61824	69
	673-686	14	10140	1	10388-10391	4	61826	1
	689-692	4	10142	1	10393-10399	7	61828-61844	17
	696-698	3	10144-10145	2	10402-10403	2	61847-61877	31
	700-706	7	10147-10152	6	10406-10412	7	61880-61894	15
	708-714	7	10154	1	10414-10416	3	61896-61924	29
	716-720	5	10156-10157	2	10418-10420	3	61926-61963	38
	723-725	3	10159-10161	3	10422	1	61965-61982	18
	727-736	10	10163-10172	10	10424	1	61984-61999	16
	738-749	12	10174-10175	2	10426	1	63099-63169	71
	850-869	20	10177	1	10428-10433	6	63171-63184	14
	1000	1	10179-10180	2	10437-10440	4	63186-63253	68
	1002-1010	9	10182	1	10442-10445	4	63255-63304	50
	1012-1021	10	10185-10188	4	10447-10449	3	63306-63307	2
	1023-1024	2	10190-10192	3	10452-10460	9	63309-63336	28
	1900-1911	12	10194-10196	3	10462-10471	10	63338-63376	39
	7200-7206	7	10198-10202	5	10473-10480	8	63378-63450	73
	7208-7214	7	10206-10212	7	10482	1	63452-63492	41
	7215-7251	37	10216-10218	3	10484-10492	9	63494-63536	43
	7253-7260	8	10220	1	10494-10496	3	63538-63539	2
	7262-7277	16	10222	1	10499	1	63541-63699	159
	7279-7294	16	10224-10226	3	44000-44003	4	63700-63724	25
	7296-7299	4	10228	1	44005-44024	20	63726-63735	10
	10000-10011	12	10231-10233	3	46000-46149	150	63737-63781	45
	10014	1	10235-10237	3	46372	1	63783-63824	42
	10016	1	10239-10242	4	46378-46579	2	63826-63842	17
	10018	1	10244-10245	2	46586	1	63844-63952	109
	10020	1	10247-10249	3	46594	1	63954-63958	5
	10023-10029	7	10251	1	46597	1	63960-64078	119
	10031-10034	4	10253-10254	2	61000-61002	3	64080-64093	14
	10036-10037	2	10257	1	61004-61011	8	64095-64102	8
	10039-10049	11	10259-10262	4	61013-61019	7	64104-64138	35
	10051-10054	4	10264-10267	4	61021-61118	98	64140-64186	47
	10056	1	10269	1	61120-61164	45	64188-64287	100
	10058-10064	7	10271-10274	4	61166-61183	18	64289-64294	6
	10066	1	10276-10277	2	61185-61215	31	64296-64392	97
	10068-10070	3	10279-10281	3	61217-61239	23	64394-64417	24
	10072	1	10284-10288	5	61241-61265	25	64419-64434	16
	10074	1	10291	1	61267-61281	15	64436-64461	26
	10076-10077	2	10299-10304	6	61283-61289	7	64463-64499	37
	10079-10082	4	10307-10311	5	61292-61341	50		

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
14147	118012	1	142045	1	1534	1
(CON'T.)	118015	1	142051	1	1536-1538	3
	118017	1	142054	1	1541-1543	3
	118019	1	142056	1	1544-1553	10
	118021-118022	2	142060	1	1554-1563	10
	118030	1	142077	1	1585-1586	2
	118035	1	142080	1	1589-1595	7
	118038	1	142083	1	1597	1
	118050	1	142085	1	2057-2060	4
	118055	1	142087-142090	4	2001-2005	5
	118057	1	142092	1	2007-2013	7
	118065	1	142097	1	2015	1
	118067	1	142101-142105	5	2017-2020	4
	118075	1	142107	1		
	118078	1	142109	2		
	118083-118084	2	142111	2		
	118086	1	142113-142117	5		
	118088	1	142120-142123	4		
	118101	1	142125-142130	6		
	118103	1	142132-142133	2		
	118113	1	142135-142136	2		
	118118	1	142139-142152	14		
	118130-118132	3	142154-142162	9		
	118138	1	142164-142165	2		
	118141	1	142167	1		
	118153	1	142169-142170	2		
	118155	1	142172	1		
	118158	1	142174-142187	14		
	118162	1	142189-142190	2		
	118176	1	142192	1		
	118183-118184	2	142194	1		
	118189	1	142196-142200	5		
	118197	1	142202-142205	4		
	118204-118205	2	142207-142212	6		
	118213-118215	3	142214	1		
	118219	1	142216-142219	4		
	118221	1	142221	1		
	118227	1	142223	1		
	118230	1	142225-142229	5		
	118234	1	142231-142241	11		
	118238	1	142243-142245	3		
	118243	1	142249	1		
	118246	1	204000-204099	100		
	142001-142002	2	204200-204205	6		
	142005	1	204208-204216	9		
	142015-142016	2	204218-204231	14		
	142017	1	204233-204242	10		
	142024-142025	2	204244-204322	79		
	142033	1	204323-204326	4		
	142035-142036	2	204327-204340	14		
	142039	1	204344	1		
	142041-142042	2	204352	1		

CONTRACT 14147 - 3643 CARS
DISCRIES10
DISK XXVII

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
14242	950-952	3	14247-14254	8	62654-62667	14
	975-977	3	14256-14258	3	62669-62677	9
	6901-6910	10	14262-14264	3	62679	1
	6912-6913	2	14266-14267	2	62681-62688	8
	6916-6936	21	14269-14270	2	62690	1
	6938-6960	23	14272-14278	7	62692-62695	4
	6962-6971	10	14281	1	62697-62701	5
	6974-6979	6	14283	1	62703-62711	9
	6981-6986	6	14285	1	62713-62731	19
	6988-6994	7	14287-14291	5	62734-62733	6
	6996-6999	4	14293-14295	3	62742-62745	4
	14000-14003	4	14298-14303	6		
	14007	1	14305	1		
	14010	1	14307-14318	12		
	14013-14028	16	14323-14327	5		
	14031	1	14329-14332	4		
	14033-14035	3	14334	1		
	14037-14042	6	14336-14337	2		
	14044-14055	12	14339	1		
	14058-14059	2	19417-19684	268		
	14061-14062	2	19686-19819	134		
	14064	1	19821-19842	22		
	14066	1	19844-19898	55		
	14069-14075	7	19900-19921	22		
	14077-14080	4	19922-19947	26		
	14082	1	32044	1		
	14084-14087	4	32056	1		
	14089	1	39500-39612	113		
	14091-14092	2	39614-39699	86		
	14094-14100	7	62501-62503	3		
	14102-14109	8	62505-62506	2		
	14111-14131	21	62508-62509	2		
	14133-14135	3	62511-62514	4		
	14137-14141	5	62517-62519	3		
	14143-14147	5	62521-62523	3		
	14149-14151	3	62525-62532	8		
	14156-14159	4	62534-62537	4		
	14162	1	62539-62540	2		
	14164-14168	5	62542	1		
	14170-14173	4	62544-62558	15		
	14175-14176	2	62560-62566	7		
	14178-14180	3	62569-62574	6		
	14182-14183	2	62577-62590	14		
	14185-14191	7	62592	1		
	14193-14196	4	62594-62604	11		
	14198	1	62606-62610	5		
	14201-14206	6	62612-62619	8		
	14209-14212	4	62621-62624	4		
	14214-14221	8	62627-62631	5		
	14223	1	62633	1		
	14226-14233	8	62635-62636	2		
	14235-14238	4	62638-62641	4		
	14242	1	62643-62650	8		
	14244-14245	2	62652	1		

CONTRACT 14242 - 1,283 CARS
D:SERIES10

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
* 14310	47100	1				
	47103	1				
	47105-47106	2				
	47113-47116	4				
	47120	1				
	47131	1				
	47132-47133	2				
	47137-47399	263				
	960-962	3				
	978-980	3				
		201				
14341	47000-47099	100				
	47101-47102	2				
	47104	1				
	47107-47112	6				
	47117-47119	3				
	47121-47130	10				
	47134-47136	3				
		125				
UNASSIGNED	1550-1553	4	6579-6580	2	6845-6851	7
	1556-1582	27	6581-6600	20	6853-6854	2
	1584-1587	4	6602-6627	26	6856-6861	6
	1589-1598	10	6629	1	6864-6865	2
	1600-1604	5	6631-6636	6	6867-6869	3
	1606-1610	5	6638-6640	3	6871	1
	1612-1626	15	6642-6671	30	6873-6875	3
	1628-1629	2	6673	1	6878-6881	4
	1631-1637	7	6675-6682	8	6883-6889	7
	1639-1661	23	6684-6696	13	6891-6899	9
	1663-1681	19	6698-6699	2		
	1683-1699	17	6701-6714	14		
	6500-6509	10	6716-6733	18		
	6511	1	6735-6750	16		
	6513-6515	3	6752-6753	2		
	6518-6523	6	6755-6756	2		
	6525	1	6758-6759	2		
	6527-6529	3	6761-6789	29		
	6531-6544	14	6792	1		
	6546-6553	8	6795-6796	2		
	6555-6562	8	6798-6804	7		
	6565-6570	6	6806-6810	5		
	6572	1	6812-6813	2		
	6574-6575	2	6815-6822	8		
	6576	1	6824-6830	7		
	6577	1	6832-6843	12		

UNASSIGNED CONTRACT - 486 CARS
DISERIES
DISK XXVII

*denotes railcars leased (and not owned) by the Company and in respect of which the Security Trustee's only interest under the Railcar Security Agreement is a Lien in and to such leasehold interest.

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
UNENCUMBERED	125	1	7100-7105	6	11408	1	12992	1
	130-143	14	7107-7123	17	12021	1	12993	1
	163	1	7126-7129	4	12037	1	14666	1
	200	1	7131	1	12052	1	15000-15099	100
	445	1	7133-7149	17	12057	1	23074	1
	533	1	8007	1	12058	1	23091	1
	1050	1	8012	1	12065	1	23206	1
	1251	1	8023	1	12102	1	23258	1
	1260	1	8024	1	12110	1	23375	1
	1300-1308	9	8025	1	12112	1	23401	1
	1310-1316	7	8046	1	12124	1	23426	1
	1318-1334	17	8054	1	12145	1	23539	1
	1336-1353	18	8113	1	12149	1	23557	1
	1355-1358	4	8232	1	12159	1	23699	1
	1360-1361	2	8299	1	12193	1	23713	1
	1362	1	8390	1	12259	1	23706	1
	1363-1370	8	9073	1	12279	1	23830	1
	1372-1380	9	9437	1	12288	1	23957	1
	1382-1386	5	9443	1	12297	1	23977	1
	1388-1389	2	9483	1	12298	1	24034	1
	1391-1398	8	9713	1	12313	1	24180	1
	1400-1409	10	9761	1	12352	1	24540	1
	1411-1439	29	9953	1	12353	1	24835	1
	1441-1442	2	10022	1	12450	1	24844	1
	1444-1453	10	10218	1	12455	1	24852	1
	1455-1459	5	10220	1	12471	1	24911	1
	1461-1464	4	10254	1	12472	1	25196	1
	1466-1478	13	10389	1	12474	1	25399	1
	1480-1485	6	10412	1	12494	1	25411	1
	1487-1508	22	10426	1	12498	1	25574	1
	1510-1530	21	10445	1	12513	1	25633	1
	1535-1549	15	10545	1	12514	1	25872	1
	2011	1	10675	1	12524	1	25924	1
	2057	1	10681	1	12551	1	25931	1
	2154	1	10749	1	12554	1	26021	1
	2228	1	10846	1	12659	1	26036	1
	2250	1	10931	1	12706	1	26056	1
	2259	1	11000	1	12731	1	26119	1
	2345	1	11004	1	12732	1	32117	1
	2382	1	11034	1	12749	1	32125	1
	2421	1	11036	1	12756	1	32326	1
	2442	1	11045	1	12785	1	32344	1
	2484	1	11079	1	12786	1	32361	1
	2488	1	11088	1	12800	1	32373	1
	2548	1	11120	1	12807	1	36381	1
	2656	1	11135	1	12817	1	40374	1
	2660	1	11142	1	12826	1	42003	1
	2682	1	11183	1	12843	1	42006	1
	2767	1	11189	1	12845	1	42008-42009	2
	2779	1	11211	1	12903	1	42012-42013	2
	2810	1	11227	1	12914	1	42018	1
	2817	1	11330	1	12943	1	42021	1
	2967	1	11372	1	12959	1	42027	1
	2978	1	11403	1	12970	1	42029	1
	2980	1	11457	1	12987	1	42034	1
	3726	1	11476	1	12989	1	42037	1

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
UNENCUMBERED (CON'T.)	42046	1	67265	1	118352	1
	42057	1	67290	1	118354	1
	42068-42071	4	67298	1	118363	1
	42073	1	67309	1	118368	1
	42084	1	67314	1	118378	1
	42095-42096	2	67375	1	118387	1
	42099	1	67394	1	118392	1
	42110	1	67410	1	118400-118401	2
	42300-42305	6	67417	1	118405	1
	42307-42314	8	67434	1	118417	1
	42316-42319	4	67471	1	118421	1
	42321-42326	6	67483	1	118425	1
	42328-42335	8	67525	1	118434	1
	42337-42339	3	67540	1	118436	1
	42341	1	67647	1	118441	1
	42343-42354	12	67668	1	118446	1
	42356-42374	19	67737	1	118450	1
	42377-42379	3	67741	1	118461	1
	42381-42395	15	67756	1	118472	1
	42397-42403	7	67760	1	118493	1
	42405-42410	6	67840	1	118497-118498	2
	42413-42421	9	67882	1	203500	1
	42423-42428	6	67886	1	203502-203514	13
	42430-42437	8	67969	1	2025-2033	9
	42439-42443	5	71675	1	2040-2041	2
	42445-42449	5	80007	1	500-503	4
	42500	1	80131	1	505	1
	43258	1	80224	1	507	1
	43271-43272	2	80299	1	510-511	2
	43278	1	81965-81999	35	513-514	2
	43283	1	101561	1	516	1
	43288	1	101562	1	518-519	2
	43292	1	101573	1	530-532	3
	43298	1	101575	1	550-569	20
	44025	1	117000	1	587-591	5
	44035	1	118252	1		
	44058	1	118255	1		
	44155	1	118256	1		
	44257	1	118258	1		
	44375-44382	8	118263	1		
	44384-44424	41	118268	1		
	45012	1	118275	1		
	45018	1	118278	1		
	60000	1	118282	1		
	67008	1	118289	1		
	67054	1	118290	1		
	67061	1	118292-118298	7		
	67084	1	118306	1		
	67125	1	118325	1		
	67130	1	118332-118333	2		
	67186	1	118338-118339	2		
	67255	1	118344-118346	3		

UNENCUMBERED - 984 CARS

B:SERIESUN

CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING
163	1	6379	1	7336-7338	3	8024-8025	2
445	1	6405	1	7340	1	8046	1
533	1	6418-6419	2	7345-7347	3	8054	1
1251	1	6420	1	7359	1	8113	1
1260	1	6435	1	7379-7380	2	8232	1
1362	1	6440	1	7382	1	8299	1
1366	1	6465	1	7389	1	8390	1
2011	1	6475	1	7393	1	9004	1
2057	1	6477	1	7395	1	9058	1
2154	1	6482	1	7397	1	9073	1
2228	1	6484	1	7403-7405	3	9202	1
2250	1	6500	1	7412-7413	2	9271	1
2259	1	6542	1	7415	1	9274	1
2345	1	6558	1	7417-7418	2	9326	1
2382	1	6568	1	7421	1	9355	1
2421	1	6584	1	7423-7424	2	9368	1
2442	1	6612	1	7426-7427	2	9417	1
2484	1	6662	1	7431-7432	2	9437	1
2488	1	6694	1	7436	1	9443	1
2548	1	6719	1	7451-7452	2	9483	1
2656	1	6730	1	7458	1	9678	1
2660	1	6750	1	7465-7466	2	9713	1
2682	1	6771	1	7468	1	9761	1
2767	1	6778	1	7471	1	9953	1
2779	1	6786	1	7474-7475	2	9963	1
2810	1	6792	1	7477	1	9990	1
2817	1	6800	1	7481	1	10022-10023	2
2967	1	6820	1	7484	1	10031	1
2978	1	6848	1	7486-7488	3	10066	1
2980	1	6873	1	7490	1	10135	1
3726	1	6881	1	7500-7501	2	10200	1
5000-5003	4	6891	1	7503	1	10217-10218	2
5005-5024	20	6897	1	7509	1	10230	1
5026-5033	8	7100-7105	6	7518	1	10254	1
6017	1	7107-7123	17	7520	1	10282	1
6019	1	7126-7129	4	7522-7523	2	10353	1
6021	1	7131	1	7540	1	10361	1
6030	1	7133-7149	17	7542-7544	3	10389	1
6032	1	7200-7206	7	7547	1	10412	1
6037	1	7208-7214	7	7549	1	10420	1
6049	1	7215-7251	37	7553	1	10426	1
6052	1	7253-7260	8	7556	1	10443	1
6083	1	7262-7277	16	7558-7559	2	10445	1
6097	1	7279-7294	16	7563	1	10545	1
6115	1	7296-7299	4	7565	1	10675	1
6210	1	7301	1	7568-7569	2	10681	1
6212	1	7311	1	7571	1	10749	1
6228	1	7316-7318	3	7590	1	10775	1
6269	1	7320-7322	3	7594	1	10794	1
6307	1	7333	1	7596	1	10826	1
6340	1			7599	1		
				8007	1		
				8012	1		
				8023	1		
	80		183		77		53

PAGE TOTAL

CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING
10046	1	12308	1	12909	1	14226-14233	8
10059	1	12291	1	12992-12993	2	14235-14238	4
10931	1	12297-12298	2	13143	1	14242	1
10944	1	12313	1	13275	1	14244-14245	2
10970	1	12352	1	13319	1	14247-14254	8
11000	1	12353	1	13321	1	14256-14258	3
11004	1	12377	1	13567	1	14262-14264	3
11034	1	12437	1	13638	1	14266-14267	2
11036	1	12450	1	13749	1	14269-14270	2
11045	1	12455	1	13700	1	14272-14278	7
11079	1	12471	1	13867	1	14281	1
11088	1	12472	1	13881	1	14283	1
11120	1	12474	1	13887	1	14285	1
11135	1	12494	1	14000-14003	4	14287-14291	5
11142	1	12498	1	14007	1	14293-14295	3
11183	1	12513-12514	2	14010	1	14298-14303	6
11189	1	12524	1	14013-14028	16	14305	1
11211	1	12551	1	14031	1	14307-14318	12
11227	1	12554	1	14033-14035	3	14323-14327	5
11330	1	12572	1	14037-14042	6	14329-14332	4
11372	1	12607	1	14044-14055	12	14334	1
11409	1	12626	1	14058-14059	2	14336-14337	2
11457	1	12637	1	14061-14062	2	14339-14340	2
11476	1	12653	1	14064	1	14342	1
11488	1	12659	1	14066	1	14351	1
12021	1	12681	1	14069-14075	7	14420	1
12037	1	12684	1	14077-14080	4	14441	1
12045	1	12706	1	14082	1	14451	1
12052	1	12709	1	14084-14087	4	14508	1
12057-12058	2	12731-12732	2	14089	1	14553	1
12065	1	12749	1	14091-14092	2	14839	1
12088	1	12756	1	14094-14100	7	18009	1
12093	1	12766	1	14102-14109	8	18064	1
12102	1	12785-12786	2	14111-14131	21	18079	1
12110	1	12788	1	14133-14135	3	18135	1
12112	1	12800	1	14137-14141	5	18147-18148	2
12115	1	12807	1	14143-14147	5	18154	1
12124	1	12817	1	14149-14151	3	18168	1
12127	1	12826	1	14156-14159	4	18171	1
12145	1	12830	1	14162	1	18187	1
12149	1	12834-12835	2	14164-14168	5	18202	1
12159	1	12843	1	14170-14173	4	18235	1
12177	1	12845	1	14175-14176	2	18257	1
12185	1	12850	1	14178-14180	3	18269	1
12193	1	12903	1	14182-14183	2	18274	1
12196	1	12914	1	14185-14191	7	18277	1
12221	1	12943	1	14193-14196	4	18335	1
12224	1	12954	1	14198	1	18379	1
12229	1	12959	1	14201-14206	6	18424	1
12259	1	12970	1	14209-14212	4	18452	1
12277	1	12971	1	14214-14221	8	18457	1
12279	1	12987	1	14223	1	18470	1
	53		57		107		114

PAGE TOTAL 411

CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING
18478	1	32546	1	40374	1	67640	1
18485	1	32551	1	43250	1	67082	1
18495	1	32553	1	43271-43272	2	67086	1
23074	1	32557	1	43278	1	67969	1
23091	1	32564	1	43283	1	71675	1
23206	1	32582	1	43288	1	101561	1
23258	1	32584	1	43292	1	101562	1
23375	1	32596	1	43298	1	101573	1
23401	1	32598	1	45012	1	101575	1
23426	1	32600	1	45018	1	203000-203051	52
23539	1	32602	1	61000-61002	3	203053-203064	12
23557	1	32612	1	61004-61011	8	203500	1
23699	1	32616	1	61013-61019	7	203502-203514	13
23713	1	32629	1	61021-61118	98	204000-204099	100
23786	1	32633	1	61120-61164	45	204200-204205	6
23830	1	32635	1	61166-61183	18	204208-204216	9
23957	1	32639	1	61185-61215	31	204218-204231	14
23977	1	32642	1	61217-61239	23	204233-204242	10
24034	1	32644	1	61241-61265	25	204244-204322	79
24180	1	32652-32653	2	61267-61281	15	204323-204326	4
24540	1	32655	1	61283-61289	7	204327-204340	14
24835	1	32660	1	61292-61341	50	204344	1
24844	1	32668	1	61343-61346	4	204352	1
24852	1	32670-32671	2	61348-61370	23	220800-220834	35
24911	1	32676-32680	5	61372-61379	8	220836-220868	33
25196	1	32684	1	61381-61446	66	220871-220883	13
25399	1	32688	1	61448-61499	52	220885-220887	3
25411	1	32690-32691	2	67008	1	220890-220896	7
25574	1	32696	1	67054	1	220898-220924	27
25633	1	32699	1	67061	1		
25072	1	36381	1	67084	1		
25924	1	39500	1	67125	1		
25931	1	39514-39515	2	67130	1		
26021	1	39518-39519	2	67186	1		
26036	1	39520	1	67255	1		
26056	1	39530	1	67265	1		
26119	1	39544	1	67290	1		
31437	1	39570	1	67298	1		
32044	1	39596	1	67309	1		
32056	1	39620	1	67314	1		
32117	1	39704	1	67375	1		
32125	1	39712	1	67384	1		
32326	1	39719	1	67410	1		
32344	1	39759	1	67417	1		
32361	1	39775	1	67434	1		
32373	1	39861-39862	2	67471	1		
32501	1	39869	1	67483	1		
32504-32505	2	39921	1	67525	1		
32509-32511	3	39923	1	67540	1		
32513-32514	2	39927	1	67647	1		
32519	1	39932	1	67668	1		
32521	1	39936	1	67737	1		
32524	1	39952	1	67741	1		
32527-32528	2	39960	1	67756	1		
32533-32534	2	39990	1	67760	1		
	61		65		522		443

14696
RECORDATION NO. Filed 1425
JUN 6 1985 3 32 PM
INTERSTATE COMMERCE COMMISSION

RAILCAR SECURITY AGREEMENT

THIS RAILCAR SECURITY AGREEMENT, dated as of May 1, 1985, is made by THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY, a corporation organized and existing under the laws of the State of Delaware (the "Company"), in favor of THE CONNECTICUT NATIONAL BANK, a national banking association, as security trustee (the "Security Trustee") acting on behalf of the Creditors, the Single Investor Lessors and the Creditors' Agents and their respective successors, indorsees, transferees and assigns (collectively, the "Secured Creditors"), and each of them, set forth and identified in Part I of Annex 2 to the Master Agreement hereinafter referred to.

W I T N E S S E T H :

WHEREAS, the Company executed and delivered certain credit agreements, promissory notes, equipment leases, conditional sales agreements and credit arrangements, and executed and delivered certain security documents in connection therewith, as set forth in Part I of Annex 2 to the Master Agreement (collectively, the "Old Financing Agreements"), pursuant to which the Company incurred certain indebtedness, obligations and liabilities;

WHEREAS, the Company is in default under the Original Single Investor Leases (as defined in the Master Agreement) and the Old Financing Agreements;

WHEREAS, the Company, the Security Trustee and the Secured Creditors, among others, have entered into the Master Agreement Regarding the Restructuring of Obligations of The Pittsburgh and Lake Erie Railroad Company, of even date herewith (as amended from time to time, the "Master Agreement"), pursuant to which, inter alia, the obligations owed by the Company under the Original Single Investor Leases and the Existing Obligations of the Company under the Old Financing Agreements are to be restructured;

WHEREAS, the Security Trustee and the Secured Creditors have entered into The Pittsburgh and Lake Erie Railroad Company Intercreditor Agreement, of even date herewith (as amended from time to time, the "Intercreditor

Agreement"), pursuant to which, inter alia, the Secured Creditors have agreed that (i) the Existing Obligations owed by the Company under the Old Financing Agreements and the obligations owed by the Company under the Original Single Investor Leases shall be restructured as provided in the Master Agreement and the Single Investor Lease Amendments, and (ii) the Security Trustee shall serve as security trustee for the Secured Creditors for the purposes of receiving payments on behalf of, and distributing such payments to, the Secured Creditors, administering the collateral granted pursuant to the New Financing Agreements and the Old Financing Agreements and taking such other actions on behalf of the Secured Creditors as are authorized by the New Financing Agreements and the Old Financing Agreements; and

WHEREAS, it is a condition precedent to the debt restructuring as set forth in the Master Agreement that the Company execute and deliver this Railcar Security Agreement;

NOW, THEREFORE, in order to induce the Security Trustee and the Secured Creditors to execute and deliver the Master Agreement and the Intercreditor Agreement and to restructure the Existing Obligations owed by the Company under the Old Financing Agreements and the obligations owed by the Company under the Original Single Investor Leases upon the terms and conditions set forth in the Master Agreement and the Single Investor Lease Amendments, and in consideration thereof, the Company hereby agrees for the benefit of the Security Trustee acting on behalf of the Secured Creditors and their respective successors, indorsees, transferees and assigns as follows:

1. Defined Terms. Capitalized terms used herein shall have the same meanings as set forth in the Master Agreement, unless otherwise defined herein or unless the context otherwise requires, and the following terms shall have the following respective meanings:

"Agreement" shall mean this Railcar Security Agreement, as the same may be amended, supplemented or restated from time to time.

"Obligations" shall have the meaning assigned to it in Section 2 of this Agreement.

"Railcar Collateral" shall mean the railroad equipment described in Annex A hereto and any and all other Railcars in which the Company has an interest

(other than the GECC Railcars), and also any additional, replacement, after acquired or substitute railroad equipment or Railcars made subject to the security interest described in Section 2 hereof pursuant to the Company's obligation under Section 10.18 of the Master Agreement to perfect the security interest of the Security Trustee in such additional, replacement, after acquired or substitute railroad equipment or Railcars, together with all additions, replacement parts, improvements and accessions, if any, thereto, all interests under leases and other rental agreements and conditional sale agreements to which such railroad equipment or Railcars may be subject from time to time and all cash and non-cash proceeds (as those terms are defined by Section 9-306 of the Code) thereof.

2. Security Interest. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of all of the New Obligations, the Existing Obligations and other obligations of the Company, PLECO and the Company's Subsidiaries now existing under or hereafter arising under the New Financing Agreements or the Old Financing Agreements, whether such obligations are liquidated or unliquidated, contingent or matured, disputed or otherwise, and including, without limitation, principal thereof and interest thereon; dividends and distributions on, and the redemption price of, any Preferred Stock and Preferred Certificates; all costs, expenses and fees now or hereafter owing to the Security Trustee and Secured Creditors in accordance with the New Financing Agreements and the Old Financing Agreements; and all other liabilities and indemnification obligations of the Company, PLECO and the Company's Subsidiaries under the New Financing Agreements and the Old Financing Agreements (collectively, the "Obligations"), and in order to induce the Security Trustee and the Secured Creditors to execute and deliver the Master Agreement and, to the extent the Secured Creditors are parties thereto, the Intercreditor Agreement and to restructure the Existing Obligations owed by the Company under the Old Financing Agreements and the obligations owed by the Company under the Original Single Investor Leases upon the terms and conditions set forth in the Master Agreement and the Single Investor Lease Amendments, the Company hereby sells, assigns, conveys, mortgages, pledges, hypothecates and transfers to the Security Trustee for the benefit of the Secured Creditors and hereby grants to the Security Trustee for the benefit of the Secured Creditors a security interest under the Code and 49 U.S.C. §11303 in all

of the Company's right, title and interest in, to and under the Railcar Collateral.

3. Performance by Security Trustee of Company's Obligations. If the Company fails to perform or comply with any of its agreements contained herein or in the Master Agreement and the Security Trustee, as provided for by the terms of this Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of the Security Trustee incurred in connection with such performance or compliance, together with interest thereon at the Base Rate, shall be payable by the Company to the Security Trustee on demand and shall constitute Obligations secured hereby.

4. No Waivers; Cumulative Remedies. Neither the Security Trustee nor the Secured Creditors shall by any act, delay, omission or otherwise be deemed to have waived any of its or their rights or remedies hereunder. A waiver by the Security Trustee of any right or remedy on any one occasion shall not be construed as a bar to or impairment of any right or remedy which the Security Trustee or the Secured Creditors would otherwise have on any future occasion. No failure to exercise nor any delay in exercising on the part of the Security Trustee or the Secured Creditors, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and may be exercised singularly or concurrently and are not exclusive of any rights or remedies provided by law.

5. Severability; Assignment. Any provision of this Agreement which is prohibited, invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition, invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction or any other provision of this Agreement. The Company shall negotiate in good faith to replace any prohibited, invalid or unenforceable provision with a valid provision or provisions the economic effect of which shall reflect the economic bargain manifested in the prohibited, invalid or unenforceable provision. The Company will not assign or transfer any of its obligations under this Agreement to any Person.

6. Modifications. No provision of this Agreement shall be waived, amended, modified or supplemented except, so long as the Master Agreement shall be in full force and effect, in accordance with Section 14.2 of the Master Agreement, and, if the Master Agreement shall not be in full force and effect, by a written instrument executed by the Company and the Security Trustee.

7. Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the law of the Commonwealth of Pennsylvania and by the Interstate Commerce Act and the relevant federal regulations issued pursuant thereto insofar as they relate to the perfection and enforcement of the security interest granted by the Company under this Agreement.

8. Captions. The captions in this Agreement have been inserted for convenience of reference only, and in no way limit or amplify the provisions hereof.

9. Master Agreement. Attached hereto as Exhibit X is the Master Agreement. This Agreement has been entered into pursuant to the Master Agreement and is entitled to the rights and benefits thereof. Reference should be made to the Master Agreement for the definitions of certain capitalized terms used herein and for a description of other covenants and obligations to which the Company and the Railcar Collateral are subject. In addition to the rights and remedies in this Agreement, the Security Trustee shall have all the rights and remedies set forth in the Master Agreement.

10. Assignment. The Company acknowledges that the Security Trustee is the assignee of all of the right, title and interest of the Secured Creditors in, to and under the Old Financing Agreements to which they are parties and recognizes the Security Trustee as the obligee, secured party and holder of rights and remedies thereunder.

IN WITNESS WHEREOF, the Company and the Security Trustee have caused this Agreement to be duly executed

and delivered by their respective duly authorized officers as of the day and year first written above.

THE PITTSBURGH AND LAKE ERIE
RAILROAD COMPANY

By _____
Title: PRESIDENT

THE CONNECTICUT NATIONAL BANK,
as Security Trustee

By _____
Title:

Vice President

STATE OF New York)
) ss.:
COUNTY OF New York)

On this 29th day of May, 1985, before me personally appeared Michael M. Hopkins, to me personally known, who, being by me duly sworn, says that he is Vice President of THE CONNECTICUT NATIONAL BANK, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association 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 national banking association.

Jordana Pomeroy
Notary Public

[Notarial Seal]

JORDANA POMEROY
Notary Public, State of New York
No. 31-4813095
Qualified in New York County
Commission Expires March 30, 19 86

My Commission expires

STATE OF New York)
) ss.:
COUNTY OF new York)

On this 29th day of May, 1985, before me personally appeared R.E. Thompson, to me personally known, who, being by me duly sworn, says that he is President of THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY, a Delaware corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

JORDANA POMEROY
Notary Public, State of New York
No. 31-4813095
Qualified in New York County
Commission Expires March 30, 1986

My Commission expires

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY

ANNEX A TO RAILCAR SECURITY AGREEMENT

DESCRIPTION OF RAILCAR COLLATERAL

CONTRACT NUMBER	OWNER/CREDITOR	INVESTORS	CAR SERIES *	NUMBER OF CARS IN SERIES AS OF 12/31/84 **	CAR TYPE
13546	GREYHOUND LEASING & FINANCIAL CORP	N/A	39700-39999	297	UNEQT BOX
* 13577	C. I. GENERAL EQUIPMENT LEASING COMPANY	N/A	62746-62980	231	70-T OT HOPPER
13580	* PITTSBURGH NATIONAL BANK AMERICAN FLETCHER	N/A	19948-19999 46500-46562	52 63	UNEQ GON UNDR 61 PIPE GON
				115	
* 13591	M.D.F.C. LEASING CO	N/A	62981-63098	118	70-T OT HOPPER
13869	PITTSBURGH & LAKE ERIE RAILROAD	PITTSBURGH NATIONAL BANK	64500-64869	368	70-T OT HOPPER
14031	PITTSBURGH & LAKE ERIE RAILROAD	MERCANTILE SAFE DEPOSIT AND TRUST (AGENT) STATE TREASURER OF THE STATE OF MICHIGAN & CUSTODIAN OF MICHIGAN RETIREMENT SYSTEM	81500-81779	279	100-T OT HOPPER
* 14060	GENERAL ELECTRIC CREDIT CORP J. P. MORGAN INTERFUNDING	AETNA LIFE INSURANCE & ANNUITY AMERICAN HEALTH LIFE INSURANCE CO THE CONNECTICUT BANK & TRUST CO HANSECO INSURANCE CO THE LAFAYETTE LIFE INSURANCE CO PRESBYTERIAN MINISTERS FUND STANDARD INSURANCE CO STATE TREASURER OF THE STATE OF MICHIGAN & CUSTODIAN OF MICHIGAN RETIREMENT SYSTEM VARIABLE ANNUITY LIFE INSURANCE	80500-81349	834	100-T OT HOPPER
* 14107	GENERAL ELECTRIC CREDIT CORP	CONNECTICUT GENERAL LIFE INSURANCE CO STATE OF WISCONSIN INVESTMENT BOARD	51000-51599	600	UNEQ GON UNDR 61
* 14108	GENERAL ELECTRIC CREDIT CORP	MACCABEES MUTUAL LIFE INSURANCE CO. MUTUAL SERVICE LIFE INSURANCE CO. NATIONAL INVESTORS PENSION INSURANCE CO. MICHIGAN & CUSTODIAN OF MICHIGAN RETIREMENT SYSTEM	50000-50799	800	UNEQ GON UNDR 61

*denotes railcars leased (and not owned) by the Company and in respect of which the Security Trustee's only interest under the Railcar Security Agreement is a Lien in and to such leasehold interest.

CONTRACT NUMBER	OWNER/CREDITOR	INVESTORS	CAR SERIES *	NUMBER OF CARS IN SERIES AS OF 12/31/84 **	CAR TYPE
14120	CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY THE FIRST NATIONAL BANK OF BOSTON MANUFACTURERS HANOVER TRUST CO PITTSBURGH NATIONAL BANK EQUIBANK, NA	N/A	450-499	3	GENL & BULK FLAT
			1700-1799	91	COVERED HOPPER
			5000-5033	32	UNEQ BOX
			6000-6449	397	EQT BOX
			6450-6499	49	EQT BOX
			9000-10499	23	UNEQ GON UNDR 61
			10500-10999	6	UNEQ GON UNDR 61
			12000-12999	31	UNEQ GON UNDR 61
			13000-13999	11	UNEQ GON UNDR 61
			14340-14883	403	UNEQ GON UNDR 61
			15100-15249	149	UNEQ GON UNDR 61
			16000-16499	274	UNEQ GON UNDR 61
			31000-31490	1	UNEQ BOX
			32500-32699	146	EQT BOX
			44300-44373	74	EQT & COIL GON
			81780-81964	182	100-T OT HOPPER
			203000-203064	64	EQT BOX
			220800-220924	118	EQT BOX
			1500-1501	2	LOCO
			1564-1573	10	LOCO
				2066	
14144	PITTSBURGH & LAKE ERIE RAILROAD	MORGAN GUARANTY TRUST CO PRESBYTERIAN MINISTER FUND STATE OF WISCONSIN INVESTMENT BOARD	750-799	37	GENL & BULK FLAT
			7300-7599	271	EQT BOX
			17000-17249	245	PIPE GON
			17500-17599	97	PIPE GON
			19000-19167	167	UNEQ GON UNDR 61
			19168-19416	246	UNEQ GON UNDR 61
			62000-62499	325	70-T OT HOPPER
				1388	
14147	MANUFACTURERS HANOVER TRUST CO	N/A	600-749	120	GENL & BULK FLAT
			850-869	20	70-T OT HOPPER
			1000-1024	22	GENL & BULK FLAT
			1900-1911	12	COVERED HOPPER
			7200-7299	95	EQT BOX
			18000-18249	177	UNEQ GON UNDR 61
			18250-18499	182	UNEQ GON UNDR 61
			44000-44024	24	EQT & COIL GON
			46000-46149	150	PIPE GON
			46563-46599	6	PIPE GON
			61000-61499	483	70-T OT HOPPER
			61500-61999	482	70-T OT HOPPER
			63000-63699	590	70-T OT HOPPER
			63700-64499	782	70-T OT HOPPER
			118000-118249	51	UNEQ GON UNDR 61
			142000-142249	145	EQT & COIL GON
			204000-204450	238	EQT BOX
			1534-1543	7	LOCO
			1544-1553	10	LOCO
			1554-1563	10	LOCO
			1584-1598	10	LOCO
			2034-2039	6	
			2057-2060	4	LOCO
			2800-2821	17	LOCO

CONTRACT NUMBER	OWNER/CREDITOR	INVESTORS	CAR SERIES *	NUMBER OF CARS IN SERIES AS OF 12/31/84 **	CAR TYPE
14242	MANUFACTURERS HANOVER TRUST CO	N/A	950-952	3	100T D-CTR FLAT
			975-977	3	200T D-CTR FLAT
			6900-6999	89	EQT BOX
			14000-14339	256	UNEQ GON UNDR 61
			19417-19947	527	UNEQ GON UNDR 61
			32000-32004	2	EQT BOX
			39500-39699	199	UNEQT GON
			62500-62745	204	70-T OT HOPPER
				1283	
* 14310	GENERAL ELECTRIC CREDIT CORP	STATE OF WISCONSIN INVESTMENT BOARD	47100	1	PIPE GON
			47103	1	PIPE GON
			47105-47106	2	PIPE GON
			47113-47116	4	PIPE GON
			47120	1	PIPE GON
			47131-47133	3	PIPE GON
			47137-47399	263	PIPE GON
			960-962	3	100T D-CTR FLAT
			978-980	3	200T D-CTR FLAT
				281	
14341	PITTSBURGH & LAKE ERIE RAILROAD	AETNA LIFE INSURANCE COMPANY	47000-47099	100	PIPE GON
			47101-47102	2	PIPE GON
			47104	1	PIPE GON
			47107-47112	6	PIPE GON
			47117-47119	3	PIPE GON
			47121-47130	10	PIPE GON
			47134-47136	3	PIPE GON
				125	
UNASSIGNED	MANUFACTURERS HANOVER TRUST CO	N/A	1550-1699	138	COVERED HOPPER
			6500-6899	348	EQT GON
				486	

*dennotes railcars leased (and not owned) by the Company and in respect of which the Security Trustee's only interest under the Railcar Security Agreement is a Lien in and to such leasehold interest.

CONTRACT NUMBER	OWNER/CREDITOR	INVESTORS	CAR SERIES *	NUMBER OF CARS IN SERIES AS OF 12/31/84 **	CAR TYPE
UNENCUMBERED	PITTSBURGH & LAKE ERIE RAILROAD	N/A	125-143	15	FLAT
			163	1	
			200-249	1	GENL & BULK FLAT
			445	1	
			533	1	
			1050-1099	1	GENL & BULK FLAT
			1200-1274	2	COVERED HOPPER
			1300-1549	227	COVERED HOPPER
			2000-2999	23	UNEQ GON UNDR 61
			3726	1	
			7100-7149	45	EQT BOX
			8000-8499	11	UNEQ GON UNDR 61
			9000-10499	15	
			10500-10999	6	
			11000-11499	20	UNEQ GON UNDR 61
			12000-12999	57	
			14666	1	
			15000-15099	100	UNEQ GON OVER 61
			23000-26149	34	UNEQT BOX
			32100-32200	2	EQT BOX
			32300-32399	4	EQT BOX
			36381	1	
			40374	1	
			42000-42099	23	EQT & COIL GON
			42100-42249	1	EQT & COIL GON
			42300-42449	131	EQT & COIL GON
			42500	1	EQT GON
			43258	1	
			43270-43299	7	EQT & COIL GON
			44025-44124	3	EQT & COIL GON
			44125-44274	2	EQT & COIL GON
			44375-44424	49	EQT & COIL GON
			45000-45099	2	PIPE GON
			60000-60499	1	70-T OT HOPPER
			67000-67999	32	70-T OT HOPPER
			71675	1	
			80000-80299	4	100-T OT HOPPER
			81965-81999	35	100-T OT HOPPER
			101561	1	
			101562	1	
			101573	1	
			101575	1	
			117000-117161	1	EQT & COIL GON
			118250-118499	50	UNEQ GON UNDR 61
			203500-203514	14	EQT BOX
			500-591	41	CABOOSE
			2025-2033	9	LOCO
			2040-2041	2	LOCO
				984	
			GRAND TOTAL	13897	

* THE FOLLOWING PAGES PROVIDE SPECIFIC IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

** INCLUDES AN ADJUSTMENT TO THE LOCOMOTIVE FLEET WHICH OCCURRED SUBSEQUENT TO 12/31/84. IN PARTICULAR, FIFTEEN LOCOMOTIVES FROM THE 1574-1590 SERIES WERE TRADED FOR SEVENTEEN LOCOMOTIVES WHICH HAVE BEEN NUMBERED 2025-2041.

B: ANNEX61
DISK XXVII

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS
ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
13546	39700-39815	116
	39817-39892	76
	39894-39967	74
	39969-39999	31
		297
* 13577	62746-62753	8
	62756-62854	99
	62856-62875	20
	62877-62968	92
	62970-62980	11
		230
13580	* 19948-19999	52
	46500-46562	63
		115
* 13591	62981-63098	118
13869	64500-64634	135
	64636-64812	177
	64814-64869	56
		368
14031	81500-81671	172
	81673-81779	107
		279

*dennotes railcars leased (and not owned) by the Company and in respect of which the Security Trustee's only interest under the Railcar Security Agreement is a Lien in and to such leasehold interest.

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS
ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
* 14060	80500-80536	37
	80538-80553	16
	80555-80588	34
	80590-80598	9
	80600-80752	153
	80754-80797	44
	80799-80843	45
	80845-80916	72
	80918-80982	65
	80984-81043	60
	81045-81100	56
	81102-81107	6
	81109-81148	40
	81150-81158	9
	81160-81339	180
	81341-81346	6
	81348-81349	2
		834
* 14107	51000-51599	600
* 14108	50000-50799	800

*dennotes railcars leased (and not owned) by the Company and in respect of which the Security Trustee's only interest under the Railcar Security Agreement is a Lien in and to such leasehold interest.

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBER	NUMBER OF CARS	CAR IDENTIFICATION NUMBER	NUMBER OF CARS	CAR IDENTIFICATION NUMBER	NUMBER OF CARS	CAR IDENTIFICATION NUMBER	NUMBER OF CARS
14120	450-452	3	6408-6414	7	12637	1	14490-14492	3
	1700-1716	17	6416-6436	21	12653	1	14494-14495	2
	1718-1719	2	6438-6442	5	12681	1	14497	1
	1721-1723	3	6444-6448	5	12684	1	14499-14500	2
	1726-1737	12	6450-6473	24	12709	1	14504-14505	2
	1739-1741	3	6475-6499	25	12766	1	14508-14510	3
	1743-1753	11	9004	1	12788	1	14512	1
	1755-1763	9	9058	1	12830	1	14514-14515	2
	1765	1	9202	1	12834	1	14517-14519	3
	1767-1799	33	9271	1	12835	1	14521	1
	5000-5003	4	9274	1	12850	1	14523	1
	5005-5024	20	9326	1	12954	1	14528	1
	5026-5033	8	9355	1	12971	1	14531-14534	4
	6001	1	9368	1	13143	1	14536-14537	2
	6003-6009	7	9417	1	13275	1	14539	1
	6011-6012	2	9678	1	13319	1	14541	1
	6015-6024	10	9963	1	13321	1	14543-14550	8
	6026-6032	7	9990	1	13567	1	14552-14557	6
	6034-6043	10	10023	1	13638	1	14560	1
	6045	1	10031	1	13749	1	14561-14563	2
	6047-6055	9	10066	1	13780	1	14565	1
	6058-6070	13	10135	1	13867	1	14567	1
	6072-6075	4	10200	1	13881	1	14569	1
	6077-6078	2	10217	1	13887	1	14571-14572	2
	6083-6089	7	10282	1	14340	1	14574	1
	6091-6113	23	10353	1	14342-14349	8	14576-14582	7
	6115-6121	7	10361	1	14351-14354	4	14584-14586	3
	6123-6125	3	10420	1	14356-14358	3	14588-14590	3
	6127-6129	3	10443	1	14360	1	14592	1
	6131-6152	22	10775	1	14362-14363	2	14596-14600	5
	6154	1	10794	1	14365-14368	4	14602-14610	9
	6156-6157	2	10826	1	14370	1	14612	1
	6159-6163	5	10859	1	14372-14380	9	14615-14619	5
	6165-6167	3	10944	1	14382-14387	6	14621	1
	6169-6199	31	10970	1	14389	1	14623-14625	3
	6201-6206	6	12045	1	14391-14392	2	14627	1
	6208-6213	6	12088	1	14395	1	14629-14632	4
	6215-6224	10	12093	1	14398	1	14634-14649	16
	6226-6229	4	12115	1	14400-14403	4	14651	1
	6231-6247	17	12127	1	14405	1	14653-14658	6
	6249-6270	22	12177	1	14407-14420	14	14660	1
	6273-6297	25	12185	1	14423-14437	15	14662	1
	6299-6309	11	12196	1	14440-14441	2	14664-14665	2
	6311	1	12221	1	14443-14445	3	14667-14669	3
	6313	1	12224	1	14447	1	14671	1
	6315-6329	15	12229	1	14449-14452	4	14672-14674	3
	6331-6343	13	12277	1	14454	1	14676	1
	6345-6350	6	12291	1	14458	1	14678-14681	4
	6352-6353	2	12377	1	14461-14462	2	14683-14684	2
	6356-6387	32	12437	1	14464-14466	3	14686-14690	5
	6389-6393	5	12572	1	14468	1	14692-14696	5
	6396	1	12607	1	14471-14482	12	14699-14705	7
	6398-6406	9	12626	1	14486	1	14707	1

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBER	NUMBER OF CARS	CAR IDENTIFICATION NUMBER	NUMBER OF CARS	CAR IDENTIFICATION NUMBER	NUMBER OF CARS	CAR IDENTIFICATION NUMBER	NUMBER OF CARS
14120 (CON'T.)	14711-14712	2	16209-16210	2	16429	1	32657	1
	14714	1	16214	1	16432	1	32660-32661	2
	14716-14721	6	16217-16218	2	16445	1	32664-32665	2
	14723-14726	4	16223	1	16447	1	32667-32673	7
	14728-14736	9	16225	1	16449-16452	4	32675-32680	6
	14738-14739	2	16231	1	16455	1	32682	1
	14741-14750	10	16233	1	16457	1	32684-32685	2
	14752-14758	7	16235-16236	2	16460	1	32687-32693	7
	14760	1	16240	1	16465	1	32696-32699	4
	14762-14773	12	16247	1	16468-16469	2	44300-44373	74
	14775-14779	5	16251	1	16472-16473	2	81780-81848	69
	14780-14784	5	16253	1	16475	1	81850-81893	44
	14786-14796	11	16262-16265	4	16480	1	81895-81899	5
	14798-14803	6	16271	1	16488	1	81901-81964	64
	14805-14811	7	16273-16274	2	16490	1	203000-203051	52
	14813	1	16277	1	16493	1	203053-203064	12
	14815-14817	3	16279	1	16495	1	220000-220034	35
	14821	1	16282	1	16497	1	220036-220068	33
	14824-14828	5	16284	1	16499	1	220071-220083	13
	14830	1	16287-16288	2	31437	1	220085-220087	3
	14832-14840	9	16301	1	32501-32506	6	220890-220896	7
	14843	1	16304	1	32509-32515	7	220898-220924	27
	14845	1	16310	1	32517-32525	9	1500-1501	2
	14847-14850	4	16312	1	32527-32528	2	1564-1573	10
	14852-14854	3	16314	1	32530-32531	2		
	14856-14858	3	16324	1	32533-32534	2		
	14860-14866	7	16327	1	32536-32537	2		
	14868-14872	5	16329	1	32539-32540	2		
	14874-14876	3	16334	1	32543-32544	2		
	14878	1	16336	1	32546-32551	6		
	14880	1	16341	1	32553	1		
	14882-14883	2	16343-16344	2	32555	1		
	15100-15204	105	16346	1	32557-32560	4		
	15206-15249	44	16352-16353	2	32562-32572	11		
	16000	1	16357-16358	2	32574	1		
	16002-16007	6	16360	1	32577-32579	3		
	16009-16019	11	16364	1	32581-32585	5		
	16021-16040	20	16366	1	32587-32590	4		
	16042-16054	13	16369	1	32592-32593	2		
	16056-16062	7	16371	1	32596-32598	3		
	16064-16078	15	16373	1	32600-32602	3		
	16080-16085	6	16382	1	32605-32606	2		
	16087-16096	10	16384	1	32608-32612	5		
	16098-16113	16	16386-16387	2	32615-32618	4		
	16115-16124	10	16389	1	32622	1		
	16126-16135	10	16394	1	32625-32631	7		
	16137-16138	2	16401	1	32633	1		
	16140-16190	51	16403	1	32635	1		
	16195-16196	2	16415-16416	2	32639-32642	4		
	16201-16202	2	16419	1	32644-32645	2		
	16204-16206	3	16424-16425	2	32647-32655	9		

CONTRACT 14120 - 2066 CARS

D:SERIES12
DISC XXVII

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
14144	750-757	8	17512-17531	20	62172-62173	2	62380-62381	2
	759-761	3	17533-17561	29	62175	1	62385	1
	763-764	2	17563-17599	37	62177	1	62387	1
	766-773	8	19000-19164	165	62179-62185	7	62390	1
	775-777	3	19166-19167	2	62187-62192	6	62393-62395	3
	779-780	2	19168-19256	89	62194-62195	2	62398-62399	2
	782-783	2	19258-19284	27	62197-62199	3	62401-62404	4
	785	1	19286-19290	5	62201	1	62406-62407	2
	787-789	3	19292-19416	125	62204-62207	4	62409-62413	5
	791-793	3	62002-62003	2	62209-62210	2	62415	1
	795	1	62005-62011	7	62212	1	62418-62420	3
	799	1	62013-62015	3	62214	1	62422-62423	2
	7300-7301	2	62017	1	62218-62223	6	62426-62428	3
	7303-7304	2	62019-62021	3	62225-62227	3	62430-62432	3
	7306-7320	15	62023-62025	3	62230	1	62436-62437	2
	7321-7351	31	62027-62028	2	62233-62236	4	62439-62441	3
	7353	1	62030	1	62238-62242	5	62443	1
	7355-7374	20	62032-62038	7	62245	1	62446-62449	4
	7377	1	62041	1	62247-62250	4	62451	1
	7379-7380	2	62043-62046	4	62252	1	62454-62455	2
	7382-7409	28	62048	1	62255	1	62457-62463	7
	7411-7445	35	62051-62052	2	62257-62259	3	62466-62467	2
	7447-7453	7	62054-62056	3	62261	1	62469-62470	2
	7455	1	62059	1	62263-62265	3	62473-62474	2
	7457-7462	6	62061-62062	2	62267-62270	4	62476	1
	7464-7481	18	62064	1	62272-62273	2	62478-62482	5
	7483-7490	8	62066	1	62275-62276	2	62484-62485	2
	7492-7498	7	62068	1	62279-62280	2	62487-62488	2
	7499-7501	3	62070-62072	3	62282-62284	3	62491-62492	2
	7503	1	62074	1	62287-62291	5	62494-62499	6
	7506-7511	6	62076-62077	2	62293	1		
	7513-7515	3	62079-62080	2	62295-62298	4		
	7517	1	62082-62083	2	62300-62304	5		
	7518-7531	14	62085-62088	4	62306-62307	2		
	7533-7535	3	62090-62092	3	62309-62314	6		
	7537-7540	4	62094	1	62316-62317	2		
	7542-7547	6	62096	1	62319	1		
	7549-7559	11	62099	1	62322	1		
	7560-7573	14	62101-62102	2	62324	1		
	7575-7580	6	62104-62107	4	62327	1		
	7582-7585	4	62110-62112	3	62332-62334	3		
	7589-7599	11	62117-62121	5	62336	1		
	17000-17052	53	62123-62133	11	62338	1		
	17054-17056	3	62135	1	62341-62346	6		
	17058-17086	29	62137	1	62348-62349	2		
	17088-17167	80	62139	1	62352	1		
	17169-17220	52	62142	1	62354-62359	6		
	17222-17249	28	62144	1	62361-62362	2		
	17500-17510	11	62146-62147	2	62365	1		
			62149-62150	2	62368	1		
			62154	1	62370-62371	2		
			62157-62164	8	62373	1		
			62167-62170	4	62377-62378	2		

CONTRACT 14144 - 1,388 CARS
B:SERIES11
DISK XXIV

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
14147	110012	1	142045	1	1534	1
(CON'T.)	110015	1	142051	1	1536-1538	3
	110017	1	142054	1	1541-1543	3
	110019	1	142056	1	1544-1553	10
	110021-110022	2	142060	1	1554-1563	10
	110030	1	142077	1	1585-1586	2
	110035	1	142080	1	1589-1595	7
	110038	1	142083	1	1597	1
	110050	1	142085	1	2057-2060	4
	110055	1	142087-142090	4	2001-2005	5
	110057	1	142092	1	2007-2013	7
	110065	1	142097	1	2015	1
	110067	1	142101-142105	5	2017-2020	4
	110075	1	142107	1		
	110078	1	142109	2		
	110083-110084	2	142111	2		
	110086	1	142113-142117	5		
	110088	1	142120-142123	4		
	118101	1	142125-142130	6		
	118103	1	142132-142133	2		
	118113	1	142135-142136	2		
	118118	1	142139-142152	14		
	118130-118132	3	142154-142162	9		
	118138	1	142164-142165	2		
	118141	1	142167	1		
	118153	1	142169-142170	2		
	118155	1	142172	1		
	118158	1	142174-142187	14		
	118162	1	142189-142190	2		
	118176	1	142192	1		
	118183-118184	2	142194	1		
	118189	1	142196-142200	5		
	118197	1	142202-142205	4		
	118204-118205	2	142207-142212	6		
	118213-118215	3	142214	1		
	118219	1	142216-142219	4		
	118221	1	142221	1		
	118227	1	142223	1		
	118230	1	142225-142229	5		
	118234	1	142231-142241	11		
	118238	1	142243-142245	3		
	118243	1	142249	1		
	118246	1	204000-204099	100		
	142001-142002	2	204200-204205	6		
	142005	1	204208-204216	9		
	142015-142016	2	204218-204231	14		
	142017	1	204233-204242	10		
	142024-142025	2	204244-204322	79		
	142033	1	204323-204326	4		
	142035-142036	2	204327-204340	14		
	142039	1	204344	1		
	142041-142042	2	204352	1		

CONTRACT 14147 - 3643 CARS
DISCONTINUED
DISC XXVII

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
14147	600	1	10085	1	10313-10324	12	61343-61346	4
	603	1	10089-10090	2	10326-10331	6	61348-61370	23
	605-606	2	10092-10100	9	10334-10335	2	61372-61379	8
	608-611	4	10102	1	10337	1	61381-61446	66
	613-614	2	10104-10105	2	10340-10343	4	61448-61499	52
	617-634	18	10107	1	10347-10351	5	61500-61506	7
	636	1	10109-10111	3	10353	1	61508-61516	9
	638	1	10114-10115	2	10355-10359	5	61518-61519	2
	640-646	7	10117	1	10361	1	61521-61576	56
	649	1	10119-10125	7	10364-10367	4	61578-61597	20
	651	1	10127-10129	3	10370-10377	8	61599-61626	28
	653-660	8	10133	1	10379-10383	5	61628-61694	67
	662-665	4	10135	1	10385	1	61696-61754	59
	668-671	4	10137	1	10386	1	61756-61824	69
	673-686	14	10140	1	10388-10391	4	61826	1
	689-692	4	10142	1	10393-10399	7	61828-61844	17
	696-698	3	10144-10145	2	10402-10403	2	61847-61877	31
	700-706	7	10147-10152	6	10406-10412	7	61880-61894	15
	708-714	7	10154	1	10414-10416	3	61896-61924	29
	716-720	5	10156-10157	2	10418-10420	3	61926-61963	38
	723-725	3	10159-10161	3	10422	1	61965-61982	18
	727-736	10	10163-10172	10	10424	1	61984-61999	16
	738-749	12	10174-10175	2	10426	1	63099-63169	71
	850-869	20	10177	1	10428-10433	6	63171-63184	14
	1000	1	10179-10180	2	10437-10440	4	63186-63253	68
	1002-1010	9	10182	1	10442-10445	4	63255-63304	50
	1012-1021	10	10185-10188	4	10447-10449	3	63306-63307	2
	1023-1024	2	10190-10192	3	10452-10460	9	63309-63336	28
	1900-1911	12	10194-10196	3	10462-10471	10	63338-63376	39
	7200-7206	7	10198-10202	5	10473-10480	8	63378-63450	73
	7208-7214	7	10206-10212	7	10482	1	63452-63492	41
	7215-7251	37	10216-10218	3	10484-10492	9	63494-63536	43
	7253-7260	8	10220	1	10494-10496	3	63538-63539	2
	7262-7277	16	10222	1	10499	1	63541-63699	159
	7279-7294	16	10224-10226	3	44000-44003	4	63700-63724	25
	7296-7299	4	10228	1	44005-44024	20	63726-63735	10
	10000-10011	12	10231-10233	3	46000-46149	150	63737-63781	45
	10014	1	10235-10237	3	46572	1	63783-63824	42
	10016	1	10239-10242	4	46578-46579	2	63826-63842	17
	10018	1	10244-10245	2	46586	1	63844-63952	109
	10020	1	10247-10249	3	46594	1	63954-63958	5
	10023-10029	7	10251	1	46597	1	63960-64078	119
	10031-10034	4	10253-10254	2	61000-61002	3	64080-64093	14
	10036-10037	2	10257	1	61004-61011	8	64095-64102	8
	10039-10049	11	10259-10262	4	61013-61019	7	64104-64138	35
	10051-10054	4	10264-10267	4	61021-61118	98	64140-64186	47
	10056	1	10269	1	61120-61164	45	64188-64287	100
	10058-10064	7	10271-10274	4	61166-61183	18	64289-64294	6
	10066	1	10276-10277	2	61185-61215	31	64296-64392	97
	10068-10070	3	10279-10281	3	61217-61239	23	64394-64417	24
	10072	1	10284-10288	5	61241-61265	25	64419-64434	16
	10074	1	10291	1	61267-61281	15	64436-64461	26
	10076-10077	2	10299-10304	6	61283-61289	7	64463-64499	37
	10079-10082	4	10307-10311	5	61292-61341	50		

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
14242	950-952	3	14247-14254	8	62654-62667	14
	975-977	3	14256-14258	3	62669-62677	9
	6901-6910	10	14262-14264	3	62679	1
	6912-6913	2	14266-14267	2	62681-62688	8
	6916-6936	21	14269-14270	2	62690	1
	6938-6960	23	14272-14278	7	62692-62695	4
	6962-6971	10	14281	1	62697-62701	5
	6974-6979	6	14283	1	62703-62711	9
	6981-6986	6	14285	1	62713-62731	19
	6988-6994	7	14287-14291	5	62734-62739	6
	6996-6999	4	14293-14295	3	62742-62745	4
	14000-14003	4	14298-14303	6		
	14007	1	14305	1		
	14010	1	14307-14318	12		
	14013-14028	16	14323-14327	5		
	14031	1	14329-14332	4		
	14033-14035	3	14334	1		
	14037-14042	6	14336-14337	2		
	14044-14055	12	14339	1		
	14058-14059	2	19417-19684	268		
	14061-14062	2	19686-19819	134		
	14064	1	19821-19842	22		
	14066	1	19844-19898	55		
	14069-14075	7	19900-19921	22		
	14077-14080	4	19922-19947	26		
	14082	1	32044	1		
	14084-14087	4	32056	1		
	14089	1	39500-39612	113		
	14091-14092	2	39614-39699	86		
	14094-14100	7	62501-62503	3		
	14102-14109	8	62505-62506	2		
	14111-14131	21	62508-62509	2		
	14133-14135	3	62511-62514	4		
	14137-14141	5	62517-62519	3		
	14143-14147	5	62521-62523	3		
	14149-14151	3	62525-62532	8		
	14156-14159	4	62534-62537	4		
	14162	1	62539-62540	2		
	14164-14168	5	62542	1		
	14170-14173	4	62544-62558	15		
	14175-14176	2	62560-62566	7		
	14178-14180	3	62569-62574	6		
	14182-14183	2	62577-62590	14		
	14185-14191	7	62592	1		
	14193-14196	4	62594-62604	11		
	14198	1	62606-62610	5		
	14201-14206	6	62612-62619	8		
	14209-14212	4	62621-62624	4		
	14214-14221	8	62627-62631	5		
	14223	1	62633	1		
	14226-14233	8	62635-62636	2		
	14235-14238	4	62638-62641	4		
	14242	1	62643-62650	8		
	14244-14245	2	62652	1		

CONTRACT 14242 - 1,283 CARS
B:SERIES10

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
* 14310	47100	1				
	47103	1				
	47105-47106	2				
	47113-47116	4				
	47120	1				
	47131	1				
	47132-47133	2				
	47137-47399	263				
	960-962	3				
	978-980	3				
		281				
14341	47000-47099	100				
	47101-47102	2				
	47104	1				
	47107-47112	6				
	47117-47119	3				
	47121-47130	10				
	47134-47136	3				
		125				
UNASSIGNED	1550-1553	4	6579-6580	2	6845-6851	7
	1556-1582	27	6581-6600	20	6853-6854	2
	1584-1587	4	6602-6627	26	6856-6861	6
	1589-1598	10	6629	1	6864-6865	2
	1600-1604	5	6631-6636	6	6867-6869	3
	1606-1610	5	6638-6640	3	6871	1
	1612-1626	15	6642-6671	30	6873-6875	3
	1628-1629	2	6673	1	6878-6881	4
	1631-1637	7	6675-6682	8	6883-6889	7
	1639-1661	23	6684-6696	13	6891-6899	9
	1663-1681	19	6698-6699	2		
	1683-1699	17	6701-6714	14		
	6500-6509	10	6716-6733	18		
	6511	1	6735-6750	16		
	6513-6515	3	6752-6753	2		
	6518-6523	6	6755-6756	2		
	6525	1	6758-6759	2		
	6527-6529	3	6761-6789	29		
	6531-6544	14	6792	1		
	6546-6553	8	6795-6796	2		
	6555-6562	8	6798-6804	7		
	6565-6570	6	6806-6810	5		
	6572	1	6812-6813	2		
	6574-6575	2	6815-6822	8		
	6576	1	6824-6830	7		
	6577	1	6832-6843	12		

UNASSIGNED CONTRACT - 486 CARS
B+SERIES
DISK XXVII

*dennotes railcars leased (and not owned) by the Company and in respect of which the Security Trustee's only interest under the Railcar Security Agreement is a Lien in and to such leasehold interest.

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS ENCUMBERED BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
UNENCUMBERED	125	1	7100-7105	6	11408	1	12992	1
	130-143	14	7107-7123	17	12021	1	12993	1
	163	1	7126-7129	4	12037	1	14666	1
	200	1	7131	1	12052	1	15000-15099	100
	445	1	7133-7149	17	12057	1	23074	1
	533	1	8007	1	12058	1	23091	1
	1050	1	8012	1	12065	1	23206	1
	1251	1	8023	1	12102	1	23258	1
	1260	1	8024	1	12110	1	23375	1
	1300-1308	9	8025	1	12112	1	23401	1
	1310-1316	7	8046	1	12124	1	23426	1
	1318-1334	17	8054	1	12145	1	23539	1
	1336-1353	18	8113	1	12149	1	23557	1
	1355-1358	4	8232	1	12159	1	23699	1
	1360-1361	2	8299	1	12193	1	23713	1
	1362	1	8390	1	12259	1	23706	1
	1363-1370	8	9073	1	12279	1	23830	1
	1372-1380	9	9437	1	12288	1	23957	1
	1382-1386	5	9443	1	12297	1	23977	1
	1388-1389	2	9483	1	12298	1	24034	1
	1391-1398	8	9713	1	12313	1	24180	1
	1400-1409	10	9761	1	12352	1	24540	1
	1411-1439	29	9953	1	12353	1	24835	1
	1441-1442	2	10022	1	12450	1	24844	1
	1444-1453	10	10218	1	12455	1	24852	1
	1455-1459	5	10220	1	12471	1	24911	1
	1461-1464	4	10254	1	12472	1	25196	1
	1466-1478	13	10389	1	12474	1	25399	1
	1480-1485	6	10412	1	12494	1	25411	1
	1487-1508	22	10426	1	12498	1	25574	1
	1510-1530	21	10445	1	12513	1	25633	1
	1535-1549	15	10545	1	12514	1	25872	1
	2011	1	10675	1	12524	1	25924	1
	2057	1	10681	1	12551	1	25931	1
	2154	1	10749	1	12554	1	26021	1
	2228	1	10846	1	12659	1	26036	1
	2250	1	10931	1	12706	1	26056	1
	2259	1	11000	1	12731	1	26119	1
	2345	1	11004	1	12732	1	32117	1
	2382	1	11034	1	12749	1	32125	1
	2421	1	11036	1	12756	1	32326	1
	2442	1	11045	1	12785	1	32344	1
	2484	1	11079	1	12786	1	32361	1
	2488	1	11088	1	12000	1	32373	1
	2548	1	11120	1	12007	1	36381	1
	2656	1	11135	1	12017	1	40374	1
	2660	1	11142	1	12026	1	42003	1
	2682	1	11183	1	12043	1	42006	1
	2767	1	11189	1	12045	1	42008-42009	2
	2779	1	11211	1	12903	1	42012-42013	2
	2810	1	11227	1	12914	1	42018	1
	2817	1	11330	1	12943	1	42021	1
	2967	1	11372	1	12959	1	42027	1
	2978	1	11409	1	12970	1	42029	1
	2980	1	11457	1	12987	1	42034	1
	3766	1	11476	1	12989	1	42037	1

IDENTIFICATION OF INDIVIDUAL CAR NUMBERS BY AGREEMENT

CONTRACT NO.	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS
UNENCUMBERED (CON'T.)	42046	1	67265	1	118352	1
	42057	1	67290	1	118354	1
	42068-42071	4	67298	1	118363	1
	42073	1	67309	1	118368	1
	42084	1	67314	1	118378	1
	42095-42096	2	67375	1	118387	1
	42099	1	67394	1	118392	1
	42110	1	67410	1	118400-118401	2
	42300-42305	6	67417	1	118405	1
	42307-42314	8	67434	1	118417	1
	42316-42319	4	67471	1	118421	1
	42321-42326	6	67483	1	118425	1
	42328-42335	8	67525	1	118434	1
	42337-42339	3	67540	1	118436	1
	42341	1	67647	1	118441	1
	42343-42354	12	67668	1	118446	1
	42356-42374	19	67737	1	118450	1
	42377-42379	3	67741	1	118461	1
	42381-42395	15	67756	1	118472	1
	42397-42403	7	67760	1	118493	1
	42405-42410	6	67840	1	118497-118498	2
	42413-42421	9	67882	1	203500	1
	42423-42428	6	67886	1	203502-203514	13
	42430-42437	8	67969	1	2025-2033	9
	42439-42443	5	71675	1	2040-2041	2
	42445-42449	5	80007	1	500-503	4
	42500	1	80131	1	505	1
	43258	1	80224	1	507	1
	43271-43272	2	80299	1	510-511	2
	43278	1	81965-81999	35	513-514	2
	43283	1	101561	1	516	1
	43288	1	101562	1	518-519	2
	43292	1	101573	1	530-532	3
	43298	1	101575	1	550-569	20
	44025	1	117000	1	587-591	5
	44035	1	118252	1		
	44058	1	118255	1		
	44155	1	118256	1		
	44257	1	118258	1		
	44375-44382	8	118263	1		
	44384-44424	41	118268	1		
	45012	1	118275	1		
	45018	1	118278	1		
	60000	1	118282	1		
	67008	1	118289	1		
	67054	1	118290	1		
	67061	1	118292-118298	7		
	67084	1	118306	1		
	67125	1	118325	1		
	67130	1	118332-118333	2		
	67186	1	118338-118339	2		
	67255	1	118344-118346	3		

UNENCUMBERED - 984 CARS

B:SERIESUN

CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING
163	1
445	1
533	1
1251	1
1360	1
1362	1
1366	1
2011	1
2057	1
2154	1
2228	1
2250	1
2259	1
2345	1
2382	1
2421	1
2442	1
2484	1
2488	1
2548	1
2656	1
2660	1
2682	1
2767	1
2779	1
2810	1
2817	1
2967	1
2978	1
2980	1
3726	1
5000-5003	4
5005-5024	20
5026-5033	8
6017	1
6019	1
6021	1
6030	1
6032	1
6037	1
6049	1
6052	1
6083	1
6097	1
6115	1
6210	1
6212	1
6228	1
6269	1
6307	1
6340	1
	80

CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING
6379	1
6405	1
6418-6419	2
6428	1
6435	1
6440	1
6465	1
6475	1
6477	1
6482	1
6484	1
6500	1
6542	1
6558	1
6568	1
6584	1
6612	1
6662	1
6694	1
6719	1
6730	1
6750	1
6771	1
6778	1
6786	1
6792	1
6800	1
6820	1
6848	1
6873	1
6881	1
6891	1
6897	1
7100-7105	6
7107-7123	17
7126-7129	4
7131	1
7133-7149	17
7200-7206	7
7208-7214	7
7215-7251	37
7253-7260	8
7262-7277	16
7279-7294	16
7296-7299	4
7301	1
7311	1
7316-7318	3
7320-7322	3
7333	1
	183

CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING
7336-7338	3
7340	1
7345-7347	3
7359	1
7379-7380	2
7382	1
7389	1
7393	1
7395	1
7397	1
7403-7405	3
7412-7413	2
7415	1
7417-7418	2
7421	1
7423-7424	2
7426-7427	2
7431-7432	2
7436	1
7451-7452	2
7458	1
7465-7466	2
7468	1
7471	1
7474-7475	2
7477	1
7481	1
7484	1
7486-7488	3
7498	1
7500-7501	2
7503	1
7509	1
7518	1
7520	1
7522-7523	2
7540	1
7542-7544	3
7547	1
7549	1
7553	1
7556	1
7558-7559	2
7563	1
7565	1
7568-7569	2
7571	1
7590	1
7594	1
7596	1
7599	1
8007	1
8012	1
8023	1
	77

CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING
8024-8025	2
8046	1
8054	1
8113	1
8232	1
8299	1
8390	1
9004	1
9058	1
9073	1
9202	1
9271	1
9274	1
9326	1
9355	1
9368	1
9417	1
9437	1
9443	1
9483	1
9678	1
9713	1
9761	1
9953	1
9963	1
9990	1
10022-10023	2
10031	1
10066	1
10135	1
10200	1
10217-10218	2
10220	1
10254	1
10282	1
10353	1
10361	1
10389	1
10412	1
10420	1
10426	1
10443	1
10445	1
10545	1
10675	1
10681	1
10749	1
10775	1
10794	1
10826	1
	53

PAGE TOTAL 393

CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING
10846	1	12208	1	12909	1	14226-14233	8
10859	1	12291	1	12992-12993	2	14235-14238	4
10931	1	12297-12298	2	13143	1	14242	1
10944	1	12313	1	13275	1	14244-14245	2
10970	1	12352	1	13319	1	14247-14254	8
11000	1	12353	1	13321	1	14256-14258	3
11004	1	12377	1	13567	1	14262-14264	3
11034	1	12437	1	13638	1	14266-14267	2
11046	1	12450	1	13749	1	14269-14270	2
11045	1	12455	1	13700	1	14272-14278	7
11079	1	12471	1	13867	1	14281	1
11008	1	12472	1	13081	1	14283	1
11120	1	12474	1	13087	1	14285	1
11135	1	12494	1	14000-14003	4	14287-14291	5
11142	1	12498	1	14007	1	14293-14295	3
11103	1	12513-12514	2	14010	1	14298-14303	6
11109	1	12524	1	14013-14028	16	14305	1
11211	1	12551	1	14031	1	14307-14318	12
11227	1	12554	1	14033-14035	3	14323-14327	5
11330	1	12572	1	14037-14042	6	14329-14332	4
11372	1	12607	1	14044-14055	12	14334	1
11409	1	12626	1	14058-14059	2	14336-14337	2
11457	1	12637	1	14061-14062	2	14339-14340	2
11476	1	12653	1	14064	1	14342	1
11488	1	12659	1	14066	1	14351	1
12021	1	12681	1	14069-14075	7	14420	1
12037	1	12684	1	14077-14080	4	14441	1
12045	1	12706	1	14082	1	14451	1
12052	1	12709	1	14084-14087	4	14508	1
12057-12058	2	12731-12732	2	14089	1	14553	1
12065	1	12749	1	14091-14092	2	14839	1
12088	1	12756	1	14094-14100	7	18009	1
12093	1	12766	1	14102-14109	8	18064	1
12102	1	12785-12786	2	14111-14131	21	18079	1
12110	1	12708	1	14133-14135	3	18135	1
12112	1	12800	1	14137-14141	5	18147-18148	2
12115	1	12807	1	14143-14147	5	18154	1
12124	1	12817	1	14149-14151	3	18168	1
12127	1	12826	1	14156-14159	4	18171	1
12145	1	12830	1	14162	1	18187	1
12149	1	12834-12835	2	14164-14168	5	18202	1
12159	1	12843	1	14170-14173	4	18235	1
12177	1	12845	1	14175-14176	2	18257	1
12185	1	12850	1	14178-14180	3	18269	1
12193	1	12903	1	14182-14183	2	18274	1
12196	1	12914	1	14185-14191	7	18277	1
12221	1	12943	1	14193-14196	4	18335	1
12224	1	12954	1	14198	1	18379	1
12229	1	12959	1	14201-14206	6	18424	1
12259	1	12970	1	14209-14212	4	18452	1
12277	1	12971	1	14214-14221	8	18457	1
12279	1	12987	1	14223	1	18470	1
	53		57		107		114

PAGE TOTAL 411

CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING	CAR IDENTIFICATION NUMBERS	NUMBER OF CARS APPROVED FOR SCRAPPING
18478	1	32546	1	40374	1	67040	1
18485	1	32551	1	43250	1	67082	1
18495	1	32553	1	43271-43272	2	67086	1
23074	1	32557	1	43278	1	67069	1
23091	1	32564	1	43283	1	71675	1
23206	1	32582	1	43288	1	101561	1
23258	1	32584	1	43292	1	101562	1
23375	1	32596	1	43298	1	101573	1
23401	1	32598	1	45012	1	101575	1
23426	1	32600	1	45018	1	203000-203051	52
23539	1	32602	1	61000-61002	3	203053-203064	12
23557	1	32612	1	61004-61011	8	203500	1
23699	1	32616	1	61013-61019	7	203502-203514	13
23713	1	32623	1	61021-61118	98	204000-204099	100
23786	1	32633	1	61120-61164	45	204200-204205	6
23830	1	32635	1	61166-61183	18	204208-204216	9
23957	1	32639	1	61185-61215	31	204218-204231	14
23977	1	32642	1	61217-61239	23	204233-204242	10
24034	1	32644	1	61241-61265	25	204244-204322	79
24180	1	32652-32653	2	61267-61281	15	204323-204326	4
24540	1	32655	1	61283-61289	7	204327-204340	14
24835	1	32660	1	61292-61341	50	204344	1
24844	1	32668	1	61343-61346	4	204352	1
24852	1	32670-32671	2	61348-61370	23	220800-220834	35
24911	1	32676-32680	5	61372-61379	8	220836-220868	33
25196	1	32684	1	61381-61446	66	220871-220883	13
25399	1	32688	1	61448-61499	52	220885-220887	3
25411	1	32690-32691	2	67008	1	220890-220896	7
25574	1	32696	1	67054	1	220898-220924	27
25633	1	32699	1	67061	1		
25072	1	36381	1	67084	1		
25924	1	39500	1	67125	1		
25931	1	39514-39515	2	67130	1		
26021	1	39518-39519	2	67186	1		
26036	1	39520	1	67255	1		
26056	1	39530	1	67265	1		
26119	1	39544	1	67290	1		
31437	1	39570	1	67298	1		
32044	1	39596	1	67309	1		
32056	1	39620	1	67314	1		
32117	1	39704	1	67375	1		
32125	1	39712	1	67384	1		
32326	1	39719	1	67410	1		
32344	1	39759	1	67417	1		
32361	1	39775	1	67434	1		
32373	1	39861-39862	2	67471	1		
32501	1	39869	1	67483	1		
32504-32505	2	39921	1	67525	1		
32509-32511	3	39923	1	67540	1		
32513-32514	2	39927	1	67647	1		
32519	1	39932	1	67668	1		
32521	1	39936	1	67737	1		
32524	1	39952	1	67741	1		
32527-32528	2	39960	1	67756	1		
32533-32534	2	39990	1	67760	1		
	61		65		522		443

Exhibit X to Railcar Security Agreement

MASTER AGREEMENT
REGARDING THE RESTRUCTURING
OF OBLIGATIONS OF
THE PITTSBURGH AND LAKE ERIE
RAILROAD COMPANY

Dated as of May 1, 1985

TABLE OF CONTENTS

This Table of Contents is included for convenience of reference only and does not constitute a part of this Agreement.

		Page
BACKGROUND		1
AGREEMENT		
ARTICLE 1.	DEFINITIONS	2
ARTICLE 2.	DECLARATION OF TRUST	2
ARTICLE 3.	THE CERTIFICATES OF INTEREST	3
3.1	Issuance and Effect of the Certificates of Interest	3
3.2	Distribution Percentages of Certificates of Interest	5
3.3	Registration of Certificates of Interest	5
3.4	Exchange of Certificates of Interest	5
3.5	Transfer of Certificates of Interest	6
3.6	Changes in Principal Amount	7
3.7	General Rules	8
3.8	Valid Obligations	8
3.9	Execution and Delivery	8
3.10	Replacement of Certificates of Interest	8
3.11	Cancellation of Certificates of Interest	8
ARTICLE 4.	OVERRIDE	9
4.1	Waiver of Default and Override	9
4.2	Termination of Waivers and Override	9
ARTICLE 5.	REPRESENTATIONS AND WARRANTIES	11
5.1	Subsidiaries; Affiliates; Securities	11
5.2	Corporate Organization and Authority	12
5.3	Indebtedness	12
5.4	Financial Statements	13
5.5	Full Disclosure	13
5.6	Litigation	14
5.7	Title to Property	14
5.8	Railcars	15
5.9	Patents, Trademarks, Franchises, Agreements, etc.	15
5.10	Authority; Conflicts	15
5.11	*No Defaults*	16
5.12	Consents	16

TABLE OF CONTENTS (Cont.)

		Page
ARTICLE 5.	REPRESENTATIONS AND WARRANTIES (Cont.)	
5.13	Taxes	17
5.14	Private Offering	17
5.15	Compliance with Law	17
5.16	Restrictions	17
5.17	Employee Benefit Plans	18
5.18	Location of Chief Executive Office and Property	18
5.19	Priority	18
5.20	Bona Fide Accounts	19
5.21	Pledged Stock	19
5.22	Investment Company Act	20
5.23	Trademarks and Patents	20
5.24	Indemnification Obligations	20
5.25	Creditors' Trust Account	20
ARTICLE 6.	CLOSING CONDITIONS	20
6.1	Opinions of Counsel	21
6.2	Representations and Warranties True; No Prohibited Action	22
6.3	Compliance with New Financing Agreements and Other Documents	22
6.4	Certificates of Officers	22
6.5	Proceedings Satisfactory	22
6.6	Payment of Expenses	22
6.7	Collateral	23
6.8	Guaranty Collateral	23
6.9	Pledge of Stock and Partnership Interests	24
6.10	Preferred Stock	24
6.11	Common Stock	24
6.12	GECC Agreements	25
6.13	Tax Sharing Agreement	25
6.14	Subordination of Beloit and PLECO Debt	25
6.15	Intercreditor Agreement	25
6.16	ICC and PUC Approval	26
6.17	Filings; Recordings	26
6.18	Assurance of Title	26
6.19	Payments	26
6.20	Pending Asset Dispositions	26
6.21	Single Investor Lease Amendments	27
6.22	Lease Conversion	27

TABLE OF CONTENTS (Cont.)

		Page
ARTICLE 7.	ISSUANCE OF PREFERRED STOCK AND PAYMENTS OF OBLIGATIONS	27
7.1	Issuance of Preferred Stock on Closing Date to Creditors and GECC Creditors' Agents	27
7.2	Issuance of Preferred Stock by the Company to the Single Investor Lessors	27
7.3	Compounding Preferred Stock	27
7.4	Delayed Issuance of Preferred Stock	29
7.5	Preferred Certificates in Lieu of Preferred Stock	29
7.6	Minimum Required Payments	31
7.7	Adjusted Cash Flow Acceleration Payments	31
7.8	Excess Cash Payments	34
7.9	Asset Disposition Payments	35
7.10	Aggregate Cumulative Payment	37
7.11	Payment of Principal and Interest	37
7.12	Extension of Maturity — Conditions Precedent	39
7.13	Extension of Maturity — Terms	40
7.14	Extension of Maturity — Certificates of Interest	42
7.15	Redemption of Preferred Stock	43
7.16	Dividends on Preferred Stock	44
7.17	Distribution and Application of Moneys	44
7.18	Method of Payment; Identification	47
7.19	Credit on Payment Obligations	47
7.20	Power of Sale	47
7.21	Assignment of Power of Sale	49
7.22	One-Year Maturity	49
ARTICLE 8.	EVIDENCE OF RIGHTS OF HOLDERS	50
8.1	Execution by Holders or Agents	50
8.2	Proof of Execution	50
8.3	Future Holders Bound	50
ARTICLE 9.	DEFAULTS—REMEDIES	51
9.1	Nature of Events	51
9.2	Payment Upon Default	53
9.3	Annulment of Payment Order	53
9.4	Default Remedies	54
9.5	Enforcement of Rights by the Security Trustee	58

TABLE OF CONTENTS (Cont.)

		Page
ARTICLE 9.	DEFAULTS—REMEDIES (Cont.)	
9.6	Effect of Sale, etc.	59
9.7	Delay or Omission; No Waiver	59
9.8	Limitation on Waiver of Default	59
9.9	Restoration of Rights and Remedies	60
9.10	Application of Proceeds	60
9.11	Limitations on Suits	61
9.12	Undertakings	62
9.13	Waivers by the Company, PLECO and Subsidiaries	62
ARTICLE 10.	BUSINESS COVENANTS	62
10.1	Payment of Taxes and Claims	62
10.2	Maintenance of Properties and Existence	63
10.3	Payment of Amounts Due and Maintenance of Office	66
10.4	Merger and Consolidation	67
10.5	Liens and Encumbrances	67
10.6	Restricted Investments	69
10.7	Distributions	69
10.8	ERISA and Plan Compliance	69
10.9	Transactions with Affiliates	70
10.10	Acquisition of Certificates of Interest	70
10.11	Disposal of Shares of a Subsidiary	70
10.12	Leases	70
10.13	Debt	71
10.14	Guaranties	71
10.15	Line of Business	71
10.16	Railcar Identification	71
10.17	ICC and PUC Approval	72
10.18	After-Acquired Property	72
10.19	Capital Expenditures	73
10.20	Tax-Sharing Agreement	73
10.21	Further Assurances	73
10.22	Performance by Security Trustee of Company's Obligations	74
10.23	Notification Obligations	74
10.24	Limitations on Modifications of Accounts, Contracts, and General Intangibles	74
10.25	Indemnification	74
ARTICLE 11.	DISPOSITION OF COLLATERAL	77
11.1	Disposition Restricted	77
11.2	Railcars - Sale	77
11.3	Railcars - Lease	79

TABLE OF CONTENTS (Cont.)

		Page
ARTICLE 11.	DISPOSITION OF COLLATERAL (Cont.)	
11.4	Non-Railcar Tangible Assets and Other Tangible Assets	81
11.5	Notes and Receivables	82
11.6	Other Dispositions	83
11.7	Terms of Agreement	83
11.8	Pending Sales	84
11.9	Single Investor Lease	84
ARTICLE 12.	INFORMATION	84
12.1	Financial and Business Information	84
12.2	Certificates of Officers	87
12.3	Accountants' Certificates	88
12.4	Inspection	88
ARTICLE 13.	THE SECURITY TRUSTEE	89
13.1	Acceptance of Trust; Security Trustee's Rights to Compensation and Indemnification	89
13.2	Written Request	89
13.3	Investment of Moneys Received; Transactions with the Company and its Affiliates	89
13.4	Resignation of the Security Trustee	90
13.5	Removal of the Security Trustee	91
13.6	Successor Security Trustee	91
13.7	Conveyance upon Request of Successor Security Trustee	91
13.8	Acceptance of Appointment by Successor Security Trustee	91
13.9	Co-Trustees and Additional Trustees	92
13.10	Maintenance of Office	92
13.11	Accounting	92
13.12	Intercreditor Agreement	93
ARTICLE 14.	SUPPLEMENTAL AGREEMENTS; WAIVERS	93
14.1	Supplemental Agreements Without Consent	93
14.2	Waivers and Consents; Supplemental Agreement	94
14.3	Solicitation of Holders of Certificates of Interest	95
14.4	Effect of Supplemental Agreement	95
14.5	New Certificates of Interest and Preferred Certificates	96
14.6	Attorney-in-Fact	96

TABLE OF CONTENTS (Cont.)

		Page
ARTICLE 15.	DEFEASANCE; UNCLAIMED MONEYS	96
15.1	Satisfaction and Discharge of Agreement	96
15.2	Return of Unclaimed Money	96
ARTICLE 16.	MISCELLANEOUS	97
16.1	Expenses	97
16.2	Successors and Assigns	98
16.3	Partial Invalidity	98
16.4	Notices	98
16.5	Counterparts	98
16.6	Interpretation	98
16.7	Amendments	99
16.8	Effective Date	99
16.9	Benefits of Agreement Restricted	99
16.10	Waiver of Notice	99
16.11	Payment on Non-Business Days	99
16.12	Prejudgment Remedies	99
16.13	Directly or Indirectly	99
16.14	Accounting Principles	99
16.15	Set-Offs	100
16.16	Trust Term	100
16.17	Security Trustee's Appointment as Attorney-in-fact	101
16.18	Preferred Stock Schedule	102
16.19	Immunity of Stockholders, Officers and Directors	103
16.20	Instructions to Trustees	103
16.21	Intercreditor Agreement	103
16.22	Entire Agreement	103
16.23	CBT Reports	103

Annex 1	Definitions
Annex 2	Aggregate Amount of Obligations; Number, Type and Denominations of Certificates of Interest; Rate of Interest; Distribution Percentages; Creditors; Creditors' Agents; Single Investor Claims
Annex 3	List of Affiliates and Subsidiaries; Investments; Securities; Other Debt; Other Debt Defaults
Annex 4	Litigation
Annex 5	Interests in Property
Annex 6	Railcars
Annex 6A	Railcars Subject to Tax Benefit Transfer Agreements
Annex 7	Deferred Interest
Annex 7A	Deferred Rental Interest
Annex 8	Beloit/PLECO Debt
Annex 9	Old Financing Agreements
Annex 10	Railcar Dispositions
Annex 11	Railcars Subject to Pending Transactions
Annex 12	Employee Benefit Plans

TABLE OF CONTENTS (Cont.)

Annex 13	Filings in Government Offices
Annex 14	Guaranties
Exhibit A-1	Form of Assignment Agreement
Exhibit A-2	Form of Assignment Agreement
Exhibit A-3	Form of Assignment Agreement
Exhibit A-4	Form of Certificate of Interest
Exhibit B-1	Form of Closing Opinion from Counsel to PLECO, the Company and the Company's Subsidiaries
Exhibit B-2	Form of Closing Opinion from General Counsel of Beloit
Exhibit B-3	Form of ICC Counsel's Closing Opinion
Exhibit B-4	Form of Closing Opinion from General Counsel to the Company
Exhibit B-5	Form of Closing Opinion of Pennsylvania Counsel to the Company
Exhibit B-6	Form of Closing Opinion of Ohio Counsel to the Company
Exhibit B-7	Form of Closing Opinion from Counsel to GECC and Counsel to J. P. Morgan
Exhibit B-8	Form of Closing Opinion of Counsel to CBT
Exhibit B-9	Form of Closing Opinion of Counsel to the Security Trustee
Exhibit C	Form of Closing Opinion from General Counsel to PLECO
Exhibit D-1	Form of Certificate of Company's Secretary
Exhibit D-2	Form of Certificate of PLECO's Secretary
Exhibit D-3	Form of Certificate of Company's Subsidiaries' Secretaries
Exhibit D-4	Form of Certificate of Beloit's Secretary
Exhibit E	Security Agreement
Exhibit F	Railcar Security Agreement
Exhibit G-1	Form of Pennsylvania Mortgage
Exhibit G-2	Form of Ohio Mortgage
Exhibit H-1	Guaranty Agreement
Exhibit H-2	Guaranty Agreement
Exhibit I-1	Guaranty Security Agreement
Exhibit I-2	Guaranty Security Agreement
Exhibit J-1	Form of Officer's Certificate
Exhibit J-2	Form of Officer's Certificate
Exhibit K-1	Form of Pennsylvania Guaranty Mortgage
Exhibit K-2	Form of Ohio Guaranty Mortgage
Exhibit L	Pledge Agreement
Exhibit M-1	Guaranty Pledge Agreement
Exhibit M-2	Guaranty Pledge Agreement
Exhibit N	Preferred Stock Provisions
Exhibit O-1	GECC Amendment
Exhibit O-2	GECC Amendment
Exhibit O-3	GECC Amendment
Exhibit O-4	GECC Amendment
Exhibit P	GECC Subordination Agreement
Exhibit Q	Tax Sharing Agreement
Exhibit R-1	Beloit Subordination Agreement
Exhibit R-2	PLECO Subordination Agreement
Exhibit S	Intercreditor Agreement

TABLE OF CONTENTS (Cont.)

Exhibit T-1	Single Investor Lease Amendment
Exhibit T-2	Single Investor Lease Amendment
Exhibit T-3	Single Investor Lease Amendment
Exhibit T-4	Single Investor Lease Amendment
Exhibit U	Form of Preferred Certificate

MASTER AGREEMENT

MASTER AGREEMENT (as amended or supplemented from time to time, herein referred to as this "Agreement") dated as of May 1, 1985, among **THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY** (the "Company"), a Delaware corporation, **THE CONNECTICUT NATIONAL BANK,** a national banking association, as security trustee (the "Security Trustee"), and **EACH OTHER PARTY LISTED ON THE SIGNATURE PAGES OF THIS AGREEMENT.**

BACKGROUND

A. The Company has incurred, and there remains outstanding, certain indebtedness together with interest accrued thereon to and including June 30, 1983, as more particularly described in Part II of Annex 2 hereto under the heading "Aggregate Amount of Obligations," with respect to the payment of money in favor of certain of the Creditors and the Creditors' Agents (as such terms are hereinafter defined) (such indebtedness and accrued and unpaid interest to and including June 30, 1983 in certain instances is hereinafter referred to, collectively, as the "Existing Obligations").

B. CBT (as such term is hereinafter defined) has incurred, and there remains outstanding, certain indebtedness together with interest accrued thereon to and including June 30, 1983, as more particularly described in Part III of Annex 2 hereto under the heading "Original GECC Conditional Sale Indebtedness at 6/30/83," with respect to the payment of money in favor of certain of the Creditors and the Creditors' Agents pursuant to the Original GECC Conditional Sale Agreements (as such term is hereinafter defined)(such indebtedness and accrued interest in certain instances is hereinafter referred to, collectively, as the "Original GECC Conditional Sale Indebtedness").

C. The Company has failed to make certain payments with respect to (i) the Existing Obligations and interest accrued thereon subsequent to June 30, 1983, (ii) certain rental payments under the Original Single Investor Leases (as such term is hereinafter defined) due subsequent to June 30, 1983 and (iii) certain rental payments under the Original GECC Leases (as such term is hereinafter defined) due subsequent to June 30, 1983, and the Company's failure to make such rental payments has caused CBT to fail to make certain payments on the Original GECC Conditional Sale Indebtedness.

D. The Company has asked the Creditors, the Creditors' Agents, the Single Investor Lessors (as such term is hereinafter defined) and CBT to waive certain rights each of them has as a result of its failure to make the payments referred to in Paragraph C above and to consent to certain modifications of (i) the terms pursuant to which the Existing Obligations and rental payments due under the Original Single Investor Leases and the Original GECC Leases are to be paid and satisfied and (ii) certain other provisions of the Old Financing Agreements (as such term is hereinafter defined), the Original Single Investor Leases and the Original GECC Financing Agreements (as such term is hereinafter defined).

E. The Creditors, the Single Investor Lessors and CBT are willing to waive, and the Creditors are willing to cause the Creditors' Agents to waive, such rights and to agree to such modifications on the conditions that the Company and certain of its Subsidiaries and Affiliates (as such terms are hereinafter defined) (x) grant to the Security Trustee security interests in and liens upon certain of their respective Properties (as such term is hereinafter defined), to be held in trust under this Agreement to secure certain obligations as more particularly provided herein and (y) otherwise comply with the provisions of this Agreement, the other New Financing Agreements, the Single Investor Leases and the GECC Financing Agreements (as such terms are hereinafter defined).

F. All acts and proceedings required by law and the certificates of incorporation and bylaws of each of the parties to this Agreement, necessary to constitute this Agreement a legal, valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken, and the execution and delivery of this Agreement have been in all respects duly authorized.

AGREEMENT:

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, that to secure (a) the prompt and complete payment of (i) the Existing Obligations (performance of which is suspended by operation of this Agreement to the extent provided in Article 4) and (ii) the New Obligations (as such term is hereinafter defined) and (b) the performance and observance of the covenants, obligations and conditions to be performed and observed by the Company and all other parties (other than the Security Trustee, the Single Investor Lessors, CBT, GECC, J. P. Morgan, the Creditors' Agents and the holders of Certificates of Interest (as such term is hereinafter defined)) to this Agreement or one or more of the other New Financing Agreements, and in consideration of the premises and of the mutual covenants and undertakings herein contained, and other valuable consideration, the parties hereto hereby agree as follows:

ARTICLE 1. DEFINITIONS

Unless otherwise specifically defined herein or in the Exhibits hereto, the capitalized terms used herein or in the Exhibits hereto, which are defined or referred to in Annex 1 to this Agreement (as such capitalized terms may be amended from time to time in accordance with the provisions hereof), shall have the respective meanings specified in said Annex 1. The words "hereof," "herein," and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement and section references are to this Agreement unless otherwise specified.

ARTICLE 2. DECLARATION OF TRUST

The Security Trustee does hereby declare that it holds as trustee in trust under this Agreement all of its rights, title, powers and interests in, to and under the following (such rights, title, powers and interests of the Security Trustee are hereinafter referred to, collectively, as the "Trust Estate"), and all other parties hereto hereby consent thereto:

(a) any and all rights, title, powers and interests granted to the Security Trustee (i) under each of the New Financing Agreements, (ii) in respect of the GECC Creditors' interests in and to the GECC Conditional Sale Agreements consisting of the certificates of interest issued pursuant to the GECC Participation

Agreements executed in connection with such GECC Conditional Sale Agreements and (iii) in the Property granted to it under the New Financing Agreements;

(b) any and all rights, title, powers and interests granted to the Security Trustee under each supplemental agreement entered into and delivered pursuant to Article 14 and the Property granted to it thereunder;

(c) any and all rights, title, powers and interests assigned pursuant to the terms of Article 3 to the Security Trustee (i) under the Old Financing Agreements and (ii) in respect of the GECC Creditors' interests in and to the Original GECC Conditional Sale Agreements consisting of the certificates of interest issued pursuant to the GECC Participation Agreements executed in connection with such GECC Conditional Sale Agreements; and

(d) any and all other Property and any and all other rights, title, powers and interests granted to the Security Trustee in accordance with the provisions of this Agreement or pursuant to or in connection with the provisions of the other New Financing Agreements;

excepting, however, the Security Trustee's rights to indemnification, compensation and reimbursement under Section 10.25, Section 13.1 and Section 16.1;

TO HAVE AND TO HOLD all and singular, the Trust Estate for the uses and purposes and subject to the terms and provisions set forth in this Agreement:

IN TRUST NEVERTHELESS, under and subject to the terms and conditions herein set forth and for the benefit of the holders from time to time of the Certificates of Interest and, to the extent provided herein, the holders of the Preferred Certificates and the Preferred Stock and as security for (i) the enforcement, and the prompt and complete payment when due, of the Existing Obligations and the New Obligations and (ii) the enforcement, and the performance and observance of, the covenants, obligations and conditions to be performed and observed by the Company (other than any of the Company's obligations in favor of any one or more of CBT, GECC or J. P. Morgan) and all other parties (other than the Security Trustee, the Single Investor Lessors, CBT, GECC, J. P. Morgan, the Creditors' Agents and the holders of Certificates of Interest) to this Agreement or one or more of the other New Financing Agreements;

PROVIDED, HOWEVER, that these presents are upon the condition that if the Company, or its successors or assigns, shall satisfy the conditions set forth in Article 15 for the release of the Trust Estate in full, then this Agreement, and the Security Trustee's rights, title, powers and interests in the Trust Estate, shall cease, determine and be void; otherwise they shall remain and be in full force and effect;

IT IS HEREBY FURTHER COVENANTED AND AGREED that the Trust Estate is to be held and applied by the Security Trustee, subject to the further covenants, conditions, uses and trusts hereafter set forth.

ARTICLE 3. THE CERTIFICATES OF INTEREST

3.1 Issuance and Effect of the Certificates of Interest.

(a) Issuance of Certificates of Interest. On the Closing Date, subject to satisfaction of the conditions precedent set forth in Article 6, each Creditor and, if

applicable, each Creditors' Agent shall execute and deliver to the Security Trustee an assignment agreement (an "Assignment Agreement"), to the effect and substantially in the form of one of Exhibit A-1 to Exhibit A-3 to this Agreement, inclusive (whichever is applicable to such Creditor or Creditors' Agent), pursuant to which such Creditor or Creditors' Agent, as the case may be, shall assign to the Security Trustee all of its right, title and interest in and to any and all of the Old Financing Agreements or, in the case of a GECC Creditor, its interests in and to its respective GECC Conditional Sale Agreement and any certificates of interest issued pursuant to the GECC Participation Agreement executed in connection therewith; and, for and in exchange therefor, the Security Trustee is hereby authorized and directed to issue and deliver one (or, at the request of each such Creditor, more than one) certificate of interest (a "Certificate of Interest"), to the effect and substantially in the form of Exhibit A-4 to this Agreement, and either the Company shall issue and deliver Preferred Stock or the Security Trustee shall issue and deliver Preferred Certificates, as the case may be, all as provided in Section 7.1 or Section 7.5, respectively.

(b) Rights Evidenced by Certificates of Interest. Certificates of Interest issued to a Creditor on the Closing Date shall, in the aggregate, evidence such Creditor's right to receive:

(i) for application to the principal, interest and other payments referred to in Section 3.1(b)(ii) and Section 3.1(b)(iii), a percentage of all amounts distributed to the holders of Certificates of Interest by the Security Trustee, in accordance with the provisions of this Agreement, equal to the percentage (the "Distribution Percentage") listed in the column entitled "Distribution Percentage" directly opposite such Creditor's name in Part II of Annex 2 to this Agreement;

(ii) (A) an aggregate principal amount of Debt equal to the sum of the amount listed in the column entitled "Aggregate Amount of Obligations" directly opposite such Creditor's name in Part II of Annex 2 to this Agreement plus, if applicable, the principal amount of Debt required to be added thereto pursuant to the provisions of Section 7.14(a), and (B) subject to adjustment as provided in Section 7.14(a), interest on such principal amount at a rate per annum equal to the percentage listed in the column entitled "Rate of Interest" directly opposite such Creditor's name in Part II of said Annex 2;

(iii) Preferred Stock or Preferred Certificates, as the case may be, and payments due in respect thereof, in accordance with the provisions of Article 7; and

(iv) Common Stock in accordance with the provisions of Section 7.12(e).

(c) Effect of Distributions.

(i) Each distribution made by the Security Trustee to the holders of Certificates of Interest shall be applied by such holders as provided in Section 7.17. Except for distributions in respect of payments made to the Security Trustee as transferee of the certificates of interest outstanding under the GECC Participation Agreements, each such distribution shall also be deemed to have reduced, on a dollar for dollar basis, the Existing Obligations, together with interest accrued thereon subsequent to June 30, 1983 at the rates set forth in the respective Old Financing Agreements applicable thereto; provided, further, that the Existing Obligations and all interest accrued thereon shall be deemed to have been paid in

full at such time as surrender of all the Certificates of Interest issued in exchange for such Existing Obligations and interest is required pursuant to Section 3.11.

(ii) Such reduction in the Existing Obligations provided for in Section 3.1(c)(i) shall be applied as follows: first, to accrued and unpaid interest on the aggregate principal amount of Existing Obligations which are unsecured or partially secured (to the extent of the unsecured portion thereof); second, to the aggregate principal amount of Existing Obligations which are unsecured or partially secured (to the extent of the unsecured portion thereof); third, to accrued and unpaid interest on the aggregate principal amount of the balance of the Existing Obligations; and fourth, to the aggregate principal amount of the balance of the Existing Obligations. Each such reduction shall, subject to the foregoing sentence, be deemed to have been applied to the Existing Obligations and interest accrued thereon subsequent to June 30, 1983 pro rata in accordance with the respective amounts thereof.

3.2 Distribution Percentages of Certificates of Interest. No Certificate of Interest may be issued with a Distribution Percentage of less than one quarter of one percent (.25%) (the "Minimum Percentage"); except that if the sum of the Distribution Percentages set forth in Certificates of Interest required to be issued to a holder or prospective holder of a Certificate of Interest upon exchange or transfer pursuant to Section 3.4 or Section 3.5 shall be less than the Minimum Percentage, one Certificate of Interest so issued to such holder or prospective holder may have a Distribution Percentage which is less than the Minimum Percentage.

3.3 Registration of Certificates of Interest. All Certificates of Interest shall be registered. The Security Trustee shall cause to be kept at its office, maintained pursuant to Section 13.10, a register for the registration and transfer of Certificates of Interest. The name and address of each holder of one or more Certificates of Interest, each transfer thereof, and the name and address of each transferee of one or more Certificates of Interest shall be registered in the register. The Person in whose name any Certificate of Interest shall be registered shall be deemed and treated as the owner and holder thereof for all purposes of this Agreement, and the Security Trustee shall not be affected by any notice or knowledge to the contrary (except as provided in Section 3.5(a)).

3.4 Exchange of Certificates of Interest.

(a) Exchange. Upon surrender of one or more Certificates of Interest at the Security Trustee's office maintained pursuant to Section 13.10, the Security Trustee, at the request of the holder thereof, shall execute, at the Company's expense (except as provided in Section 3.7), one or more new Certificates of Interest in exchange therefor, payable to such holder, for a like aggregate principal amount (subject to the provisions of Section 3.6) and with Distribution Percentages calculated by reference to Section 3.4(b).

(b) Distribution Percentage. The Distribution Percentage to be listed in any new Certificate of Interest shall be determined as follows:

(i) if the principal amount evidenced by the new Certificate of Interest shall be the same as that evidenced by the surrendered Certificate of Interest, the Distribution Percentage to be listed in the new Certificate of Interest shall be the same as that listed in the surrendered Certificate of Interest;

(ii) if the principal amount evidenced by the new Certificate of Interest shall be the sum of the principal amounts of two (2) or more surrendered Certificates of Interest, the Distribution Percentage to be listed in the new Certificate of Interest shall be the sum of the Distribution Percentages listed in such surrendered Certificates of Interest; and

(iii) if the principal amount evidenced by the new Certificate of Interest shall be less than that evidenced by the surrendered Certificate of Interest, the Distribution Percentage to be listed in the new Certificate of Interest shall be equal to the product of (1) the Distribution Percentage listed in the surrendered Certificate of Interest times (2) a fraction the numerator of which shall be the principal amount to be evidenced by the new Certificate of Interest and the denominator of which shall be the principal amount evidenced by the surrendered Certificate of Interest as of the date of surrender.

For purposes of this Section 3.4(b), the principal amount evidenced by a surrendered Certificate of Interest shall be deemed to be the principal amount set forth therein, as altered by operation of Section 7.14 or due to payments or prepayments of principal on or prior to the date of surrender.

3.5 Transfer of Certificates of Interest.

(a) Transfer. Subject to the fulfillment of the Certificate of Interest Transfer Conditions, any Certificate of Interest may be transferred at the Security Trustee's office maintained pursuant to Section 13.10 by surrendering such Certificate of Interest for cancellation, accompanied by a written instrument of transfer in a form satisfactory to the Security Trustee, duly executed by the holder of such Certificate of Interest or by its attorney duly authorized in writing, and thereupon the Security Trustee, at the expense of the Company (except as provided in Section 3.7), shall issue in the name of the transferee or transferees, in exchange therefor, a new Certificate of Interest or Certificates of Interest of like form, for a like aggregate principal amount and with Distribution Percentages calculated by reference to Section 3.4(b). In order to satisfy the Certificate of Interest Transfer Conditions, the holder of any Certificate of Interest shall have the right, at its option, to deliver a written request to the Company to retain counsel for the purpose of delivering a Transfer Opinion in respect of the proposed transfer of Certificates of Interest held by such holder. If such holder shall make such request, the Company shall retain such counsel at its expense and cause such counsel to deliver, within fifteen (15) Business Days after the receipt by such counsel of the factual certificates referred to in the immediately succeeding sentence requested by such counsel, a Transfer Opinion to the Security Trustee with a copy thereof to such holder; provided, however, that the Company shall not be obligated to cause delivery of a Transfer Opinion if, within the aforesaid fifteen (15) Business Day period, counsel retained by the Company shall advise the Company that, assuming application of any relevant federal or state law governing or affecting the issuance, registration or regulation of Securities to the proposed transfer, no exemption therefrom is available for such transfer; provided further, however, that such holder shall not be bound by such advice and may, at any time, obtain a Transfer Opinion, at its expense, from counsel of its choice. In connection with the delivery of such Transfer Opinion, the holder of the Certificate of Interest shall deliver to counsel to the Company such factual certificates concerning circumstances of the proposed transfer as such counsel shall reasonably request and such counsel may rely on such certificates in issuing its opinion as aforesaid. If the Company shall not cause the delivery of a Transfer Opinion within the time period specified in the second preceding sentence and the first proviso thereto shall not apply, and if the holder of the Certificate

of Interest requesting such Transfer Opinion shall have complied with its obligations as set forth in the immediately preceding sentence, such holder may obtain a Transfer Opinion from counsel of its choice (including counsel employed by such holder or, in the case of any holder of a Certificate of Interest which is an agency, department, or instrumentality of any State of the United States of America, any individual of any agency, department or instrumentality of such State who acts, directly or indirectly, as counsel to such holder) and the Company shall immediately upon receipt of written demand therefor pay to such holder all reasonable fees, costs and expenses incurred in respect of or related to the issuance of such Transfer Opinion (including, without limitation, in the case of counsel who is an employee of such holder or who is employed by an agency, department or instrumentality of any State of the United States of America and represents such holder, the reasonable allocation (in the sole and absolute determination of such holder) of all salary and overhead expenses of such counsel attributable, directly or indirectly, to the issuance of such Transfer Opinion). The holder of any Certificate of Interest delivering a Transfer Opinion from counsel of its choice to the Security Trustee shall deliver a copy thereof to the Company.

(b) Preferred Stock. No transfer of a Certificate of Interest, in whole or in part, shall be valid unless there shall be transferred to the transferee a Ratable Portion of any Preferred Stock and Preferred Certificates held by the transferor. Any transfer of a Single Investor Lessor's rights under a Single Investor Lease shall be void and without effect unless there shall be transferred to the transferee all of the Preferred Stock and Preferred Certificates held by such Single Investor Lessor. Preferred Stock and Preferred Certificates shall only be transferred if the Preferred Transfer Conditions have been fulfilled in connection therewith and if such transfer is in connection with a transfer of Certificates of Interest or of all of a Single Investor Lessor's rights under a Single Investor Lease, as the case may be, as provided in the two preceding sentences. A "Ratable Portion" of the Preferred Stock held by a transferor means Preferred Stock having a par value bearing the same relation to the aggregate par value of all Preferred Stock held by the transferor immediately prior to the transfer as the Distribution Percentage set forth in the Certificate of Interest to be transferred bears to the aggregate amount of all Distribution Percentages set forth in all Certificates of Interest held by the transferor immediately prior to the transfer. A "Ratable Portion" of the Preferred Certificates held by a transferor means Preferred Certificates having a Preferred Certificate Par Value Amount bearing the same relation to the aggregate Preferred Certificate Par Value Amounts of all Preferred Certificates held by such transferor immediately prior to the transfer as the Distribution Percentage set forth in the Certificate of Interest to be transferred bears to the aggregate amount of all Distribution Percentages set forth in all Certificates of Interest held by the transferor immediately prior to the transfer.

(c) Compliance Certificate. In effecting any transfer pursuant to this Section 3.5, the Security Trustee may rely on a certificate from the transferor stating that such transfer complies with the provisions of Section 3.5(a) or Section 3.5(b), as the case may be.

3.6 Changes in Principal Amount. Any change in the principal amount of any Certificate of Interest by operation of Section 7.14, or due to a payment or prepayment of such principal, shall be automatic and shall not require any notation on such Certificate of Interest, any exchange thereof or any other action whatsoever; provided, however, that the holder of such Certificate of Interest may surrender same to the Security Trustee pursuant to the provisions of Section 3.4 and receive in exchange therefor one or more new Certificates of Interest reflecting such changed principal amount.

3.7 General Rules. All exchanges or transfers of Certificates of Interest pursuant to the provisions of Section 3.4 or Section 3.5 shall be made under such reasonable regulations as the Security Trustee may prescribe and all expenses incurred by the Security Trustee or any holder of Certificates of Interest in connection therewith shall be paid by the Company, except that any stamp tax or other governmental charge required to be paid with respect thereto shall be paid by the holder of the Certificate of Interest requesting such exchange or transfer as a condition precedent to the exercise of such privilege. All Certificates of Interest surrendered for exchange or transfer shall be cancelled and destroyed by the Security Trustee.

3.8 Valid Obligations. All Certificates of Interest executed and delivered in exchange for, or upon transfer of, Certificates of Interest surrendered as in this Agreement provided shall constitute valid claims on the Trust Estate, evidencing the same obligations as the Certificates of Interest so surrendered, and shall be entitled to the benefits of this Agreement to the same extent as the Certificates of Interest in exchange for or upon transfer of which they were executed and delivered.

3.9 Execution and Delivery. The Certificates of Interest may be printed or lithographed or produced by any other means acceptable to the Security Trustee and shall be signed on behalf of the Security Trustee by the manual signature of its president or one of its vice presidents, assistant vice presidents, trust officers or corporate trust officers. In case any officer who shall have signed any of the Certificates of Interest shall cease to be such officer of the Security Trustee before the Security Trustee issues the Certificates of Interest so signed, such Certificates of Interest may, nevertheless, be delivered and issued and, upon such delivery and issue, shall constitute valid claims on the Trust Estate as though the Person who signed the same had continued to be such officer. Any Certificates of Interest may be signed on the Security Trustee's behalf by such Person as at the actual date of execution of such Certificates of Interest shall be the proper officer of the Security Trustee though at the nominal date of such Certificates of Interest such Person shall not have been such officer of the Security Trustee.

3.10 Replacement of Certificates of Interest. Upon receipt by the Security Trustee of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Certificate of Interest and

(a) in the case of loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to it (provided, if the holder of such Certificate of Interest is an institutional investor or one of the signatories to this Agreement, its own agreement of indemnity shall be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

the Security Trustee, at the expense of the Company (except as provided in Section 3.7), shall execute and deliver in lieu thereof a new Certificate of Interest of like tenor, which shall evidence the unsatisfied obligations on the lost, stolen, destroyed or mutilated Certificate of Interest.

3.11 Cancellation of Certificates of Interest. Until such time as all the principal and interest on any Certificate of Interest shall have been paid in full and all Preferred Stock held by the holder of such Certificate of Interest shall have been fully redeemed and all accumulated dividends thereon and all amounts due in respect of Preferred Certificates held by such holder shall have been paid, in full, such Certificate of Interest shall remain outstanding and shall evidence the right of the holder thereof to receive

distributions from the Security Trustee, in accordance with the Distribution Percentage set forth therein, for application to the redemption of such Preferred Stock, the payment of dividends accumulated thereon and the payment of all amounts due in respect of such Preferred Certificates. Upon satisfaction of all obligations evidenced by any Certificate of Interest, the holder thereof shall surrender such Certificate of Interest to the Security Trustee and the Security Trustee shall cancel same. Regardless of whether or not such Certificate of Interest shall be so surrendered, upon satisfaction of such obligations it shall be deemed not to be Outstanding for all purposes of this Agreement.

ARTICLE 4. OVERRIDE

4.1 Waiver of Default and Override.

(a) Security Trustee, Creditors, Creditors' Agents. For a period commencing on the Closing Date and continuing for so long as the Company's obligation to pay the New Obligations shall remain in full force and effect, (i) each of the Security Trustee, the Creditors and the Creditors' Agents hereby waives all rights and remedies it may have under the Old Financing Agreements to which it is a party or in respect of which it is an assignee resulting from the occurrence, on or prior to the Closing Date, of any default, event of default, or breach or failure of performance of any term or provision, as provided, defined or described in any one or more of such Old Financing Agreements (any such event is hereinafter referred to as an "Old Debt Event of Default") and (ii) enforcement of all provisions of the Old Financing Agreements is hereby suspended and no party to, or assignee of, any of such documents shall be required or entitled to perform any obligations, exercise any rights, follow any procedures, or comply with any provisions, set forth in such Old Financing Agreements.

(b) Single Investor Lessors. For a period commencing on the Closing Date, and continuing until the rental payment provisions set forth in the Single Investor Lease Amendments shall not be in full force and effect (other than as a result of the termination of the full term of any Single Investor Lease on the specified calendar date therefor as provided in the Single Investor Lease Amendment applicable thereto), each of the Single Investor Lessors hereby waives, subject to the provisions of Section 4.2(b), all rights and remedies it may have under the Original Single Investor Lease to which it is a party resulting from the occurrence, on or prior to the Closing Date, of any default, event of default, or breach or failure of performance of any term or provision, as provided, defined or described in such Original Single Investor Lease.

(c) CBT. For a period commencing on the Closing Date, and continuing for so long as there shall remain in full force and effect the rental payment provisions set forth in the GECC Amendments which amend the Original GECC Leases, each of the Security Trustee (as transferee of all certificates of interest issued pursuant to the GECC Participation Agreements), the GECC Creditors' Agents, CBT, GECC and J. P. Morgan hereby waives all rights and remedies it may have under the Original GECC Financing Agreements resulting from the occurrence, on or prior to the Closing Date, of any default, event of default, or breach or failure of performance of any term or provision, as provided, defined or described in the Original GECC Financing Agreements.

4.2 Termination of Waivers and Override.

(a) Invalidity of New Obligations. At such time as the Company's obligation to pay any of the New Obligations shall not be in full force and effect, the waiver of rights and remedies under the Old Financing Agreements and the Original GECC Financing

Agreements and the suspension of the enforcement of all provisions of the Old Financing Agreements as set forth in Section 4.1(a) shall be terminated forthwith and

(i) all defaults, rights, obligations, procedures and other provisions under the Old Financing Agreements shall be immediately reinstated for purposes of all future periods, effective as of the date of such termination,

(ii) the Security Trustee shall be entitled to exercise all rights and remedies as to which the waiver set forth in Section 4.1(a)(i) applied, and

(iii) the Company shall pay to the Security Trustee, on the date of such termination, (A) all unpaid interest, if any, accrued to such date on the Existing Obligations at the rates set forth in the Old Financing Agreements and (B) all unpaid principal on the Existing Obligations required pursuant to the terms of the Old Financing Agreements to have been paid at any time on or prior to such date.

Reinstatement of the rights, obligations, procedures and other provisions of the Old Financing Agreements shall not be construed as terminating the effectiveness of this Agreement, the other New Financing Agreements (including, without limitation, the Intercreditor Agreement), or the Liens created thereby (unless otherwise required by law) to the extent that such documents are not inconsistent with the Old Financing Agreements, provided, however, that, in the event of any conflict between any Old Financing Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall control.

(b) Invalidity of Rental Payment Provisions in Single Investor Lease Amendments. At such time as the rental payment provisions set forth in the Single Investor Lease Amendments shall not be in full force and effect (other than as a result of the termination of the full term of any Single Investor Lease on the specified calendar therefor as provided in the Single Investor Lease Amendment applicable thereto), the waiver of all rights and remedies under the Single Investor Leases, as set forth in Section 4.1(b), shall be terminated forthwith and, subject to the terms and conditions of the applicable Single Investor Lease Amendment,

(i) each Single Investor Lessor shall be entitled to exercise all rights and remedies as to which the waiver set forth in Section 4.1(b) applied,

(ii) the payment provisions in the Original Single Investor Leases shall be immediately reinstated for purposes of all future periods, effective as of the date of such termination,

(iii) the Company shall pay to each Single Investor Lessor, on the date of such termination, an amount equal to the difference between the amount the Company would have been obligated to pay to such Single Investor Lessor between the Closing Date and the date of such termination had the Single Investor Lease Amendments never become effective and the amount actually paid to such Single Investor Lessor during such period, and

(iv) all rights, remedies, interests, and obligations of the Single Investor Lessors, other than their rights and interests as holders of Preferred Stock or Preferred Certificates and other than the subordination of their right to receive certain payments as provided in the Single Investor Lease Amendments, under this

Agreement or any other New Financing Agreement shall terminate and be without further force or effect.

(c) Invalidity of Rental Payment Provisions in GECC Amendments. At such time as the rental payment provisions set forth in the GECC Amendments shall not be in full force and effect, the waiver of all rights and remedies under the Original GECC Financing Agreements, as set forth in Section 4.1(c), shall be terminated forthwith and

(i) CBT, the GECC Creditors' Agents and the Security Trustee (as transferee of all certificates of interest issued pursuant to the GECC Participation Agreements) shall be entitled to exercise all rights and remedies as to which the waiver set forth in Section 4.1(c) applied,

(ii) all payment provisions in the Original GECC Financing Agreements shall be immediately reinstated for purposes of all future periods, effective as of the date of such termination,

(iii) the Company shall pay to the GECC Creditors' Agents, on the date of such termination, an amount equal to the difference between the amount the Company would have been obligated to pay to the GECC Creditors' Agents between the Closing Date and the date of such termination had the GECC Amendments never become effective and the amount actually paid to the GECC Creditors' Agents during such period, and

(iv) all rights, remedies, interests, and obligations of CBT under this Agreement or any other New Financing Agreement, other than the GECC Subordination Agreement which shall remain in full force and effect, shall terminate and be without further force or effect.

ARTICLE 5. REPRESENTATIONS AND WARRANTIES

The Company in respect of Section 5.24 and each of PLECO and the Company in respect of the other representations and warranties in this Article 5 represent and warrant to each of the other parties hereto (which representations and warranties shall survive the Closing and the execution and delivery of the Certificates of Interest, this Agreement, the other New Financing Agreements and all other documents contemplated hereby) that as of the date hereof and as of the Closing Date:

5.1 Subsidiaries; Affiliates; Securities.

(a) Subsidiaries and Affiliates. Annex 3 to this Agreement correctly sets forth:

(i) the name of each corporate, partnership or joint venture Affiliate of the Company (other than Subsidiaries of PLECO or Beloit) and the nature of the affiliation;

(ii) the name of each of the Company's Subsidiaries, its jurisdiction of incorporation, and the percentage of its Voting Stock or other equity Securities owned by the Company and each other Subsidiary of the Company;

(iii) the name of each of PLECO's Subsidiaries, its jurisdiction of incorporation, and the percentage of its Voting Stock or other equity Securities owned by PLECO and each other Subsidiary of PLECO;

(iv) a list of all the outstanding Investments (other than Investments in Subsidiaries or Affiliates), loans and advances, by amount and entity, of each of the Company, PLECO and the Company's Subsidiaries; and

(v) the names of the holders of all interests in all outstanding equity Securities of each of the Company and PLECO, and the amount thereof.

(b) **Securities.** The Company has good and marketable title to all of the Voting Stock and other Securities it purports to own of each of its Subsidiaries, and PLECO has good and marketable title to all of the Voting Stock and other Securities it purports to own of each of its Subsidiaries and of the Company, free and clear in each case of any Lien other than Permitted Liens. All such Voting Stock and Securities have been duly issued and are fully paid and nonassessable.

5.2 **Corporate Organization and Authority.** Each of the Company, PLECO and the Company's Subsidiaries

(a) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation,

(b) has all requisite power and authority and all necessary licenses and permits to own and operate its Property and carry on its business, as presently conducted or contemplated to be conducted, and to execute and to perform its respective obligations (subject to ICC Approval and PUC Approval) under each of this Agreement, the other New Financing Agreements, the GECC Amendments and the Single Investor Lease Amendments to which it is a party,

(c) has duly qualified or has been licensed and is authorized to do business, and is in good standing as a foreign corporation, in each jurisdiction where the character of its Properties or the nature of its activities makes such qualification or license necessary, and

(d) has taken all necessary corporate and legal action to (i) grant the Liens in the Collateral as provided for in the New Financing Agreements to which it is a party and (ii) make the guaranties in the Guaranty Agreement to which it is a party.

5.3 **Indebtedness.**

(a) **Original Obligations.** Part II of Annex 2 to this Agreement correctly describes (i) after giving effect to the Pre-Closing Payments and any payment arising from any Disposition of Railcars referred to in Annex 11 to this Agreement, all Existing Obligations, including (1) the Person to whom owing, (2) the Old Financing Agreements with respect thereto, and (3) the principal amount thereof and accrued interest on such principal amount as of June 30, 1983, calculated at the rate set forth in the applicable Old Financing Agreement assuming no default or failure of performance occurred prior to such date, (ii) the Interim Payment and any other payments on account of the Existing Obligations subsequent to June 30, 1983 and prior to the Closing Date, and (iii) the Distribution Percentage applicable to each Creditor and Single Investor Lessor. Part II of Annex 2 to this Agreement correctly describes the amounts owing under certificates of interest issued pursuant to the GECC Participation Agreements, including (1) the Person to whom owing, (2) the GECC Participation Agreement with respect thereto, and (3) the portion thereof representing accrued and unpaid interest as of June 30, 1983, calculated

at the rate set forth in the applicable certificate of interest, assuming no default or failure of performance occurred prior to such date. Part III of Annex 2 correctly describes the Original GECC Conditional Indebtedness and the accrued and unpaid interest thereon as of June 30, 1983, calculated at the rate set forth in the applicable Original GECC Conditional Sale Agreement, assuming no default or failure of performance occurred prior to such date.

(b) Other Debt. Annex 3 to this Agreement correctly describes all Debt (not referred to in Section 5.3(a)) of each of the Company, PLECO and the Company's Subsidiaries as of September 30, 1984 (including, without limitation, the Beloit/PLECO Debt). There has been no material change in the amount or composition of such Debt subsequent to such date.

5.4 Financial Statements.

(a) Delivery. The consolidated balance sheets of (i) the Company and its consolidated Subsidiaries and (ii) PLECO, the Company, and their respective consolidated Subsidiaries, each as of September 30 in the years 1984 and 1983, and the related separate income and earned surplus statements for the Fiscal Years ended on such dates, all accompanied by reports thereon containing opinions of Arthur Andersen & Co., independent certified public accountants, copies of which have been delivered to each of the Creditors, the Single Investor Lessors and CBT, have been prepared in accordance with generally accepted accounting principles consistently applied and present fairly the financial positions of each of the Company and its consolidated Subsidiaries and PLECO, the Company, and their respective consolidated Subsidiaries as of such dates and the results of their operations for such periods.

(b) Five Year Forecast. To the best of the knowledge and belief of PLECO and the Company, the assumptions set forth in the Five Year Forecast are reasonable taken as a whole; to the extent that action is or may be required on the part of the Company to cause certain events to occur, as set forth in such assumptions, the Company believes in good faith that the Company can take such actions; and the Company believes in good faith that it can achieve in all material respects the results set forth in the Five-Year Forecast.

(c) Cash Flow. Adjusted Cash Flow for the period of twelve (12) months ending on September 30, 1984 was less than Eleven Million Dollars ($11,000,000). The supporting calculations in respect thereof are as set forth in Part IV of Annex 2.

5.5 Full Disclosure. The financial statements referred to in Section 5.4(a) do not, nor does this Agreement or any written statement furnished by the Company or PLECO to the Creditors, the Single Investor Lessors or CBT in connection with this 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. Except as set forth in a letter dated as of May 1, 1985, concurrently delivered herewith to each of the Creditors, the Single Investor Lessors and CBT, or their respective Closing Representatives, there is no fact known to PLECO or the Company which PLECO or the Company has not disclosed to the Creditors, the Single Investor Lessors and CBT in writing which materially affects adversely or, so far as PLECO and the Company can now foresee, will materially affect adversely the Properties, business, prospects, profits or condition (financial or otherwise) of the Company, PLECO or any of the Company's Subsidiaries, or any such Person's ability to perform its obligations under this Agreement,

the other New Financing Agreements, the GECC Financing Agreements or the Single Investor Leases.

5.6 Litigation. Except as set forth in Annex 4 to this Agreement, there are no proceedings pending or, to the knowledge of PLECO or the Company, threatened against or affecting the Company, PLECO, any of the Company's Subsidiaries or Beloit, in any court or before any governmental authority or any arbitration board or tribunal which, either individually or in the aggregate, involve the possibility of materially and adversely affecting (a) the Properties, business, prospects, profits or condition (financial or otherwise) of the Company, PLECO or any of the Company's Subsidiaries, or (b) the ability of the Company, PLECO, any of the Company's Subsidiaries or Beloit to perform its obligations under this Agreement or any of the other New Financing Agreements. Neither the Company, PLECO nor any of the Company's Subsidiaries is in default with respect to any order of any court, governmental authority or arbitration board or tribunal.

5.7 Title to Property.

(a) Use of Property; Liens. Except as set forth in Annex 5 to this Agreement, each of the Company, PLECO and the Company's Subsidiaries has the right to use in its business, as presently conducted or contemplated to be conducted, all of the real and other Property it purports to own, including that reflected in the most recent balance sheet, if any, of such Person referred to in Section 5.4(a) (except as sold or otherwise disposed of in the ordinary course of business) and owns all of such Property free from all Liens other than (i) Permitted Liens and (ii) Liens which would not (A) adversely affect its ability to perform its obligations under this Agreement and the other New Financing Agreements, (B) materially reduce the amount which would be recovered in the absence of such Liens by the Security Trustee and the Creditors' Agents upon (1) foreclosure of the Liens created by the New Financing Agreements on such Property other than real Property and (2) Disposition (by foreclosure or otherwise) of such Property constituting real Property to a Person who intends to utilize such real Property in the same manner and for the same purposes as it is utilized at the time of such Disposition, and (C) materially jeopardize realization of the projections set forth in the Five-Year Forecast. Annex 5 to this Agreement correctly describes each interest in real Property held by any one or more of the Company, PLECO or any of the Company's Wholly-Owned Subsidiaries in respect of parcels of real Property (i) on which track is located, (ii) each of which is comprised of ten (10) or more acres, or (iii) each of which has a Fair Market Value of One Hundred Thousand Dollars ($100,000) or more (as reasonably determined by the Company in good faith).

(b) Partnership Interests. Neither the Company nor any of its Subsidiaries owns any interest in any limited or general partnership or joint venture. The only interest of PLECO in any limited partnership, general partnership or joint venture is its limited partnership interest in Station Square Associates, a Pennsylvania limited partnership.

(c) Capital Stock. Each of the Company, PLECO and the Company's Subsidiaries, as the case may be, is the legal record and beneficial owner of, and has good and marketable title, free and clear of all Liens, to, the capital stock (and other equity Securities, if any) owned by it and pledged to the Security Trustee pursuant to the Pledge Agreement and each of the Guaranty Pledge Agreements.

5.8 Railcars.

(a) The Company and Its Subsidiaries. Annex 6 to this Agreement correctly describes all Railcars owned by or conditionally sold or leased to the Company or any of its Subsidiaries, including (i) the name of the owning Person and each other Person which holds an interest in each such Railcar, (ii) a description of the Railcars, (iii) the identification numbers of the Railcars, and (iv), if subject to an Old Financing Agreement, Original GECC Lease or Original Single Investor Lease, the Old Financing Agreement, Original GECC Lease or Original Single Investor Lease to which such Railcars are subject.

(b) PLECO and Its Subsidiaries. Neither PLECO nor any of its Subsidiaries owns or leases any Railcars and no Wholly-Owned Subsidiary of the Company owns any Railcars.

(c) Location of Railcars. As of September 30, 1984, not more than five percent (5%) of all Railcars in which the Company or any of its Subsidiaries has an interest and no GECC Railcars were located outside of the United States of America, and all such Railcars located outside the United States of America were located in either Mexico or Canada. To the best of the knowledge and belief of PLECO and the Company, there has been no material increase subsequent to such date in the number of Railcars located outside the United States of America. Except as set forth on Annex 6, any Railcars located outside the United States of America are subject to normal interline agreements concerning per diem payments and return of such Railcars to the United States of America.

(d) Safe Harbor Lease Agreements. Notwithstanding any provision in this Agreement to the contrary, the parties hereto acknowledge that the interest of the Company in the Railcars identified on Annex 6A is and will remain subject to the rights of lessors of such Railcars existing at the date hereof under safe harbor lease agreements entered into pursuant to the provisions of §168(f)(8) of the Internal Revenue Code of 1954, as amended, with respect to federal income tax benefits attributable to such Railcars.

5.9 Patents, Trademarks, Franchises, Agreements, etc. Each of the Company, PLECO and the Company's Subsidiaries owns or possesses all the patents, trademarks, service marks, trade names, copyrights, certificates, franchises, and licenses, and rights with respect thereto, necessary for the conduct of its business as now conducted and as proposed to be conducted, without any known conflict with the rights of others and, in each case, subject to no Lien, lease or option.

5.10 Authority; Conflicts. Issuance of the Preferred Stock by the Company, and execution by each of the Company, PLECO, the Company's Wholly-Owned Subsidiaries and Beloit of each of this Agreement, the other New Financing Agreements, the GECC Amendments and the Single Investor Lease Amendments to which such Person is a party, and compliance with the provisions and obligations thereof,

(a) are within the corporate powers of such Person and all necessary legal action (subject to ICC Approval in the case of issuance of the Preferred Stock and PUC Approval) and corporate action with respect thereto has been taken;

(b) are, subject to ICC Approval (in the case of issuance of the Preferred Stock) and PUC Approval, legal, valid and binding, subject to all applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally;

(c) will not, subject to ICC Approval (in the case of issuance of the Preferred Stock) and PUC Approval, violate any provision of any law or regulation; and

(d) after giving effect to the provisions of Section 4.1, will not conflict with, result in any breach of any of the provisions of, constitute a default under, or result in the creation of any Lien (other than the Liens in favor of the Security Trustee), upon any Property of any such Person under the provisions of, any mortgage, indenture, loan agreement, security agreement, lease, charter instrument, bylaw, Security, judgment, order, decree, determination or award of any court, arbitrator, governmental authority, bureau or agency, or other instrument, agreement or contract, to which it is a party or by which any of its Property may be bound.

5.11 No Defaults. After giving effect to the provisions of Section 4.1, no event has occurred and no condition exists which, upon (a) the execution of this Agreement, the other New Financing Agreements, the GECC Amendments or the Single Investor Lease Amendments by Beloit, the Company, PLECO or the Company's Wholly-Owned Subsidiaries, as the case may be, (b) the compliance with the provisions hereof or thereof by any such Person, or (c) the issuance of the Preferred Stock or the Common Stock by the Company (subject to ICC Approval and PUC Approval), would constitute a Default or an Event of Default. Except as waived pursuant to Section 4.1 or as set forth in Annex 3 to this Agreement, neither the Company, PLECO nor any of the Company's Subsidiaries is in violation in any material respect of any term of any mortgage, indenture, loan agreement, security agreement, lease, charter instrument, bylaw, Security, judgment, order, decree, determination or award of any court, arbitrator, governmental authority, bureau or agency or other instrument, agreement or contract to which it is a party or by which it or any of its Property may be bound.

5.12 Consents. With the exceptions of ICC Approval in the case of the issuance of the Preferred Stock, PUC Approval, and the requirement to file certain documents in governmental offices (as more particularly set forth in Annex 13 to this Agreement) in order to perfect certain of the Liens granted by the New Financing Agreements or to make effective the GECC Amendments or Single Investor Lease Amendments, neither (a) the nature of the Company, PLECO or any of the Company's Wholly-Owned Subsidiaries or Beloit, or of any of their respective businesses, as presently conducted or contemplated to be conducted, or Properties, nor (b) any relationship between any such Person and any other Person, nor (c) any circumstance in connection with the exchange, issue, or delivery of the Certificates of Interest, Preferred Certificates or Preferred Stock, nor (d) the fulfillment of the obligations of the Security Trustee, the Company, PLECO or any of the Company's Wholly-Owned Subsidiaries or Beloit under the New Financing Agreements, the GECC Amendments and the Single Investor Lease Amendments is such as to require a consent, approval or authorization of, or filing, registration or qualification with, any governmental authority or any other Person on the part of the Security Trustee, the Company, PLECO or any of the Company's Wholly-Owned Subsidiaries or Beloit, as a condition to the execution and delivery of the New Financing Agreements, the GECC Amendments, or the Single Investor Lease Amendments or the fulfillment of the obligations of the Company, PLECO or any of the Company's Wholly-Owned Subsidiaries or Beloit thereunder, including, without limitation, the exchange, issue and delivery of the Certificates of Interest, the Preferred Certificates or the Preferred Stock.

5.13 Taxes.

(a) Returns Filed; Taxes Paid. All tax returns required to be filed by the Company, PLECO or any of the Company's Subsidiaries, in any jurisdiction, have in fact been filed. All taxes, assessments, fees and other governmental charges upon any one or more of the Company, PLECO and the Company's Subsidiaries, or upon any of their respective Properties, incomes or franchises, which are due and payable have been paid. Neither the Company, PLECO nor any of the Company's Subsidiaries knows of any proposed additional tax assessment against it.

(b) Book Provisions Adequate. The provisions for taxes on the books of each of the Company, PLECO and the Company's Subsidiaries are adequate for all open years and for such Person's current fiscal period. The amounts of the reserves for taxes reflected in the consolidated balance sheets of each of (i) the Company and its consolidated Subsidiaries and (ii) PLECO, PLECO's consolidated Subsidiaries, the Company and the Company's consolidated Subsidiaries, each as at September 30, 1984, are adequate provisions for such taxes, if any, as may be payable by any one or more of the Company and its consolidated Subsidiaries and PLECO, PLECO's consolidated Subsidiaries, the Company and the Company's consolidated Subsidiaries, for the fiscal years 1981 through 1984, inclusive, the only fiscal years (not closed by the statute of limitations) which have not been closed by the completion of an audit.

5.14 Private Offering. Neither the Company, the Company's Subsidiaries nor their respective Affiliates, nor any Person retained by the Company, the Company's Subsidiaries or their respective Affiliates, has taken any action so as to bring the issuance and exchange of the Certificates of Interest, Preferred Certificates, Preferred Stock or the Common Stock (as proposed to be issued) within the provisions of Section 5 of the Securities Act of 1933, as amended.

5.15 Compliance with Law. Neither the Company, PLECO nor any of the Company's Subsidiaries,

(a) is in violation of any law, ordinance, governmental rule or regulation to which it is subject, or

(b) has failed to obtain any license, permit, franchise or other governmental authorization necessary to the ownership of its Property or to the conduct of its business, as presently conducted or contemplated to be conducted,

which violation or failure to obtain might, either individually or in the aggregate, materially and adversely affect the business, prospects, profits, Properties or condition (financial or otherwise) of any one or more of such Persons.

5.16 Restrictions. Neither the Company, PLECO nor any of the Company's Subsidiaries is a party to any contract or agreement, or subject to any charter or other corporate restriction, which materially and adversely affects its business, as presently conducted or contemplated to be conducted. Neither the Company, PLECO nor any of the Company's Subsidiaries is a party to any contract or agreement which restricts its right or ability to incur Debt or grant Liens on its Property, other than the Old Financing Agreements, the New Financing Agreements and the GECC Financing Agreements. Neither the Company, PLECO nor any of the Company's Subsidiaries has agreed or consented to cause or permit on the Closing Date or in the future (upon the happening of a

contingency or otherwise) any of its Property, whether now owned or leased or hereafter acquired, to be subject to any Lien other than Permitted Liens.

5.17 Employee Benefit Plans.

(a) **Relationship of Vested Benefits to Pension Plan Assets.** Except as set forth in Annex 12, the present value of all benefits vested under all "employee pension benefit plans" (as such term is defined in Section 3 of ERISA) from time to time maintained by or for the benefit of any employees of any one or more of the Company, PLECO and the Company's Subsidiaries (individually, a "Pension Plan" and, collectively, the "Pension Plans") does not exceed the value of the assets of the Pension Plans allocable to such vested benefits. All Pension Plans are and have been maintained in accordance with applicable law and all contributions required to have been made with respect thereto have been made.

(b) **Prohibited Transactions.** No "employee benefit plan" (as such term is defined in Section 3 of ERISA) from time to time maintained by or for the benefit of any employees of any one or more of the Company, PLECO and the Company's Subsidiaries (individually, a "Plan" and, collectively, the "Plans") or trust created thereunder, or any trustee or administrator thereof, has engaged in a "prohibited transaction" (as such term is defined in Section 406 or Section 2003(a) of ERISA) which could subject such Plan or any other Plan, any trust created thereunder, or any trustee or administrator thereof, or any party dealing with any Plan or any such trust to the tax or penalty on prohibited transactions imposed by Section 502 or Section 2003(a) of ERISA. Except as set forth in Annex 12, all Plans are and have been maintained in accordance with applicable law and all contributions required to have been made with respect thereto have been made.

(c) **Reportable Events.** No Pension Plan or trust created thereunder has been terminated, and there have been no "reportable events" (as such term is defined in Section 4043 of ERISA), since the effective date of ERISA.

(d) **Accumulated Funding Deficiency.** Except as set forth in Annex 12, no Pension Plan or trust created thereunder has incurred any "accumulated funding deficiency" (as such term is defined in Section 302 of ERISA), whether or not waived, since the effective date of ERISA.

(e) **Beloit Plans.** Neither the Company, PLECO, nor any of the Company's Subsidiaries has any liability or potential liability arising from or in connection with any Plan maintained by or for the benefit of any employees of Beloit or any Subsidiary of Beloit other than PLECO, the Company or any of its Subsidiaries.

5.18 Location of Chief Executive Office and Property. Each of PLECO, the Company and the Company's Subsidiaries (a) maintains the location of its principal place of business and chief executive office in Pittsburgh, Pennsylvania, (b) does not hold any interest in tangible Property which is located in any jurisdiction other than the Commonwealth of Pennsylvania or the State of Ohio except as set forth in Section 5.8(c) herein, and (c) keeps its books and records concerning Accounts, Contracts, and General Intangibles in its offices in Pittsburgh, Pennsylvania.

5.19 Priority.

(a) Each of the Security Agreement, Railcar Security Agreement, Pledge Agreement, Guaranty Security Agreements, and Guaranty Pledge Agreements (i) grants to

the Security Trustee a valid Lien in all the Collateral purported to be covered thereby and (ii) has been duly filed and recorded or appropriate financing statements have been filed and recorded in respect thereof, or the Collateral provided thereunder has been delivered to the Security Trustee, as the case may be, and in connection therewith, all such other actions and undertakings necessary or advisable have been done in order to (A) perfect said Lien and to constitute the same a first and prior lien and security interest in the Collateral purported to be covered thereby senior to all other Liens, except for the Liens created by the Old Financing Agreements and (B) to ensure, subject to applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally, that such Lien is enforceable as a first and prior Lien (1) against creditors of and purchasers from PLECO, the Company, and the Company's Wholly-Owned Subsidiaries and (2) if applicable, as against any owner of the real Property where any of such Collateral (except Collateral which is real Property or fixtures) is located and against any purchaser of such real Property and any present or future creditor obtaining a Lien on such real Property.

(b) Each of the Mortgages and Guaranty Mortgages (i) grants to the Security Trustee a valid Lien in all the Collateral purported to be covered thereby and (ii) has been duly filed and recorded and in connection therewith all such other actions and undertakings necessary or advisable have been done in order to (A) perfect said Lien and to constitute the same a lien in the Collateral purported to be covered thereby senior to all other Liens created thereon subsequent to the filing of such Mortgage or Guaranty Mortgage, other than Permitted Liens and (B) to ensure, subject to applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally, that said Lien is enforceable as a first and prior Lien against creditors of and purchasers from PLECO, the Company and the Company's Wholly-Owned Subsidiaries which have claims against or Liens on such Collateral arising on or after the date on which the Lien of such Mortgage or Guaranty Mortgage, as the case may be, shall have been recorded and perfected.

5.20 Bona Fide Accounts. Each Account, Contract, and General Intangible is a bona fide, valid and legally enforceable obligation of the account debtor in respect thereof or obligor thereunder. The right, title and interest of each of PLECO, the Company and the Company's Wholly-Owned Subsidiaries in each Account, Contract and General Intangible is not subject to any defense, offset, counterclaim or claim, nor have any of the foregoing been asserted or alleged, except for such defenses, offsets, counterclaims or claims arising out of and in connection with the ordinary course of business of PLECO, the Company and the Company's Wholly-Owned Subsidiaries. Except as affected by defenses, offsets, counterclaims or claims arising out of and in connection with the ordinary course of business of PLECO, the Company and the Company's Wholly-Owned Subsidiaries, the amounts represented, from time to time, by PLECO, the Company or the Company's Wholly-Owned Subsidiaries to the Security Trustee as owing in respect of the Accounts, Contracts and General Intangibles will at such time or times be the current amounts actually and unconditionally owing thereunder. No amounts payable under or in connection with any of the Accounts, Contracts or General Intangibles are evidenced by promissory notes or other similar documents or instruments which have not been delivered and endorsed, if applicable, to the Security Trustee.

5.21 Pledged Stock. All of the shares of the Pledged Stock have been duly and validly issued and are fully paid and nonassessable. There are no restrictions upon the voting rights under, or the transfer of, any of the shares of the Pledged Stock other than those which may appear on the face of the certificates evidencing said shares of the Pledged Stock. PLECO, the Company and the Company's Wholly-Owned Subsidiaries, as

the respective owners of the Pledged Stock, have the right to vote, pledge and grant a security interest in and/or otherwise transfer the Pledged Stock to the Security Trustee and all certificates evidencing the Pledged Stock have been delivered to the Security Trustee.

5.22 Investment Company Act. Neither PLECO, the Company, nor any of their respective Subsidiaries is an "investment company" or a "company controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended from time to time.

5.23 Trademarks and Patents. Neither PLECO, the Company nor any of the Company's Subsidiaries owns or possesses any patents, trademarks, trade names, service marks, copyrights, and rights or applications pending with respect to any of the foregoing.

5.24 Indemnification Obligations. As of May 1, 1985, there has occurred no event which would have given rise to an indemnification or payment obligation by the Company to one or more of CBT, GECC and J. P. Morgan under one or more of the GECC Indemnity Agreements, the indemnity provisions of any GECC Lease and the other GECC Financing Agreements, other than such obligations as have arisen or may have arisen as a consequence of (a) a Casualty Occurrence in respect of one GECC Railcar and (b) the Company's failure to meet its rental obligations under the GECC Leases.

5.25 Creditors' Trust Account. Subject to Article 15, neither PLECO, the Company nor any of the Company's Subsidiaries has any interest in or claim to, and none of PLECO, the Company and the Company's Subsidiaries shall have any interest in or claim to, any moneys deposited into the Creditors' Trust Account (as such term is defined in the Intercreditor Agreement), any investments of such moneys, and any interest or dividends earned in respect of such investments. It is the express intent of the parties hereto that any moneys paid to the Security Trustee and deposited into the Creditors' Trust Account shall be the exclusive Property of the Creditors and that PLECO, the Company, and the Company's Subsidiaries shall have no legal, beneficial or equitable interest therein except with respect to the application of such moneys to the New Obligations and the Existing Obligations as provided for herein.

ARTICLE 6. CLOSING CONDITIONS

The closing (the "Closing") of the exchange (the "Exchange") of the notes and certificates of interest arising under or in connection with the Old Financing Agreements for the Certificates of Interest, as contemplated by Article 3 of this Agreement and by the Assignment Agreements referred to therein, shall take place at the offices of Simpson Thacher & Bartlett, 270 Park Avenue, New York, New York, commencing at 10 a.m., local time, on May 29, 1985, or on such other date as the Closing Representatives and the Company shall determine; provided, however, that if the Closing commences on such other date, the Company shall give two (2) days' notice of the date of such commencement to each of the Creditors and Creditors' Agents, the Single Investor Lessors and CBT which shall not have theretofore waived, in writing, the requirement that such notice be delivered. Notice given in compliance with this Article 6 and certified to by the Company shall be conclusively deemed to be adequate notice of the Closing to all of the Creditors, the Creditors' Agents, the Single Investor Lessors and CBT and each of the Creditors, the Creditors' Agents, the Single Investor Lessors and CBT shall be bound thereby. The Closing may be continued from day to day by agreement between the Company and the Closing Representatives, and oral announcement thereof at the location of the Closing, without further notice; provided, however, that, if the Closing is postponed other than by

such continuation from day to day, the Company shall again give notice to the Creditors, the Creditors' Agents, the Single Investor Lessors and CBT as provided in this Article 6. The date and time at which the Closing shall be completed and the Exchange shall be effective are referred to herein as the "Closing Date."

Each Creditor's obligation to, and its obligation to cause its Creditors' Agent to, (i) exchange the notes and certificates of interest arising under or in connection with the Old Financing Agreements or the GECC Participation Agreements, as the case may be, for the Certificates of Interest and either Preferred Stock or Preferred Certificates, as provided in Section 7.1 and Section 7.5, (ii) execute and deliver an Assignment Agreement to the Security Trustee and (iii) be otherwise bound by the provisions hereof, is subject, in each case, to the following conditions precedent:

6.1 Opinions of Counsel. Each Closing Representative and the Security Trustee shall have received an original of the following opinions, each dated the Closing Date:

(a) the opinion of Ross & Hardies, counsel for the Company, PLECO, and the Company's Subsidiaries, substantially in the form set forth in Exhibit B-1 to this Agreement;

(b) the opinion of Jeffrey R. Cooke, General Counsel of Beloit, substantially in the form set forth in Exhibit B-2 to this Agreement;

(c) the opinion of Alvord & Alvord, ICC counsel for the Creditors, substantially in the form set forth in Exhibit B-3 to this Agreement;

(d) the opinion of G. Edward Yurcon, General Counsel of the Company, and the Company's Wholly-Owned Subsidiaries, substantially in the form set forth in Exhibit B-4 to this Agreement;

(e) the opinion of Gordon E. Neuenschwander, General Counsel of PLECO, substantially in the form set forth in Exhibit C to this Agreement;

(f) the opinion of Reed, Smith, Shaw & McClay, Pennsylvania counsel for PLECO, the Company, and the Company's Subsidiaries, substantially in the form set forth in Exhibit B-5 to this Agreement;

(g) the opinion of Roth, Stephens, Blair & Co., L.P.A., Ohio counsel for PLECO, the Company, and the Company's Subsidiaries, substantially in the form set forth in Exhibit B-6 to this Agreement;

(h) the opinion of A. Pier Meager, Counsel-Corporate Services and Transportation Financing Department for GECC and an opinion of counsel for J. P. Morgan, each substantially in the form set forth in Exhibit B-7 to this Agreement;

(i) the opinion of Day, Berry & Howard, counsel for CBT, substantially in the form set forth in Exhibit B-8 to this Agreement; and

(j) the opinion of Shipman & Goodwin, counsel for the Security Trustee, substantially in the form set forth in Exhibit B-9 to this Agreement.

6.2 Representations and Warranties True; No Prohibited Action.

(a) Representations and Warranties True. The representations and warranties contained in Article 5 of this Agreement shall (except as affected by the transactions contemplated by this Agreement) be true and correct in all material respects on and as of the Closing Date as though made on and as of such date.

(b) No Prohibited Action. Neither the Company, PLECO nor any of the Company's Subsidiaries shall have taken any action or permitted any condition to exist which would have been prohibited by Section 10.4 through Section 10.15, inclusive, and Section 10.19 had such Sections been binding and effective at all times during the period from June 30, 1983 to and including the Closing Date.

6.3 Compliance with New Financing Agreements and Other Documents. All parties to all New Financing Agreements, the GECC Amendments and the Single Investor Lease Amendments shall have performed and complied with all agreements and conditions contained therein which are required to be performed or complied with by such Person before or at the Closing.

6.4 Certificates of Officers.

(a) Officer's Certificates. Each Closing Representative and the Security Trustee shall have received (i) an original of a certificate substantially in the form set forth in Exhibit J-1 to this Agreement, dated the Closing Date and signed by the president, any executive vice president or any vice president of the Company, certifying, inter alia, that the conditions specified in Section 6.2 and Section 6.3 with respect to the Company and the Company's Subsidiaries have been fulfilled and (ii) an original of a certificate substantially in the form set forth in Exhibit J-2 to this Agreement, dated the Closing Date and signed by the president, any executive vice president or any vice president of PLECO, certifying, inter alia, that the conditions specified in Section 6.2 and Section 6.3 with respect to PLECO have been fulfilled.

(b) Secretary's Certificates. Each Closing Representative and the Security Trustee shall have received an original of (i) a certificate signed by the secretary or an assistant secretary of the Company, (ii) a certificate signed by the secretary or an assistant secretary of PLECO, (iii) a certificate signed by the secretary or an assistant secretary of each of the Wholly-Owned Subsidiaries of the Company, and (iv) a certificate signed by the secretary or an assistant secretary of Beloit, each dated the Closing Date and substantially in the respective forms set forth in Exhibit D-1, Exhibit D-2, Exhibit D-3 and Exhibit D-4 to this Agreement, with respect to the matters therein set forth.

6.5 Proceedings Satisfactory. All proceedings taken in connection with the Closing and all documents and papers relating thereto shall be satisfactory to the Closing Representatives. Each of the Closing Representatives and the Security Trustee shall have received copies of such documents and papers as any of them shall reasonably request in connection with the Closing, all in form and substance satisfactory to the Closing Representatives.

6.6 Payment of Expenses. The Company shall have paid all amounts which it shall have been required to pay in accordance with the provisions of Section 16.1.

6.7 Collateral. The Company shall have duly executed and delivered to the Security Trustee an original, with a copy for each of the Closing Representatives, of the following:

(a) a security agreement (as amended from time to time, the "Security Agreement") to the effect and substantially in the form set forth in Exhibit E to this Agreement, granting to the Security Trustee a security interest in substantially all of the Company's tangible and intangible personal Property (other than interests in Railcars and in Property pledged pursuant to Section 6.9), including, without limitation, its rights under all leases, contracts, permits, licenses, franchises and other agreements to which it is a party;

(b) a railcar security agreement (as amended from time to time, the "Railcar Security Agreement") to the effect and substantially in the form set forth in Exhibit F to this Agreement, granting to the Security Trustee a security interest in the Company's interest in all Railcars in which the Company has an interest (other than the GECC Railcars); and

(c) indentures of mortgage (as amended from time to time, individually, a "Mortgage" and collectively, the "Mortgages") to the effect and substantially in the form set forth in Exhibit G-1 or Exhibit G-2 to this Agreement, as the case may be, with respect to the Company's fee simple, leasehold and other interests (or their equivalent under local law) in real Property as described on Annex 5 to this Agreement.

Each of such documents shall be in full force and effect and shall grant or assign to the Security Trustee a perfected secured position with respect to the Collateral covered thereby, subject to no Liens other than Permitted Liens and Liens of the kind referred to in Section 5.7(a), and at the Closing the Closing Representatives shall have received evidence reasonably satisfactory to them (but not including title insurance policies or binders therefor) that such first secured position is in full force and effect.

6.8 Guaranty Collateral. Each of PLECO and the Wholly-Owned Subsidiaries of the Company shall have duly executed and delivered to the Security Trustee an original, with a copy for each of the Closing Representatives, of the following:

(a) a guaranty agreement (as amended from time to time, individually, the "Guaranty Agreement" and, collectively, the "Guaranty Agreements") to the effect and substantially in the form set forth in Exhibit H-1 or Exhibit H-2 to this Agreement, as the case may be, guaranteeing payment of the New Obligations;

(b) a security agreement (as amended from time to time, individually, the "Guaranty Security Agreement" and, collectively, the "Guaranty Security Agreements") to the effect and substantially in the form set forth in Exhibit I-1 or Exhibit I-2 to this Agreement, as the case may be, granting to the Security Trustee a security interest in substantially all of such Person's tangible and intangible personal Property (other than interests in Property pledged pursuant to Section 6.9), including, without limitation, its rights under all leases, contracts, permits, licenses, franchises and other agreements to which it is a party; and

(c) mortgages (as amended from time to time, individually, a "Guaranty Mortgage" and, collectively, the "Guaranty Mortgages") to the effect and substantially in the form set forth in Exhibit K-1 or Exhibit K-2 to this

Agreement, as the case may be, with respect to such Person's fee simple and other interests (or their equivalent under local law) in real Property as described on Annex 5 to this Agreement.

Each of such documents shall be in full force and effect and shall grant or assign to the Security Trustee a perfected secured position with respect to the Collateral covered thereby, subject to no Liens other than Permitted Liens.

6.9 Pledge of Stock and Partnership Interests.

(a) Stock Held by the Company. The Company shall have (i) duly executed and delivered to the Security Trustee an original, with a copy for each of the Closing Representatives, of a pledge agreement (as amended from time to time, the "Pledge Agreement") to the effect and substantially in the form set forth in Exhibit L to this Agreement and (ii) effectively pledged and delivered to the Security Trustee all certificates representing or evidencing all capital stock presently owned by the Company in any Person and all rights to acquire such stock, including, without limitation, warrants and convertible bonds or debentures, by delivery to the Security Trustee of originals, with copies for each of the Closing Representatives, of the instruments evidencing such stock and rights, together with appropriate stock powers executed in blank.

(b) Stock Held by PLECO and Subsidiaries of the Company. (i) Each of PLECO and The Montour Railroad Company shall have (A) duly executed and delivered to the Security Trustee an original, with a copy for each of the Closing Representatives, of a pledge agreement (as amended from time to time, the "Guaranty Pledge Agreement") to the effect and substantially in the form set forth in Exhibit M-1 and Exhibit M-2 to this Agreement, respectively, and (B) effectively pledged and delivered to the Security Trustee all certificates representing or evidencing all capital stock presently owned by it in any Person and all rights to acquire such stock, including, without limitation, warrants and convertible bonds or debentures, by delivery to the Security Trustee of originals, with copies for each of the Closing Representatives, of the instruments evidencing such stock and rights, together with stock powers executed in blank and (ii) PLECO shall have (A) pledged its limited partnership interest in Station Square Hotel Associates, (B) delivered a copy of the limited partnership agreement of Station Square Hotel Associates, and (c) if required by such limited partnership agreement, delivered a written consent from the partnership in respect of the pledging of PLECO's interest therein, to the Security Trustee.

6.10 Preferred Stock. The Company's certificate of incorporation shall have been amended to include therein provisions substantially in the form of Exhibit N to this Agreement and either the Company shall have issued Preferred Stock, or the Security Trustee shall have issued Preferred Certificates, all as provided in Section 7.1 and Section 7.5.

6.11 Common Stock. The Company shall have authorized, in addition to the Common Stock authorized and issued on the Closing Date, not less than Two Hundred Eight Thousand Nine Hundred Twenty-Four (208,924) shares of Common Stock, Fifty Dollar ($50) par value, none of which shall have been issued and all of which shall be (i) subject to an appropriate reservation set forth in a resolution duly adopted by the board of directors of the Company, reserving all of such shares for issuance pursuant to Section 7.12, and (ii) free from, and over and above the number of shares of Common Stock necessary to satisfy, fulfill, comply with or honor, any and all other restrictions,

reservations, dedications, allocations, options, warrants and other rights with respect to shares of the Common Stock.

6.12 GECC Agreements.

(a) GECC Amendments. The Company, GECC or J. P. Morgan (as appropriate), CBT, and either First Security or MHTC (as appropriate) shall have duly executed and delivered (and the appropriate GECC Creditors and GECC Creditors' Agents shall have agreed to or accepted by countersignature), if such Person is a party thereto, an amendment (as amended from time to time, a "GECC Amendment"), with a copy for each of the Closing Representatives, to the effect and substantially in the form set forth in Exhibit O-1, Exhibit O-2, Exhibit O-3 or Exhibit O-4 (as appropriate) hereto, amending each Original GECC Financing Agreement to provide for, in each case in the manner set forth therein, certain matters including, without limitation (as to certain of the GECC Financing Agreements), the following:

(i) an extension of the maturity of obligations due thereunder;

(ii) a modification of the schedule of payments provided for therein;

(iii) appropriate provisions for the modification of such payment schedule upon sales of GECC Railcars; and

(iv) a modification of the schedule of stipulated loss values associated with particular GECC Railcars.

Such GECC Amendments shall be in full force and effect.

(b) GECC Subordination Agreement. CBT, GECC and J. P. Morgan and the Security Trustee shall have duly executed and delivered to the Security Trustee an original, with a copy for each of the Closing Representatives, of a subordination agreement (as amended from time to time, the "GECC Subordination Agreement") to the effect and substantially in the form of Exhibit P hereto, and the GECC Subordination Agreement shall be in full force and effect.

6.13 Tax Sharing Agreement. The Company, PLECO, Beloit and the Company's Subsidiaries shall have duly executed and delivered to the Closing Representatives copies of a tax sharing agreement (as amended from time to time, the "Tax Sharing Agreement") to the effect and substantially in the form of Exhibit Q to this Agreement, and such Tax Sharing Agreement shall be in full force and effect.

6.14 Subordination of Beloit and PLECO Debt. Each holder of Beloit/PLECO Debt shall have executed and delivered to the Security Trustee an original, with a copy for each of the Closing Representatives, of a subordination agreement (as amended from time to time, individually, the "Beloit/PLECO Subordination Agreement" and, collectively, the "Beloit/PLECO Subordination Agreements") to the effect and substantially in the form of Exhibit R-1 or Exhibit R-2 to this Agreement, as appropriate. "Beloit/PLECO Debt" means the Company's or PLECO's obligations, as the case may be, with respect to Debt which is identified on Annex 8 of this Agreement as being "Beloit/PLECO Debt."

6.15 Intercreditor Agreement. The Security Trustee shall have duly executed and delivered to the Closing Representatives originals, with a copy for each of the Creditors, the Single Investor Lessors and the Closing Representatives, of an Intercreditor

Agreement (as amended from time to time, the "Intercreditor Agreement"), to the effect and substantially in the form of Exhibit S to this Agreement, and the Intercreditor Agreement shall be in full force and effect.

6.16 ICC and PUC Approval. The Company shall have taken all actions necessary or advisable to apply for (a) ICC Approval of its issuance of the Preferred Stock or an exemption therefrom and (b) PUC Approval, to the extent any such PUC Approval is required.

6.17 Filings; Recordings. All filings of financing statements, recordings of Mortgages, recordings with the ICC, and all other filings and actions necessary to (a) perfect the security interests and Liens granted under the New Financing Agreements and (b) make effective the GECC Amendments and the Single Investor Lease Amendments, shall have been filed or taken and confirmation thereof received.

6.18 Assurance of Title. The Creditors shall have received such evidence of the title of the Company, PLECO and the Company's Wholly-Owned Subsidiaries to all real Property in which each such Person shall have an interest, as counsel to the Creditors shall reasonably request (but not including title insurance policies or binders therefor).

6.19 Payments.

(a) Pre-Closing Payments. The Company shall have paid to the Creditors and the Single Investor Lessors, on or prior to the Closing Date, their respective Distribution Percentages of the Interim Payment and One Million Seven Hundred Fifty Thousand Dollars ($1,750,000) (collectively referred to as the "Pre-Closing Payments").

(b) Adjustments to Pre-Closing Payments. If the portion of the Pre-Closing Payments actually paid to any Creditor or Single Investor Lessor exceeds the result of multiplying its Distribution Percentage on the Closing Date times the Pre-Closing Payments, such Creditor or Single Investor Lessor shall have paid (and by execution and delivery hereof agrees to pay) such excess to the Security Trustee. The Security Trustee shall, on the Closing Date (or upon receipt if received thereafter), distribute all such payments so received to those Creditors and Single Investor Lessors whose share of the Pre-Closing Payments previously paid is less than the result of multiplying such Creditor's or Single Investor Lessor's Distribution Percentage on the Closing Date times the Pre-Closing Payments so that, immediately following such distribution and after giving effect to all payments by the Company or the Security Trustee to Creditors and Single Investor Lessors and all payments by Creditors and Single Investor Lessors to the Security Trustee, each Creditor and Single Investor Lessor shall have received such portion of the Pre-Closing Payments as shall equal its Distribution Percentage thereof.

(c) Other Payments. The Company (i) shall have paid to the Security Trustee, on the Closing Date, the Excess Cash Payment due on the Closing Date as provided in Section 7.8(a) and (ii) shall have paid to the Security Trustee, on or before the Closing Date, the Minimum Required Payment due within ten (10) days after March 31, 1985 as provided in Section 7.6(a).

6.20 Pending Asset Dispositions. All Net Disposition Proceeds received by the Company or any of its Subsidiaries in respect of Dispositions of Railcars effected after June 30, 1984, and prior to the Closing Date, except Dispositions referred to in Annex 11 to this Agreement, shall have been paid to the Security Trustee for application pursuant to the provisions of Section 7.9.

6.21 Single Investor Lease Amendments. The Company and the Single Investor Lessors shall have executed and delivered to the Closing Representatives originals, with a copy for each of the Creditors, the Creditors' Agents, the Single Investor Lessors, CBT, GECC, J. P. Morgan, and the Closing Representatives, of lease amendments to their respective Single Investor Leases to the effect and substantially in the form set forth in Exhibit T-1, Exhibit T-2, Exhibit T-3 or Exhibit T-4 (as appropriate) to this Agreement (as amended from time to time, individually, the "Single Investor Lease Amendment" and, collectively, the "Single Investor Lease Amendments").

6.22 Lease Conversion. That certain lease agreement between the Company and Greyhound Leasing and Financial Corporation, a Delaware corporation, dated as of June 6, 1975, shall have been cancelled and replaced by the Old Financing Agreement referred to in Annex 9 to this Agreement by and between the Company and Greyhound Leasing and Financial Corporation.

ARTICLE 7. ISSUANCE OF PREFERRED STOCK AND PAYMENTS OF OBLIGATIONS

7.1 Issuance of Preferred Stock on Closing Date to Creditors and GECC Creditors' Agents.

(a) Issuance of Preferred Stock by the Company to the Creditors. Subject to Section 7.5, on the Closing Date the Company shall duly issue and deliver to each of the Creditors which is not a GECC Creditor one or more share certificates representing Preferred Stock with an aggregate par value which when added to the par value of the share certificate or certificates of Preferred Stock to be transferred by the Security Trustee to such Creditor pursuant to Section 7.1(b) shall equal the amount set forth directly opposite such Creditor's name in the column entitled "Deferred Interest" on Annex 7 to this Agreement.

(b) Transfer of Preferred Stock by GECC Creditors' Agents. Subject to Section 7.5, the Company shall duly issue and deliver to each GECC Creditors' Agent one or more share certificates representing Preferred Stock with an aggregate par value equal to the amount set forth in Section 3.1 of the GECC Lease which has been assigned to such GECC Creditors' Agent. Each GECC Creditors' Agent receiving any such Preferred Stock shall, on the Closing Date, transfer such Preferred Stock to the Security Trustee, as transferee of the certificates of interest issued pursuant to the GECC Participation Agreements, which in turn shall transfer such Preferred Stock to the Creditors so that, following such transfer and after giving effect thereto and to the issuance provided for in Section 7.1(a), each Creditor shall have received one or more share certificates representing Preferred Stock with the aggregate par value set forth directly opposite such Creditor's name in the column entitled "Deferred Interest" on Annex 7 to this Agreement.

7.2 Issuance of Preferred Stock by the Company to the Single Investor Lessors. Subject to Section 7.5, on the Closing Date the Company shall duly issue and deliver to each of the Single Investor Lessors one or more share certificates representing Preferred Stock with an aggregate par value equal to the amount set forth directly opposite such Single Investor Lessor's name in the column entitled "Deferred Rental Interest" on Annex 7A to this Agreement.

7.3 Compounding Preferred Stock.

(a) Issuance to Creditors. In the event that accrued interest on any Certificate of Interest payable in respect of any Fiscal Year shall not have been paid in full as at the

end of such Fiscal Year, commencing with the Fiscal Year ending September 30, 1985 and ending with the Fiscal Year ending September 30, 1988, the Company shall, subject to Section 7.5, duly issue and deliver to the holder of such Certificate of Interest one or more share certificates representing Preferred Stock (Preferred Stock issued and delivered pursuant to this Section 7.3(a) or Section 7.3(c) being herein referred to as "Compounding Preferred Stock") with an aggregate par value equal to the product of (i) the rate of interest applicable to such Certificate of Interest during such Fiscal Year, expressed as a fraction, times (ii) the remainder of (A) the amount of interest accrued on such Certificate of Interest from July 1, 1985 through the end of such Fiscal Year, minus (B) the amount of interest actually paid on such Certificate of Interest in respect of the period from July 1, 1985 through the end of such Fiscal Year. The Security Trustee shall deliver a written notice to the Company, as promptly as possible after it shall have received all information necessary to make the relevant calculations, specifying the amount of Preferred Stock to be issued to each holder of a Certificate of Interest as provided in the preceding sentence. Subject to Section 7.5, the Company shall issue Compounding Preferred Stock pursuant to the provisions of this Section 7.3(a) within ninety (90) days after the end of each Fiscal Year; provided, however, that for purposes of cumulation of dividends and otherwise, such Compounding Preferred Stock shall be deemed to have been issued and outstanding on the first day of the Fiscal Year immediately succeeding the Fiscal Year so ended.

(b) Pro Rata. If any Certificate of Interest shall be exchanged or transferred on or subsequent to July 1, 1985, the Company shall compute the amount of its obligation under Section 7.3(a) on the basis that no such transfer had occurred. Upon computation of the total amount of such obligation for any Fiscal Year, the Company shall, subject to Section 7.5, duly issue Compounding Preferred Stock with an aggregate par value in such total amount to the Registered Holder or Registered Holders of Certificates of Interest issued in exchange for the Certificate of Interest which was outstanding on July 1, 1985 (or any substitute Certificate of Interest or Certificates of Interest). Such issuance shall be made ratably in accordance with the respective Distribution Percentages set forth in the Certificates of Interest held by such Registered Holder or Registered Holders. For purposes of this Section 7.3(b), "Registered Holder" means the holder of Certificates of Interest registered as such on the register maintained by the Security Trustee pursuant to Section 3.3 as at the last day of the Fiscal Year most recently ended at the time of the determination pursuant to Section 7.3(a).

(c) Issuance to Single Investor Lessors. In the event that any Single Investor Lessor shall not have received payments from the Company in an amount equal to two and one-half percent (2-1/2%) of its Single Investor Claim in the Fiscal Year ending September 30, 1985, and in an amount equal to ten percent (10%) of its Single Investor Claim in any Fiscal Year, commencing with the Fiscal Year ending September 30, 1986 and ending with the Fiscal Year ending September 30, 1988, the Company shall, subject to Section 7.5, duly issue and deliver to such Single Investor Lessor one or more share certificates representing Compounding Preferred Stock with an aggregate par value equal to the product of (i) with respect to the Fiscal Year ending September 30, 1985, two and one-half percent (2-1/2%), and with respect to all other Fiscal Years, ten percent (10%) times (ii) the remainder of (A) with respect to the Fiscal Year ending September 30, 1985, two and one-half percent (2-1/2%), and with respect to all other Fiscal Years, ten percent (10%), of such Single Investor Claim multiplied by the number of Fiscal Years ended on or subsequent to September 30, 1985 as of the date of determination minus (B) the amount of all payments from the Company to such Single Investor Lessor in respect of the period from July 1, 1985 through the end of such Fiscal Year. Subject to Section 7.5, the Company shall issue Compounding Preferred Stock pursuant to the

provisions of this Section 7.3(c) within ninety (90) days after the end of each Fiscal Year; provided, however, that for purposes of cumulation of dividends and otherwise, such Compounding Preferred Stock shall be deemed to have been issued and outstanding on the first day of the Fiscal Year immediately succeeding the Fiscal Year so ended.

7.4 Delayed Issuance of Preferred Stock. If the Company shall obtain ICC Approval and PUC Approval at any time subsequent to the time provided for the issuance of Preferred Stock pursuant to Section 7.1 or Section 7.3, but prior to September 30, 1987, the Company shall promptly thereafter issue Preferred Stock with the aggregate par value specified in the relevant Section to the holders of Preferred Certificates, and, thereafter, the Preferred Certificates issued in lieu of such Preferred Stock pursuant to Section 7.5 shall only evidence the right of the holders thereof to receive unpaid Preferred Certificate Distributions accrued on such Preferred Certificates to the date of issuance of such Preferred Stock. Dividends shall accumulate on such Preferred Stock issued pursuant to the provisions of this Section 7.4 commencing with the date of issuance thereof. No Preferred Stock shall be issued in satisfaction of the Company's obligations pursuant to Section 7.1 or Section 7.3 after September 30, 1987, and the Preferred Certificates issued in lieu thereof shall remain outstanding and be retired pursuant to the provisions of this Agreement.

7.5 Preferred Certificates in Lieu of Preferred Stock.

(a) Issuance. If ICC Approval and PUC Approval for the issuance of Preferred Stock by the Company pursuant to the provisions of Section 7.1, Section 7.2 or Section 7.3 shall not have been obtained on or prior to the date provided for such issuance pursuant to the provisions of the relevant Section, no such Preferred Stock shall be issued pursuant to the provisions of such Section on such date and, in lieu thereof, the Security Trustee shall issue (i) to each Person entitled to receive such Preferred Stock pursuant to Section 7.1(a) and Section 7.2 and (ii) to the Company (in consideration for the Company's agreement to be bound by the provisions hereof) for distribution to the GECC Creditors' Agents, a certificate or certificates (a "Preferred Certificate" or, collectively, the "Preferred Certificates"), substantially in the form of Exhibit U to this Agreement. Each such Preferred Certificate shall evidence the right of each such Person or GECC Creditors' Agent, as the case may be, to receive (A) an amount (the "Preferred Certificate Par Value Amount") equal to the aggregate par value of the Preferred Stock not so issued pursuant to Section 7.1, Section 7.2 or Section 7.3, whichever shall be applicable, plus (B) periodic cumulative payments (the "Preferred Certificate Distributions") at the times and rate at which dividends would have been paid on such Preferred Stock. For purposes of cumulation of Preferred Certificate Distributions and otherwise, Preferred Certificates issued in lieu of Preferred Stock shall be deemed to have been issued and outstanding on the same day as such Preferred Stock would have been deemed to be issued and outstanding as set forth in the Section of this Agreement pursuant to which such Preferred Stock would have been issued. Preferred Certificates shall be issued by the Security Trustee not later than the last day provided for issuance of the Preferred Stock in lieu of which such Preferred Certificates are to be issued.

(b) Transfer to GECC Creditors' Agents. The Preferred Certificates issued to the Company as provided in Section 7.5(a)(ii) shall be transferred by the Company to the GECC Creditors' Agents, as payment of rent pursuant to and in accordance with the GECC Leases, in lieu of the Preferred Stock to be issued by the Company pursuant to Section 7.1(b). Each GECC Creditors' Agent receiving any such Preferred Certificates shall, on the Closing Date, transfer such Preferred Certificates to the Security Trustee, as the transferee of the certificates of interest issued pursuant to the GECC Participation

Agreements, which, in turn, shall transfer such Preferred Certificates to the Creditors so that following such transfer and after giving effect thereto and to the issuance provided for in Section 7.5(a)(i), each Creditor shall have received one or more Preferred Certificates with an aggregate Preferred Certificate Par Value Amount equal to the amount set forth directly opposite such Creditor's name in the column entitled "Deferred Interest" in Annex 7 to this Agreement.

(c) Payments and Distributions. Any provision of this Agreement which requires (i) the Company to make a payment to the Security Trustee in respect of Preferred Stock, (ii) the Security Trustee to make any distributions to the holders of Certificates of Interest in respect of Preferred Stock, or (iii) the holders of Certificates of Interest to apply such distributions in respect of Preferred Stock, shall be deemed to require such payment, distribution, or application, as the case may be, to be made in respect of Preferred Certificates to the extent that any Preferred Certificates shall be outstanding at the time such payment, distribution or application is required. In applying the preceding sentence, any reference to par value, dividends and Preferred Stock shall be deemed to be references to Preferred Certificate Par Value Amount, Preferred Certificate Distributions and Preferred Certificates, respectively.

(d) Registration. The Security Trustee shall cause to be kept at its office, maintained pursuant to Section 13.10, a register for the registration and transfer of Preferred Certificates. The name and address of each holder of one or more Preferred Certificates, each transfer thereof, and the name and address of each transferee of one or more Preferred Certificates shall be registered in the register. The Person in whose name any Preferred Certificate shall be registered shall be deemed and treated as the owner and holder thereof for all purposes of this Agreement, and the Security Trustee shall not be affected by any notice or knowledge to the contrary (except as provided in Section 7.5(f)).

(e) Exchange. Upon surrender of one or more Preferred Certificates at the Security Trustee's office maintained pursuant to Section 13.10, the Security Trustee, at the request of the holder thereof, shall execute, at the Company's expense (except as provided in Section 7.5(g)), one or more new Preferred Certificates in exchange therefor, payable to such holder, for a like aggregate Preferred Certificate Par Value Amount.

(f) Transfer. Any Preferred Certificate may be transferred at the Security Trustee's office maintained pursuant to Section 13.10 by surrendering such Preferred Certificate for cancellation, accompanied by a written instrument of transfer in a form satisfactory to the Security Trustee, duly executed by the holder of such Preferred Certificate or by its attorney duly authorized in writing, and thereupon the Security Trustee, at the expense of the Company (except as provided in Section 7.5(g)), shall issue in the name of the transferee or transferees, in exchange therefor, a new Preferred Certificate or Preferred Certificates of like form and for a like aggregate Preferred Certificate Par Value Amount. No transfer of Preferred Certificates shall be effected except in accordance with the provisions of Section 3.5(b).

(g) Other Provisions. The provisions of Section 3.7 to Section 3.10, inclusive, which are applicable to Certificates of Interest, and the provisions of Section 7.15 and Section 7.17 which are applicable to the redemption of Preferred Stock and the payment of dividends thereon, shall also apply to Preferred Certificates. In so applying such Sections, any surrender of Preferred Stock to the Company referred to in Section 7.15 shall be deemed to mean a surrender of Preferred Certificates to the Security Trustee.

There shall be no exchange or transfer of Preferred Certificates which, pursuant to Section 7.4, evidence only Preferred Certificate Distributions.

7.6 Minimum Required Payments.

(a) Amount. Within ten (10) days after each Quarterly Payment Date set forth below, the Company shall pay to the Security Trustee an amount (to the extent actually paid in cash, individually, a "Minimum Required Payment" and, collectively, the "Minimum Required Payments") as follows (except that the Minimum Required Payment due within ten [10] days after March 31, 1985 shall instead be paid on or prior to the Closing Date):

If the Quarterly Payment Date Shall Be	The Amount Due and Payable Shall Be
March 31, 1985	$1,750,000
June 30, 1985	1,750,000
September 30, 1985	1,750,000
December 31, 1985	2,000,000
March 31, 1986	2,000,000
June 30, 1986	2,000,000
September 30, 1986	2,000,000
December 31, 1986	2,250,000
March 31, 1987	2,250,000
June 30, 1987	2,250,000
September 30, 1987	2,250,000
December 31, 1987	2,250,000
March 31, 1988	2,250,000
June 30, 1988	2,250,000
September 30, 1988	2,250,000
December 31, 1988	2,750,000
March 31, 1989	2,750,000
June 30, 1989	2,750,000
September 30, 1989	2,750,000

(b) Application. The holders of Certificates of Interest shall apply each distribution received from the Security Trustee in respect of (i) each Minimum Required Payment due on or before July 10, 1985, to the payment of principal of the Certificates of Interest, and (ii) each Minimum Required Payment due after July 10, 1985, first, to the payment of interest accrued, but not paid, during the then current Fiscal Year on the principal balance of the Certificates of Interest then Outstanding, and second, to the payment of interest accrued, but not paid, during previous Fiscal Years on the principal balance of the Certificates of Interest then Outstanding. The Single Investor Lessors shall apply each distribution received from the Security Trustee in respect of Minimum Required Payments to the payment of rent due under the Single Investor Leases.

7.7 Adjusted Cash Flow Acceleration Payments.

(a) Mid-Year Acceleration Payments. Within sixty (60) days after March 31 (the "Mid-Year Acceleration Payment Date") in each year, commencing on March 31, 1985, the Company shall pay to the Security Trustee an amount (to the extent actually

paid in cash, the "Mid-Year Acceleration Payment"), with respect to the period of six (6) months ending on March 31, equal to the remainder of (i) the sum of (A) fifty percent (50%) of the lesser of (1) Adjusted Cash Flow for such period and (2) the Mid-Year Cash Flow Limit plus (B) seventy-five percent (75%) of the remainder, if positive, of (1) Adjusted Cash Flow for such period minus (2) the Mid-Year Cash Flow Limit minus (ii) the aggregate amount of Excess Cash Payment Distributions made by the Security Trustee during such period. For the purposes only of determining the Mid-Year Acceleration Payment, the amount which the Security Trustee could distribute as an Excess Cash Payment Distribution on March 31 of any year shall be deemed to have been distributed on such date, whether or not such distribution shall actually have been made. In each case, the Mid-Year Cash Flow Limit shall be an amount determined as follows:

If the Mid-Year Acceleration Payment Date Shall Be March 31 in the Year	The Mid-Year Cash Flow Limit Shall Be
1985	$3,000,000
1986	3,500,000
1987	4,000,000
1988	4,000,000
1989	4,000,000
1990	4,000,000
1991	4,000,000
1992	4,000,000

Mid-Year Acceleration Payments for the years 1990, 1991 and 1992 shall only be due if the Company shall become obligated to pay the Extension Amount pursuant to Section 7.12 (but shall be payable in each of such years regardless of whether the Extension Amount and all accrued interest thereon shall be paid in full prior to September 30, 1992).

(b) End-of-Year Acceleration Payments.

(i) Amount. Within ninety (90) days after September 30 ("End-of-Year Acceleration Payment Date") in each year, commencing on September 30, 1985, the Company shall pay to the Security Trustee an amount (to the extent actually paid in cash, the "End-of-Year Acceleration Payment"), with respect to the period of twelve (12) months ending on such date, equal to the remainder (the "Acceleration Remainder") of (A) the sum of (1) fifty percent (50%) of the lesser of (x) Adjusted Cash Flow for such period and (y) the End-of-Year Cash Flow Limit plus (2) seventy-five percent (75%) of the remainder, if positive, of (x) Adjusted Cash Flow for such period minus (y) the End-of-Year Cash Flow Limit minus (B) the amount of the Mid-Year Acceleration Payment, if any, paid with respect to the period of six (6) months ending on the immediately preceding March 31 minus (C) the aggregate amount of Excess Cash Payment Distributions made by the Security Trustee during such period of twelve (12) months; provided, however, that no such payment shall be made if the Acceleration Remainder shall be negative. For purposes only of determining the End-of-Year Acceleration Payment, the amount which the Security Trustee could distribute as an Excess Cash Payment Distribution on September 30 of any year shall be deemed to have been

distributed on such date, whether or not such distribution shall actually have been made. In each case, the End-of-Year Cash Flow Limit shall be an amount determined as follows:

If the End-of-Year Acceleration Payment Date Shall Be September 30 in the Year	The End-of-Year Cash Flow Limit Shall Be
1985	$6,000,000
1986	7,000,000
1987	8,000,000
1988	8,000,000
1989	8,000,000
1990	8,000,000
1991	8,000,000
1992	8,000,000

End-of-Year Acceleration Payments for the years 1990, 1991 and 1992 shall only be due if the Company shall become obligated to pay the Extension Amount pursuant to Section 7.12 (but shall be payable in each of such years regardless of whether the Extension Amount and all accrued interest thereon shall be paid in full prior to September 30, 1992).

(ii) Overpayments. In the event that the Acceleration Remainder for any Fiscal Year shall be negative (such negative remainder, expressed as a positive number, is hereinafter referred to as the "Overpayment"), the next succeeding Mid-Year Acceleration Payment and, to the extent necessary, any succeeding End-of-Year Acceleration Payments and Mid-Year Acceleration Payments shall be reduced (but not below zero) by all or a portion of the Overpayment until the aggregate amount of such reductions shall be equal to the amount of the Overpayment.

(c) Application.

(i) Holders of Certificates of Interest. Subject to Section 7.17(c)(ii), the holders of Certificates of Interest shall apply

(A) to the payment of principal of the Certificates of Interest then Outstanding, each distribution received from the Security Trustee in respect of (1) the Mid-Year Acceleration Payment due with respect to the six (6) month period ending March 31, 1985, (2) the End-of-Year Acceleration Payments and Mid-Year Acceleration Payments due during the calendar years 1990, 1991 and 1992, if applicable, and (3) to the extent of fifty percent (50%) thereof, the End-of-Year Acceleration Payment due with respect to the twelve (12) month period ending September 30, 1985; and

(B) fifty percent (50%) to the payment of interest accrued on the principal balance of the Certificates of Interest then Outstanding and fifty percent (50%) to the payment of principal of such Certificates of Interest, each distribution received from the Security Trustee in respect of (1) to the extent of fifty percent (50%) thereof, the End-of-Year Acceleration Payment due with respect to the twelve (12) month period ending September 30, 1985, and (2) the End-of-Year Acceleration Payments and Mid-Year Acceleration Payments due in respect of any period beginning subsequent to September 30, 1985 and ending on or prior to September 30, 1989.

Any amount applied pursuant to the terms of this Section 7.7(c) to the payment of interest shall be applied, first, to the payment of interest accrued, but not paid, during the then current Fiscal Year on the principal balance of the Certificates of Interest then Outstanding and, second, to the payment of interest accrued, but not paid, during previous Fiscal Years on the principal balance of the Certificates of Interest then Outstanding.

(ii) Single Investor Lessors. The Single Investor Lessors shall apply each distribution received from the Security Trustee in respect of Mid-Year Acceleration Payments and End-of-Year Acceleration Payments to the payment of rent due under the Single Investor Leases.

7.8 Excess Cash Payments.

(a) Cash Collateral Account. On the Closing Date, the Security Trustee shall establish, and at all times thereafter shall maintain, the Cash Collateral Account at the office maintained by it pursuant to Section 13.10.

(b) Amount. On the Closing Date and within fifteen (15) days after each Quarterly Payment Date thereafter to and including September 30, 1989 (or, if the Company shall become obligated to pay the Extension Amount pursuant to Section 7.12, September 30, 1992), the Company shall pay to the Security Trustee an amount (the "Excess Cash Payment") equal to the remainder, if positive, of (1) the Cash Balance as at such Closing Date or Quarterly Payment Date, as the case may be, minus (2) Five Million Dollars ($5,000,000). The Security Trustee shall hold each such Excess Cash Payment in the Cash Collateral Account, subject to (1) withdrawal by the Company for Supplemental Approved Expenditures, or (2) payment to the holders of Certificates of Interest and the Single Investor Lessors in accordance with the following procedures:

(i) In the event of a proposed withdrawal by the Company for Supplemental Approved Expenditures, the Company shall deliver to the Security Trustee a certificate, signed by the Company and the Creditors' Consultant, (A) stating that such withdrawal is for the purpose of making payment of Supplemental Approved Expenditures, (B) specifying the amount of such withdrawal and (C) stating that, if such Supplemental Approved Expenditures consist of investments of the kind referred to in clause (i) of the definition of such term, it is not manifestly unreasonable to expect that such investment will yield an internal rate of return of twenty-five percent (25%) or, if such Supplemental Approved Expenditures consist of expenditures of the kind referred to in clause (ii) of the definition of such term, it is not manifestly unreasonable to believe that such expenditures are necessary and appropriate to accomplish the wage scale and work rule proposals referred to in such clause. In addition, the Company shall deliver to the Security Trustee a certificate to the effect that the entire amount of such withdrawal and all previous withdrawals from the Cash Collateral Account have been, or will be, within thirty (30) days after the respective dates of such withdrawals, applied to the payment of Supplemental Approved Expenditures. Upon receipt of such certificates, the Security Trustee shall permit the Company to make the proposed withdrawal without further inquiry into, and with no responsibility for, the use or application of funds withdrawn from the Cash Collateral Account pursuant to this Section 7.8(b)(i).

(ii) If, as of the last day of any calendar month ended subsequent to December, 1985, (A) the amount of cash and Cash Collateral Account Investments in the Cash Collateral Account as of such day shall exceed (B) the sum of (1) two

million dollars ($2,000,000) plus (2) the aggregate amount specified in Anticipated Cash Needs Certificates delivered by the Company to the Security Trustee on or prior to such day (to the extent such aggregate amount is budgeted for actual expenditure during the period of six (6) calendar months following such day, as determined by reference to the date or dates set forth in such Anticipated Cash Needs Certificates), then the Security Trustee shall promptly deposit such excess (the "Excess Cash Payment Distributions") into the Creditors' Trust Account and shall promptly, in accordance with and pursuant to Section 5.2 of the Intercreditor Agreement, distribute such Excess Cash Payment Distributions (x) to the holders of Certificates of Interest, in accordance with the respective Distribution Percentages set forth therein and (y) to the Single Investor Lessors in accordance with their respective Distribution Percentages set forth in Part II of Annex 2 to this Agreement.

(c) Application. Subject to Section 7.17(c)(ii), the holders of Certificates of Interest shall apply, to the payment of principal of the Certificates of Interest then Outstanding, each Excess Cash Payment Distribution received from the Security Trustee subsequent to September 30, 1989. The holders of Certificates of Interest shall apply, fifty percent (50%) to the payment of principal of the Certificates of Interest then Outstanding and fifty percent (50%) to the payment of unpaid interest accrued thereon, each Excess Cash Payment Distribution received from the Security Trustee after June 30, 1985 and on or prior to September 30, 1989; to the extent applied to interest, such distributions shall be applied first, to the payment of interest accrued, but not paid, during the then current Fiscal Year on the principal balance of the Certificates of Interest then Outstanding and second, to the payment of interest accrued, but not paid, during previous Fiscal Years on the principal balance of the Certificates of Interest then Outstanding. The Single Investor Lessors shall apply each distribution received from the Security Trustee in respect of Excess Cash Payment Distributions to the payment of rent due under the Single Investor Leases.

7.9 Asset Disposition Payments.

(a) Payment to the Security Trustee of Net Disposition Proceeds.

(i) Amount Not in Excess of $175,000. Subject to the provisions of Section 11.8, if, in any calendar month, the Company, PLECO or any of the Company's Subsidiaries shall be entitled to receive Gross Proceeds in an aggregate amount not exceeding One Hundred Seventy-Five Thousand Dollars ($175,000) from the Disposition of Property in a transaction or a Series of Related Transactions, it shall promptly deposit the cash portion of such Gross Proceeds into the Proceeds Account and shall promptly deliver to the Security Trustee any promissory note constituting part of such Gross Proceeds (as contemplated by Section 11.7(a)(ii)), duly endorsed to the Security Trustee. The cash so deposited into the Proceeds Account may only be withdrawn by the Person depositing such cash (A) in order to pay its Out-of-Pocket Costs in respect of such Disposition or (B) to pay such cash to the Security Trustee. The cash so deposited into the Proceeds Account arising out of or in connection with any such Disposition shall be paid to the Security Trustee, to the extent not used to pay Out-of-Pocket Costs incurred in connection with such Disposition, not later than the end of the month following the month in which such cash was deposited into the Proceeds Account.

(ii) Amount in Excess of $175,000. Subject to the provisions of Section 11.8, if, in any calendar month, the Company, PLECO or the Company's Subsidiaries shall be entitled to receive Gross Proceeds in an aggregate amount exceeding

One Hundred Seventy-Five Thousand Dollars ($175,000) from the Disposition of Property in a transaction or a Series of Related Transactions, it shall cause the Vendee to pay the Net Disposition Proceeds in respect of such Disposition (including, without limitation, any Net Disposition Proceeds payable by delivery of a promissory note) directly to the Security Trustee at the time and in the manner provided for in the contract between such Person and the Vendee which relates to such Disposition; provided, however, that in the event the Vendee pays to the Security Trustee an amount in excess of the Net Disposition Proceeds, the Security Trustee, upon written request of the Company certifying the amount of such excess (together with supporting calculations therefor in reasonable detail), shall pay such excess to the Company to reimburse it for its Out-of-Pocket Costs in respect of such Disposition.

(iii) Promissory Notes. To the extent that any Gross Proceeds referred to in Section 7.9(a)(i) or Section 7.9(a)(ii) shall be paid by delivery of a promissory note, (A) the face amount thereof shall be counted for purposes of determining which of such Sections is applicable to the Disposition which gave rise to the payment of such Gross Proceeds; provided, however, that the Security Trustee shall only make distributions in respect of any such promissory note to the extent that it has actually received payment of amounts owing with respect thereto and (B) for purposes of determining the amount of the Aggregate Cumulative Payment made by the Company in any Cumulation Period, the amount payable pursuant to such promissory note, discounted annually at the greater of the interest rate borne by such promissory note or the Base Rate in effect at the time of determination, shall be counted; provided, however, that if there shall be a default in the payment of any amount due under such promissory note, there shall be a deduction from the Aggregate Cumulative Payment for the Cumulation Period in which such default occurs in an amount equal to the amount remaining to be paid pursuant to such promissory note discounted as aforesaid.

(b) Application. Subject to Section 7.17(c)(ii), the holders of Certificates of Interest shall apply each distribution received from the Security Trustee in respect of Asset Disposition Payments to the payment of principal of the Certificates of Interest then Outstanding. The Single Investor Lessors shall apply each distribution received from the Security Trustee in respect of Asset Disposition Payments to the payment of rent due under the Single Investor Leases. The term "Asset Disposition Payments" means Net Disposition Proceeds paid to the Security Trustee pursuant to this Section 7.9 or Section 6.20.

(c) GECC Railcars. The provisions of Section 7.9(a) shall not apply to Gross Proceeds which the Company is entitled to receive on account of sales of GECC Railcars. Any such Gross Proceeds (i) shall be applied to reduce the GECC Conditional Sale Indebtedness, as provided in the GECC Financing Agreements, (ii) shall be paid to the Security Trustee (as transferee of all of the certificates of interest outstanding under the GECC Participation Agreements) and (iii) shall be distributed by the Security Trustee to the holders of Certificate of Interest for application to the payment of principal of the Certificates of Interest then Outstanding.

(d) Single Investor Leases. To the extent that any Single Investor Lease Amendment permits the Company to sell any or all of the Railcars subject thereto, all Net Disposition Proceeds therefrom which the Company is entitled to retain pursuant to such Single Investor Lease Amendment, if any, shall be paid by the Company directly to the Security Trustee promptly upon the receipt thereof for distribution to the holders of Certificates of Interest and the Single Investor Lessors as provided for herein and for

application by such holders and such Single Investor Lessors as provided in Section 7.9(b). *All sales of Railcars under this Section 7.9(d) shall be for cash.*

7.10 Aggregate Cumulative Payment.

(a) Amount. The Company covenants that the Aggregate Cumulative Payment it shall have made, in accordance with the provisions of this Agreement and the GECC Financing Agreements, in respect of the period from June 1, 1984 to each of the dates specified below (each of such periods being referred to herein as a "Cumulation Period"), shall be not less than the amount set forth opposite such date:

If the Date Shall Be September 30 in the Year	The Aggregate Cumulative Payment Shall Be
1986	$ 30,000,000
1987	55,000,000
1988	80,000,000
1989	110,000,000

(b) Definition. The "Aggregate Cumulative Payment," with respect to any Cumulation Period, means the sum of all payments to the Security Trustee made during such Cumulation Period by any Person pursuant to the provisions of this Agreement, or any of the other New Financing Agreements, to the extent available for distribution to the Creditors and the Single Investor Lessors during such Cumulation Period (whether or not such distribution is actually made), including, without limitation, (i) all payments to the Security Trustee by PLECO of any cash Distributions received by it from any Person (including, without limitation, any of its Subsidiaries), (ii) all payments to the Security Trustee in respect of the certificates of interest held by it which are outstanding under the GECC Participation Agreements, (iii) all payments to the Security Trustee by Beloit pursuant to the provisions of the Tax Sharing Agreement, and (iv) all of the following payments: (A) Minimum Required Payments; (B) Mid-Year Acceleration Payments; (C) the Pre-Closing Payments; (D) End-of-Year Acceleration Payments; (E) Excess Cash Payment Distributions; and (F) Asset Disposition Payments, but excluding in any event any payments made in respect of or pursuant to Section 10.25, Section 13.1 or Section 16.1.

7.11 Payment of Principal and Interest.

(a) Amount. On September 30, 1989, the Company shall pay to the Security Trustee an amount equal to the difference (if positive) between (i) the sum of the entire principal amount of the Certificates of Interest then Outstanding plus Unpaid Interest thereon and (ii) the CSA Equivalent Amount (the amount of such difference hereinafter referred to as the "Extension Amount"), and the provisions of Section 7.11(b) through Section 7.11(e), inclusive, shall apply; provided, however, that the Company shall not be obligated to pay such difference nor shall the provisions of Section 7.11(b) through Section 7.11(d), inclusive, apply if the Company shall satisfy the conditions set forth in Section 7.12(a) through Section 7.12(h), inclusive, and shall elect to make the payments provided for in Section 7.13 (the "Extension Election"). "Unpaid Interest" means the remainder of (x) the amount of interest accrued, whether or not paid, during the period from July 1, 1985 through September 30, 1989 on all Certificates of Interest Outstanding during such period minus (y) the amount of interest actually paid on all Certificates of Interest in respect of such period.

(b) Sale of GECC Railcars. If, on October 1, 1989, any portion of the CSA Equivalent Amount shall remain unpaid, the Security Trustee shall have the right (but not the obligation) to exercise the power of sale set forth in Section 7.20 with respect to GECC Railcars. Such right may be exercised at any time, or from time to time, until the Net Disposition Proceeds received by the Security Trustee in respect of sales of such GECC Railcars equal the CSA Equivalent Amount (together with all accrued and unpaid interest thereon at a rate of ten percent (10%) per annum) as determined from time to time after September 30, 1989 or the Security Trustee elects to pursue its remedies set forth in Section 7.11(c); provided, however, that if the Company shall not make the payments referred to in said Section, the Security Trustee shall have the right to continue to exercise such power of sale until it shall receive the amount of Net Disposition Proceeds referred to above.

(c) Payment by the Company. If, on December 31, 1989, there shall remain outstanding any portion of the CSA Equivalent Amount (together with accrued and unpaid interest thereon at a rate of ten percent (10%) per annum) determined as of such date, the Security Trustee may, at its election, sell to the Company or such other Person, as the Company may procure and which is reasonably satisfactory to the Required Persons, and the Company, on the tenth (10th) Business Day following receipt of written notice thereof (the "1989 Sales Date"), shall be obligated to purchase, or cause such other Person to purchase, from the Security Trustee (which obligation to purchase, or to cause such other Person to purchase, shall be a "New Obligation" hereunder), the certificates of interest outstanding under the GECC Participation Agreements held by the Security Trustee for a purchase price, payable in immediately available funds on the 1989 Sales Date, equal to the unpaid portion of the CSA Equivalent Amount (together with accrued and unpaid interest thereon at a rate of ten percent (10%) per annum) determined as of December 31, 1989. The Security Trustee and the Company shall execute and deliver to each other, or the Company shall cause such other Person to execute and deliver to the Security Trustee, as the case may be, such documents and instruments of transfer as may be reasonably requested by either party, all at the sole cost and expense of the Company (including, without limitation, reasonable attorneys' fees of the Security Trustee); provided, however, that in no case shall the Security Trustee make or be deemed to have made any representations, warranties (implied or expressed) or guaranties in respect of said certificates of interest, the indebtedness evidenced thereby or the collateral securing the same.

(d) Exhaustion of Remedies. The Security Trustee shall not be obligated to exercise any of its rights and remedies in respect of the Extension Amount or receive any payments in respect thereof prior to exercising any of its rights and remedies in respect of the CSA Equivalent Amount (together with any accrued and unpaid interest thereon at a rate of ten percent (10%) per annum) or receiving any payments in respect thereof. The satisfaction of, or exhaustion of remedies or Collateral, in whole or part, in respect of, the Extension Amount is not a condition to enforcing any rights or remedies in respect of, receiving payments on, or realizing upon Collateral for, the CSA Equivalent Amount (together with any accrued and unpaid interest thereon at a rate of ten percent (10%) per annum).

(e) Definition - CSA Equivalent Amount. "CSA Equivalent Amount" shall mean, as of any date on or after September 30, 1989, that portion of the sum of (i) the total principal amount of Certificates of Interest Outstanding on such date plus (ii) Unpaid Interest thereon which is equal to the principal amount of the GECC Conditional Sale Indebtedness outstanding on such date.

7.12 Extension of Maturity—Conditions Precedent. On September 30, 1989, the Company shall be deemed to have made the Extension Election if each of the following conditions precedent shall have been fully satisfied on such date:

(a) Mandatory Cumulative Payments — the Aggregate Cumulative Payment actually made by the Company in respect of the period beginning on June 1, 1984 and ending on September 30, 1989 shall have been not less than One Hundred Fifteen Million Five Hundred Thousand Dollars ($115,500,000);

(b) Cash Flow — six hundred percent (600%) of Cash Flow for the twelve (12) month period ending on June 30, 1989 shall be not less than the sum of (i) the aggregate principal amount of all Certificates of Interest Outstanding on September 30, 1989 plus (ii) all Unpaid Interest accrued thereon;

(c) Notice — the Company shall have given the Security Trustee and each of the Creditors at least sixty (60) days' prior written notice of its intent to make the Extension Election;

(d) Default — as of September 30, 1989 and after giving effect to the Extension Election, there shall exist no Default or Event of Default;

(e) Common Stock — the Company shall have issued to each holder of Certificates of Interest a number of shares of Common Stock equal to the result of multiplying (i) the quotient of (x) the sum of the Distribution Percentages set forth in Certificates of Interest held by such holder divided by (y) the sum of all Distribution Percentages set forth in all Certificates of Interest then Outstanding times (ii) five percent (5%) of the sum of (A) the number of shares of Common Stock outstanding on September 30, 1989 after giving effect to the issuance of Common Stock contemplated by this Section 7.12(e) plus (B) the number of shares of Common Stock which would be outstanding on September 30, 1989 if all then outstanding options, convertible securities, warrants or other rights to obtain the Company's Common Stock (directly or indirectly) were exercised in full;

(f) Opinion — the Security Trustee shall have received a legal opinion from counsel to PLECO, the Company, and the Company's Wholly-Owned Subsidiaries, in form and substance reasonably satisfactory to the Security Trustee and its counsel, to the effect that (i) the issuance of the Common Stock has been duly authorized by the Company, (ii) upon such issuance the Common Stock will be fully paid and nonassessable, (iii) the Master Agreement and the other New Financing Agreements to which PLECO, the Company and the Company's Wholly-Owned Subsidiaries are parties are legal, valid and binding obligations of such Persons, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally, and (iv) the Liens created by the New Financing Agreements are valid and create the priority referred to in Section 5.19, and covering such other matters as the Security Trustee may reasonably request;

(g) Certificate — the Company shall have delivered a certificate to the Security Trustee certifying to the truth and correctness of the following representations and warranties as of September 30, 1989:

(i) issuance of the Common Stock by the Company (A) is within the corporate powers of the Company and all necessary legal and corporate

action with respect thereto has been taken, (B) will not violate any provision of any law or regulation, and (C) after giving effect to the provisions of Section 4.1, will not conflict with, result in any breach of any of the provisions of, constitute a default under, or result in the creation of any Lien (other than the Liens in favor of the Security Trustee), upon any Property of the Company under the provisions of, any mortgage, indenture, loan agreement, security agreement, lease, charter instrument, bylaw, Security, judgment, order, decree, determination or award of any court, arbitrator, governmental authority, bureau or agency, or other instrument, agreement or contract, to which it is a party or by which any of its Property may be bound; and

(ii) neither (A) the nature of the Company, PLECO or any of the Company's Subsidiaries or Beloit, or of any of their respective businesses or Properties, nor (B) any relationship between any such Person and any other Person, nor (C) any circumstance in connection with the issuance of the Common Stock is such as to require a consent, approval or authorization of, or filing, registration or qualification with, any governmental authority or any other Person, which has not been obtained or made, on the part of the Security Trustee, the Company, PLECO or any of the Company's Subsidiaries or Beloit, as a condition to the issuance and delivery of the Common Stock; and

(h) Approval -- each of the ICC, the Pennsylvania Public Utility Commission, and the Public Utilities Commission of the State of Ohio shall have, in respect of the issuance of the Common Stock contemplated by this Section 7.12, issued any final order required by law approving the issuance of such Common Stock.

7.13 Extension of Maturity—Terms.

(a) Principal Amount; Rate of Interest; Maturity—Extension Amount. In lieu of making the payments required by Section 7.11, the Company may, subject to satisfaction of the conditions set forth in Section 7.12(a) through Section 7.12(h), inclusive, pay the Extension Amount in accordance with the provisions of, and make the other payments provided in, this Section 7.13. The Extension Amount shall bear interest on the unpaid amount thereof from September 30, 1989 at a fixed rate equal to the greater of (i) twelve percent (12%) per annum and (ii) a rate per annum equal to two (2) percentage points above the interest rate, most recently determined as at September 30, 1989, for United States Treasury Notes with a three (3) year constant maturity (the "Three Year Treasury Rate") as compiled by and then most recently published in the United States Federal Reserve Bulletin or its successor publication or, if there be no such successor publication, as compiled by any bank selected by the Security Trustee. The CSA Equivalent Amount shall bear interest at a rate equal to the rate of interest borne, from time to time, by the Extension Amount. The Company shall pay to the Security Trustee the unpaid amount of the Extension Amount, together with all accrued and unpaid interest thereon, on September 30, 1992 and shall make the other payments provided for in this Section 7.13.

(b) Required Installment Payments—Extension Amount. In addition to paying the unpaid amount of the Extension Amount, together with all accrued and unpaid interest thereon, on September 30, 1992 and making the other payments provided for in this Article 7, the Company shall make equal payments to the Security Trustee on each Quarterly Payment Date, commencing with the Quarterly Payment Date occurring on

December 31, 1989 and ending with the Quarterly Payment Date occurring on June 30, 1992, equal to the sum of (i) the Single Investor Term Rental Payment plus (ii) an amount equal to the difference (if positive) between (A) an amount, determined as of September 30, 1989, such that twenty-eight (28) equal quarterly payments of such amount would fully retire a sum equal to the Extension Amount and the CSA Equivalent Amount determined as of September 30, 1989 and all interest accrued on such amounts minus (B) the regularly scheduled amount actually paid on such Quarterly Payment Date to the Security Trustee as transferee of all certificates of interest outstanding under the GECC Participation Agreements (such regularly scheduled amount being hereinafter referred to as the "Quarterly CSA Payment"). Each of the payments made pursuant to clause (ii) of the preceding sentence shall be applied by the Security Trustee to reduce the Extension Amount and to pay all accrued interest thereon. If the Extension Amount and all accrued interest thereon shall be paid in full prior to September 30, 1992, the Company shall nevertheless continue to make the payments referred to in the second preceding sentence and such payments shall be distributed by the Security Trustee to the holders of Certificates of Interest for application as provided in Section 7.14(b). The Single Investor Term Rental Payment portion of any payment received by the Security Trustee under this Section 7.13 shall be distributed to the Single Investor Lessors whose Single Investor Lease Amendments are then in full force and effect pursuant to Section 7.17(a)(ii)(B) in payment of rent due under their respective Single Investor Leases as provided in Section 7.17(c)(iii) and shall not be applied to payment of the principal of the Extension Amount or interest accrued thereon.

(c) Optional Prepayment —Extension Amount. The Company may prepay the Extension Amount (but not any Single Investor Term Rental Payment) at any time in whole or in part in multiples of Five Hundred Thousand Dollars ($500,000), without premium, together with accrued interest on the portion of the Extension Amount then being prepaid to the prepayment date; provided, however, that any prepayment required by the terms of Section 7.7, Section 7.8 or any other provision of this Article 7 may be in a lesser amount.

(d) Application of Prepayments to Required Payments—Extension Amount. Any payments by the Company to the Security Trustee in respect of the Extension Amount pursuant to the provisions of this Article 7 (other than Section 7.13(b)) shall be applied first, to the payment due pursuant to the last sentence of Section 7.13(a) and, second, to the portion of the payments required pursuant to the provisions of Section 7.13(b) which does not consist of interest, such application to such payments to be made in inverse order of the maturity thereof beginning with the payment due on June 30, 1992.

(e) Sale of GECC Railcars. If, on October 1, 1992, any portion of the CSA Equivalent Amount shall remain unpaid, the Security Trustee shall have the right (but not the obligation) to exercise the power of sale set forth in Section 7.20 with respect to GECC Railcars. Such right may be exercised at any time, or from time to time, until the Net Disposition Proceeds received by the Security Trustee in respect of sales of such GECC Railcars equals the CSA Equivalent Amount (together with all accrued and unpaid interest thereon) as determined from time to time after September 30, 1992 or the Security Trustee elects to pursue its remedies set forth in Section 7.13(f); provided, however, that if the Company shall not make the payments referred to in said Section, the Security Trustee shall have the right to continue to exercise such power of sale until it shall receive the amount of Net Disposition Proceeds referred to above.

(f) Payment by the Company. If, on December 31, 1992, there shall remain outstanding any portion of the CSA Equivalent Amount (together with accrued and unpaid

interest thereon) determined as of such date, the Security Trustee may, at its election, sell to the Company or such other Person, as the Company may procure and which is reasonably satisfactory to the Required Persons, and the Company, on the tenth (10th) Business Day following receipt of written notice thereof (the "1992 Sales Date"), shall be obligated to purchase, or cause such other Person to purchase, from the Security Trustee (which obligation to purchase, or cause such other Person to purchase, shall be a "New Obligation" hereunder) the certificates of interest then outstanding under the GECC Participation Agreements held by the Security Trustee for a purchase price, payable in immediately available funds on the 1992 Sales Date, equal to the unpaid portion of the CSA Equivalent Amount (together with accrued and unpaid interest thereon) determined as of December 31, 1992. The Security Trustee and the Company shall execute and deliver to each other, or the Company shall cause such other Person to execute and deliver to the Security Trustee, as the case may be, such documents and instruments of transfer as may be reasonably requested by either party, all at the sole cost and expense of the Company (including, without limitation, reasonable attorneys' fees of the Security Trustee); provided, however, that in no case shall the Security Trustee make or be deemed to have made any representations, warranties (implied or expressed) or guarantees in respect of said certificates of interest, the indebtedness evidenced thereby or the collateral securing the same.

(g) Exhaustion of Remedies. The Security Trustee shall not be obligated to exercise any of its rights and remedies in respect of the Extension Amount or receive any payments in respect thereof prior to exercising any of its rights and remedies in respect of the CSA Equivalent Amount (together with any accrued and unpaid interest thereon) or receiving any payments in respect thereof. The satisfaction of, or exhaustion of remedies or Collateral, in whole or part, in respect of, the Extension Amount is not a condition to enforcing any rights or remedies in respect of, receiving payments on, or realizing upon Collateral for, the CSA Equivalent Amount (together with any accrued and unpaid interest thereon).

7.14 Extension of Maturity—Certificates of Interest.

(a) Principal and Interest—Extension Amount. If the Company shall make the Extension Election, the principal amount of each Certificate of Interest Outstanding at the time of such election shall be deemed to have been increased by the portion of the aggregate Unpaid Interest which accrued on such Certificate of Interest. If the Company shall make such election, all Certificates of Interest shall be deemed to bear interest on the respective outstanding principal amounts thereof at the same rate as the Extension Amount effective as of September 30, 1989.

(b) Application—Payments in Respect of Extension Amount. Until such time as the Extension Amount and all accrued interest thereon shall have been paid in full, each holder of a Certificate of Interest shall apply each distribution received from the Security Trustee in respect of payments pursuant to Section 7.13(b)(ii), first, to the payment of accrued and unpaid interest on the principal amount of such Certificate of Interest and, second, to the payment of the principal amount of such Certificate of Interest. At such time as the Extension Amount and all accrued interest thereon shall have been paid in full, the holders of Certificates of Interest shall apply each distribution received from the Security Trustee in respect of payments pursuant to Section 7.13(b)(ii), first, in the order of priority set forth in clauses third to sixth, inclusive, of Section 7.17(c)(i) and, second, in the order of priority set forth in clauses first and second of Section 7.17(c)(i).

(c) Application—Quarterly CSA Payments. *Each holder of a Certificate of* Interest shall apply each distribution received from the Security Trustee in respect of Quarterly CSA Payments first, to the payment of accrued and unpaid interest on the principal amount of such Certificate of Interest and, second, to the payment of the principal amount of such Certificate of Interest.

(d) Application—Single Investor Term Rental Payment. The Single Investor Lessors receiving distributions from the Security Trustee in respect of Single Investor Term Rental Payments shall apply such distributions to the payment of rent due under their respective Single Investor Leases.

7.15 Redemption of Preferred Stock.

(a) Quarterly Redemption. On each Quarterly Payment Date in each year, commencing with December 31, 1996 to and including September 30, 2006, the Company shall pay to the Security Trustee an amount (a "Quarterly Payment") equal to the sum of (i) two and one half percent (2-1/2%) of the sum of (A) the aggregate par value of all Preferred Stock outstanding on September 30, 1996, plus (B) the aggregate amount of all accumulated and unpaid dividends thereon as of such date, plus (ii) all accumulated and unpaid dividends in respect of the period subsequent to the immediately preceding Quarterly Payment Date or, in the case of the Quarterly Payment due on December 31, 1996, subsequent to September 30, 1996 plus (iii) the aggregate par value of all Preferred Stock, if any, redeemed pursuant to the operation of Section 7.17(c)(ii); provided, however, that the Company shall not be required to make any payments it would have made pursuant to this Section 7.15(a) but for this proviso until such time as the aggregate amount of the payments not so made pursuant to this proviso shall equal the aggregate par value of all Preferred Stock redeemed pursuant to the operation of Section 7.17(c)(ii). The holders of Preferred Stock shall apply each distribution received from the Security Trustee in respect of Quarterly Payments, first, to the payment of all accumulated and unpaid dividends on the Preferred Stock held by it (whether accumulated before or after September 30, 1996), and, second, to the redemption of such Preferred Stock.

(b) Evidence of Redemption; Transfer of Preferred Stock After Partial Redemption. No holder of Preferred Stock shall be required to surrender such Preferred Stock, to make any notation thereon or to take any other action to evidence the partial redemption of such Preferred Stock upon receipt of distributions from the Security Trustee in respect of Quarterly Payments or payments pursuant to any other Section of this Agreement which provides for the application of such payments to the redemption of Preferred Stock; provided, however, that prior to any transfer of Preferred Stock pursuant to Section 3.5, the holder of such Preferred Stock shall surrender all certificates evidencing Preferred Stock held by it to the Company. The Company shall issue to such holder, in exchange for such certificates, certificates evidencing Preferred Stock with an aggregate par value equal to the aggregate par value of the surrendered Preferred Stock less the aggregate amount of all distributions to such holder in respect of Quarterly Payments, to the extent applied to the redemption of such Preferred Stock, or payments pursuant to any other Section of this Agreement, to the extent that such Section provides for application of such payments to the redemption of Preferred Stock. Notwithstanding that the certificates evidencing such Preferred Stock may not have been surrendered to the Company following a partial redemption thereof, as otherwise provided in this Section 7.15(b), such Preferred Stock, to the extent of such partial redemption, shall be deemed not to be outstanding for all purposes, including, without limitation, accumulation of dividends.

(c) Payment in Full. At such time as the holder of Preferred Stock shall have received distributions from the Security Trustee, in respect of (i) Quarterly Payments, (ii) the Complete Redemption Payment and (iii) payments pursuant to any other Section of this Agreement which provides for the application of such payments to the redemption of Preferred Stock or the payment of accumulated dividends thereon in an aggregate amount equal to the aggregate par value of all Preferred Stock held by such holder together with all dividends accumulated thereon, such holder shall surrender such Preferred Stock to the Company. If the holder of such Preferred Stock shall fail to surrender such shares in accordance with this Section 7.15(c), such shares of Preferred Stock shall nevertheless be deemed cancelled for all purposes.

(d) Redemption in Full Upon Occurrence of Certain Events.

(i) Prior to consummation of any of the transactions described in Section 7.15(d)(ii), the Company shall pay to the Security Trustee, to the extent not otherwise paid pursuant to Section 9.10, an amount (the "Complete Redemption Payment") equal to the sum of (A) the aggregate par value of all Preferred Stock outstanding at the time of such payment plus (B) all accumulated and unpaid dividends thereon. The holders of Preferred Stock shall apply distributions from the Security Trustee in respect of the Complete Redemption Payment in the manner provided in Section 7.15(a) for the application of distributions in respect of Quarterly Payments.

(ii) The transactions referred to in Section 7.15(d)(i) are as follows:

(A) the sale of all or substantially all of the assets of PLECO or the Company or the liquidation, dissolution or winding up thereof, or

(B) the Disposition by Beloit of any Securities of PLECO owned by it on the Closing Date, other than a transfer of any Securities of PLECO to the Security Trustee pursuant to and in accordance with the Tax Sharing Agreement, or

(C) the Disposition by PLECO of any Securities of the Company owned by it on the Closing Date.

7.16 Dividends on Preferred Stock. Any payment by the Company in respect of accumulated dividends on the Preferred Stock at any time shall be made to the Security Trustee. The holders of Preferred Stock shall apply distributions from the Security Trustee in respect of such dividends in the manner provided in Section 7.15(a) for the application of distributions in respect of Quarterly Payments.

7.17 Distribution and Application of Moneys.

(a) Distribution. All moneys paid to the Security Trustee in respect of the certificates of interest held by it which are outstanding under the GECC Participation Agreements or pursuant to any provision of this Article 7 or any other provision of this Agreement or any other New Financing Agreement shall (i) upon receipt of good, collected funds in respect thereof be applied by the Security Trustee to the payment of the New Obligations hereunder and in satisfaction of certain other obligations as set forth in Section 3.1(c) and (ii) subject to Section 9.10 if an Event of Default shall have occurred and be continuing, after deduction therefrom by the Security Trustee of any fees, costs, expenses and indemnity due to the Security Trustee, be deposited in the Creditors' Trust Account and promptly distributed in accordance with and pursuant to Section 5.2 of the Intercreditor Agreement (A) subject to Section 7.17(b), to the holders

of Certificates of Interest in accordance with the respective Distribution Percentages set forth therein and (B) subject to the second sentence of Section 7.17(b), to the Single Investor Lessors (whose Single Investor Lease Amendments on the date of any such distribution are in full force and effect) in accordance with their respective Distribution Percentages set forth in Annex 2 to this Agreement. If, on or within ten (10) days after any Quarterly Payment Date, the Company shall fail to pay in full the amount of rent due under the GECC Leases on such Quarterly Payment Date, the Minimum Required Payment, payment pursuant to Section 7.13(b)(ii) or Quarterly Payment due on or within ten (10) days after such date shall, when paid, be accepted by the GECC Creditors' Agents (as assignees of the GECC Leases) as such rent to the extent of the amount thereof which the Company failed to pay; provided, however, that, to the extent of such application, the Company shall remain obligated to make any Minimum Required Payment, payment pursuant to Section 7.13(b)(ii) or Quarterly Payment, as the case may be, due on or within ten (10) days after such Quarterly Payment Date. Any amount applied above as rent shall be paid by the GECC Creditors' Agents to the Security Trustee as transferee of all certificates of interest outstanding under the GECC Participation Agreements. Any portion of any Minimum Required Payment, payment pursuant to Section 7.13(b)(ii) or Quarterly Payment applied as provided in the two preceding sentences shall be applied to the rent owing under the several GECC Leases ratably in accordance with the respective amounts thereof.

(b) Distribution After Cancellation of Certificates of Interest; Distribution of Payments Made Pursuant to Section 7.11(a). At such time as a Certificate of Interest shall be required to be surrendered to the Security Trustee pursuant to Section 3.11 (whether or not such surrender shall actually be made), any distribution by the Security Trustee pursuant to any provision of this Article 7 which would have been made to the holder of such Certificate of Interest in respect thereof shall instead be made to the holders of then Outstanding Certificates of Interest ratably in accordance with the respective Distribution Percentages set forth therein. The Security Trustee shall not distribute to the Single Investor Lessors any amount received by it pursuant to Section 7.11 or Section 7.13, other than the Single Investor Term Rental Payments provided for therein, but shall instead distribute such amount to the holders of then Outstanding Certificates of Interest ratably in proportion to the respective Distribution Percentages set forth therein.

(c) Application.

(i) Subject to Section 7.17(c)(ii), each holder of a Certificate of Interest shall apply any distribution from the Security Trustee as set forth in the provisions of this Agreement pertaining to such distribution; provided, however, that if (A) the amount of such distribution shall exceed the amount necessary for such application or (B) no provision has been made for the application of such moneys, such holder shall apply such excess or such moneys, as the case may be, as follows:

first, to the payment of accrued and unpaid interest on the principal amount of such Certificate of Interest;

second, to the payment of the principal amount of such Certificate of Interest;

third, to the payment of all accumulated and unpaid Preferred Certificate Distributions on Preferred Certificates held by such holder;

fourth, to the redemption of the Preferred Certificates held by such holder;

fifth, to the payment of all accumulated and unpaid dividends on Preferred Stock held by such holder; and

sixth, to the redemption of Preferred Stock held by such holder.

(ii) Notwithstanding Section 7.17(c)(i) or any other Section of this Article 7, if the Company shall make the Extension Election and if at any time from September 30, 1989 to but not including September 30, 1992, the Extension Amount and all interest accrued thereon shall be paid in full, each holder of a Certificate of Interest shall, from and after such time to (but not including) September 30, 1992, apply each distribution from the Security Trustee in the order of priority set forth in clauses third to sixth, inclusive, of Section 7.17(c)(i) until such time as all Preferred Stock held by such holder shall have been redeemed, all accumulated and unpaid dividends thereon shall have been paid, and all unpaid amounts in respect of Preferred Certificates held by such holder shall have been paid. At such time as the redemption and payments referred to in the preceding sentence shall have been made, each holder of a Certificate of Interest shall apply each subsequent distribution from the Security Trustee in the order of priority set forth in clauses first and second of Section 7.17(c)(i). The Security Trustee shall give written notice to all holders of Certificates of Interest of the time at which the Company shall have paid in full the Extension Amount and all interest accrued thereon.

(iii) Each Single Investor Lessor shall apply any distribution received by it from the Security Trustee under this Agreement (A) made on or prior to September 30, 1992, to the payment of rent due under the Single Investor Lease to which such Single Investor Lessor is a party if the Single Investor Lease Amendment in respect of such Single Investor Lease is in full force and effect on the date of such distribution, (B) made on or prior to September 30, 1992, as provided in subclause (C) of this Section 7.17(c)(iii), if such Single Investor Lease Amendment is not in full force and effect on the date of such distribution and (C) made subsequent to September 30, 1992 first, to the payment of all accumulated and unpaid Preferred Certificate Distributions on Preferred Certificates held by such Single Investor Lessor, second, to the redemption of the Preferred Certificates held by such Single Investor Lessor, third, to the payment of all accumulated and unpaid dividends on the Preferred Stock held by such Single Investor Lessor and fourth, to the redemption of such Preferred Stock.

(d) Accruals. For purposes of determining the period during which there has been an accrual of (i) interest on the Certificates of Interest, (ii) Preferred Certificate Distributions on the Preferred Certificates and (iii) dividends on Preferred Stock, payments to the Security Trustee shall be deemed to have been distributed to the holders of Certificates of Interest and, if applicable, the Single Investor Lessors immediately upon the Security Trustee's receipt of good, collected funds in respect thereof.

(e) Earnings on Creditors' Trust Account. The Security Trustee shall accumulate all earnings from investments of funds in the Creditors' Trust Account pursuant to Article Five of the Intercreditor Agreement and shall distribute such earnings to the extent there is cash in the Creditors' Trust Account available therefor, subject to Section 7.17(b), on the first Business Day in October of each year to (i) the holders of Certificates of Interest in accordance with the respective Distribution Percentages set forth therein and (ii) the Single Investor Lessors in accordance with their respective Distribution Percentages set forth in Annex 2 to this Agreement. None of PLECO, the Company or the Company's Subsidiaries shall have any claim or right with respect to such

earnings, as provided in Section 5.25, and such earnings shall not be applied to satisfy any of the New Obligations.

7.18 Method of Payment; Identification. All amounts required to be paid by the Company to the Security Trustee pursuant to this Article 7 shall be made by wire transfer of immediately available funds, not later than the last day for payment of such amounts, in accordance with written instructions delivered by the Security Trustee to the Company from time to time. All such payments shall be accompanied by, if applicable, calculations supporting the amount of such payment and by sufficient information to identify the nature of such payment and the Section under this Agreement in respect of which such payment shall have been made.

7.19 Credit on Payment Obligations. Any amount due on, or within ten (10) days after, a Quarterly Payment Date in respect of a Minimum Required Payment shall be reduced by an amount equal to the amount received (including any amount received by operation of Section 7.17(a)) by the Security Trustee, as transferee of all certificates of interest outstanding under the GECC Participation Agreements, in respect of the regularly scheduled payment of interest or principal and interest, as the case may be, due on such Quarterly Payment Date, all as provided in the GECC Conditional Sale Agreements. Except as provided in the preceding sentence or as otherwise specifically provided in any other provision of this Agreement, no payment pursuant to any provision of this Article 7 shall constitute a credit against a payment due under any other provision or otherwise relieve, reduce or discharge the Company's obligation to make all such other payments as provided in this Article 7. Unless any other provision of this Agreement or any other New Financing Agreement specifically provides otherwise, the Security Trustee shall not be obligated to exercise any of its rights as transferee of all certificates of interest outstanding under the GECC Participation Agreements, prior to exercising any of its rights under this Agreement, any other New Financing Agreement or any Old Financing Agreement but may exercise any such rights in any order it may deem appropriate.

7.20 Power of Sale.

(a) Appointment. CBT hereby, subject to Section 7.20(c), irrevocably constitutes and appoints the Security Trustee its true and lawful attorney-in-fact, with full power of substitution and delegation, in the name of CBT or in its own name, to sell and dispose of any of the GECC Railcars on terms and conditions, subject to Section 7.20(d), satisfactory to the Security Trustee and in connection therewith to execute and deliver any necessary documents and instruments, provided that (i) each such sale shall be subject to the rights of CBT set forth in Section 10 of the GECC Amendments applicable to the GECC Railcars then being sold and (ii) the Net Disposition Proceeds of each such sale shall be applied as set forth in Section 10(b)(iv) of the GECC Amendments applicable to the GECC Railcars then being sold. CBT, subject to Section 7.20(c), irrevocably authorizes the Security Trustee to exercise this power-of-attorney and right of sale in its sole and absolute discretion from time to time, whether prior to or after the delivery of a Payment Order under Article 9 or the Declaration of a Default under any of the GECC Conditional Sale Agreements, it being the express intention of CBT that this power-of-attorney and right of sale be a separate right of the Security Trustee independent from its foreclosure rights and other remedies hereunder and under any of the GECC Financing Agreements.

GECC and J. P. Morgan join with CBT in granting this power-of-attorney and right of sale to the Security Trustee and consent to, and affirm the granting of, such powers and rights to the Security Trustee. If CBT shall elect not to exercise its right of first refusal

as provided for in Section 10(b) of the GECC Amendments in respect of any sale of GECC Railcars by the Security Trustee under this Section 7.20, CBT shall take such steps as the Security Trustee may reasonably request to aid in the consummation of such sale.

(b) Consent and Other Matters. Each of the GECC Creditors' Agents and the Company consents to the granting of this power-of-attorney and right of sale to the Security Trustee and agrees, upon the receipt by the appropriate GECC Creditors' Agent of the Net Disposition Proceeds in respect of any sale under this Section 7.20 and the application thereof in accordance with Section 10(b)(iv) of the GECC Amendments applicable to the GECC Railcars then being sold, to release the lien on the GECC Railcars then being sold and to terminate any right, title or interest it may have in such GECC Railcars under the GECC Leases applicable to such GECC Railcars (subject to the rights of any sublessees under such GECC Leases). The Security Trustee shall be entitled to no special fees or compensation of any kind for selling or aiding in the sale, as the case may be, of any GECC Railcars under this Section 7.20. Any costs, expenses and customary fees incurred or charged by the Security Trustee in connection with any sale under this Section 7.20 shall be deducted from the Gross Proceeds thereof prior to any other expense or cost in connection therewith.

(c) Duration. This power-of-attorney and right of sale is coupled with an interest and is irrevocable and with respect to any GECC Railcar shall terminate only on the earliest of (a) the sale thereof, (b) the payment in full of all GECC Conditional Sale Indebtedness (together with all accrued and unpaid interest thereon) secured, in whole or part, by such GECC Railcar or (c) September 30, 2000.

(d) Limits on Exercise. The Security Trustee may exercise this power-of-attorney and right of sale from time to time and may sell any or all of the GECC Railcars in one or more privately arranged sales or at one or more public sales and in such lot or lots and at such prices and on such terms as it, in its sole discretion, may determine; provided, however, if, at any time after the sale, exchange or transfer of, or Casualty Occurrence in respect of, more than twenty-five percent (25%) of the total number of GECC Railcars, determined as of June 30, 1983, which are the subject of the same GECC Conditional Sale Agreement (the date upon which such twenty-five percent (25%) limit shall be exceeded with respect to a GECC Conditional Sale Agreement is herein referred to as the "25% Date"), the Security Trustee sells, or causes the sale of, any of the then remaining GECC Railcars under such GECC Conditional Sale Agreement and as a result thereof the CSA Indebtedness Per GECC Railcar thereunder determined immediately after any such sale exceeds such CSA Indebtedness Per GECC Railcar determined immediately prior to any such sale (such sale is herein referred to as the "Low Price Sale"), the Security Trustee shall, on or before one hundred and eighty (180) days after the Low Price Sale, sell, or cause the sale of, at one or more public or private sales, in such lot or lots and at such prices and on such terms as it, in its sole discretion, may determine, all of the then remaining GECC Railcars under such GECC Conditional Sale Agreement; provided, further however, if during such one hundred and eighty (180) day period, the Security Trustee shall sell, or cause a sale or sales of, any of the then remaining GECC Railcars and as a result thereof the CSA Indebtedness Per GECC Railcar under such GECC Conditional Sale Agreement determined immediately after such sale or sales equals or is less than such CSA Indebtedness Per GECC Railcar determined immediately prior to the Low Price Sale (the date on which such sale or sales occur is herein referred to as the "Reinstatement Date"), the Security Trustee shall not be obligated to complete the sale of all of the then remaining GECC Railcars under such GECC Conditional Sale Agreement during the aforesaid one hundred and eighty (180) day period and its full rights under this

Section 7.20, subject to the terms and conditions set forth in this paragraph, shall be reinstated.

7.21 Assignment of Power of Sale. The Security Trustee hereby absolutely assigns all of its right, title and interest in and to, and delegates to the Company all its obligations under, the power-of-attorney and right of sale granted to it pursuant to Section 7.20 and hereby substitutes the Company for itself as the attorney-in-fact of CBT for the purposes set forth in Section 7.20 for so long as (a) no Payment Order shall have been delivered to the Company pursuant to Section 9.2, (b) no Event of Default under any one or more of Section 9.1(f), Section 9.1(g) or Section 9.1(h) shall have occurred, (c) the Company shall have complied with all of the terms and provisions of Section 10 of the GECC Amendments and (d) no Declaration of Default (as such term is defined in the GECC Conditional Sale Agreements) shall have occurred under any GECC Conditional Sales Agreement; provided, however, that the Security Trustee reserves unto itself the right to exclusively exercise the aforesaid power-of-attorney and right of sale, to the extent it elects to do so, in accordance with Section 7.11(b) or Section 7.13(e). CBT, GECC and J. P. Morgan acknowledge and consent to the assignment of the aforesaid power-of-attorney and right of sale to the Company and agree that any exercise of such power-of-attorney and right of sale by the Company, shall not be deemed to be an exercise of the same by the Security Trustee and that the Company, and not the Security Trustee, shall be obligated to perform the obligations under Section 7.20 to the extent that such power-of-attorney and right of sale is exercised by the Company. The Company agrees that it shall be entitled to no special fees or compensation of any kind for selling or aiding in the sale, as the case may be, of any GECC Railcars pursuant to the power-of-attorney and right of sale assigned to it pursuant to this Section 7.21. Any costs and expenses incurred by the Company in connection with any such sale shall be deducted from the Gross Proceeds thereof prior to any other expense or cost in connection therewith, other than the expenses and costs, if any, of the Security Trustee referred to in Section 7.20. The Company shall promptly notify the Security Trustee and CBT, in writing, upon the occurrence of any 25% Date and any Low Price Sale in respect of any GECC Conditional Sales Agreement and the GECC Railcars covered thereby.

7.22 One-Year Maturity.

(a) Maturity Date. Notwithstanding anything contained to the contrary herein and unless either (i) PUC Approval shall have been obtained by the Company prior to April 30, 1986 or (ii) a PUC Opinion shall have been delivered to the Security Trustee prior to April 30, 1986, the Company shall pay to the Security Trustee on April 30, 1986 an amount equal to the sum of (i) the sum of the entire principal amount of the Certificates of Interest then Outstanding together with accrued and unpaid interest thereon plus (ii) the aggregate Preferred Certificate Par Value Amount of all Preferred Certificates then outstanding together with all unpaid Preferred Certificate Distributions accrued thereon plus (iii) the aggregate par value of all Preferred Stock then outstanding together with all unpaid dividends accrued thereon plus (iv) all other amounts owed by the Company to the Security Trustee or the Creditors under the Master Agreement or any other New Financing Agreement.

(b) PUC Opinion. "PUC Opinion" shall mean an opinion or opinions from one or more independent, outside counsel to the Company addressed to the Security Trustee to the effect that (i)(A) no PUC Approval is required in respect of (1) the execution, delivery, and performance by the Company of this Agreement, the other New Financing Agreements, the GECC Amendments, and the Single Investor Lease Amendments and (2) any of the transactions contemplated by this Agreement, the other New Financing

Agreements, the GECC Amendments and the Single Investor Lease Amendments, including, without limitation, the execution, issuance, and delivery of the Certificates of Interest, Preferred Certificates, and Preferred Stock or (B) to the extent that such PUC Approval is required, it has been obtained and is in full force and effect and (ii) in the case of subparagraph (A) above, the absence of PUC Approval shall not cause the obligations of the Company under this Agreement, any other New Financing Agreements, the GECC Financing Agreements or the Single Investor Lease Amendments to be, in whole or part, illegal, invalid, nonbinding or unenforceable.

(c) Transfer of "certificates of interest". Upon the payment in full of any and all amounts due pursuant to Section 7.22(a), the Security Trustee shall assign, transfer and deliver to the Company all of the certificates of interest then held by the Security Trustee issued pursuant to the GECC Participation Agreements. The Security Trustee and the Company shall execute and deliver such documents and instruments of transfer as may be reasonably requested by either party, all at the sole cost and expense of the Company (including, without limitation, reasonable attorneys' fees of the Security Trustee); provided, however, that in no case shall the Security Trustee make or be deemed to have made any representations, warranties (implied or expressed) or guarantees in respect of said certificates of interest, the indebtedness evidenced thereby or the collateral securing the same.

ARTICLE 8. EVIDENCE OF RIGHTS OF HOLDERS

8.1 Execution by Holders or Agents. Any request, consent or other instrument or writing required by this Agreement to be signed and executed by holders of Certificates of Interest or Single Investor Lessors may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such holders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or writing appointing any such agent shall, subject to the provisions of Section 6.3(A)(ii) of the Intercreditor Agreement, be sufficient for any purpose of this Agreement and be conclusive in favor of the Security Trustee or the Company if made in the manner provided in this Article 8.

8.2 Proof of Execution. The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness to such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument or writing acknowledged to him the execution thereof.

8.3 Future Holders Bound. Any request, consent or other instrument or writing of any Single Investor Lessor in respect of any Single Investor Lease or the holder of any Certificate of Interest, Preferred Certificate or Preferred Stock shall bind every successor to the interest of such Single Investor Lessor or every future holder of such Certificate of Interest, Preferred Certificate or Preferred Stock, as the case may be, and the holder of every Certificate of Interest, Preferred Certificate or Preferred Stock issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Security Trustee or the Company in pursuance of such request, consent or other instrument or writing, irrespective of whether or not any notation in regard thereto is made upon the Single Investor Lease or such Certificate of Interest, Preferred Certificate or Preferred Stock.

ARTICLE 9. DEFAULTS—REMEDIES

9.1 Nature of Events. An "Event of Default" shall exist if any of the following occurs and is continuing:

(a) Non Payment — the Company fails to make any payment hereunder on or prior to the due date thereof including, without limitation, any Minimum Required Payment, any Mid-Year Acceleration Payment, any End-of-Year Acceleration Payment, any Excess Cash Payment, any payments due pursuant to Section 7.10, any payments due pursuant to Section 7.11, any payments due pursuant to Section 7.13, any Quarterly Payment, the Complete Redemption Payment or the payment due pursuant to Section 7.22(a);

(b) Particular Covenant Defaults — the Company, PLECO or any of the Company's Wholly-Owned Subsidiaries fails to perform or observe any covenant contained in Section 7.9, Section 7.11(c), Section 7.13(f), Section 10.4 through Section 10.20, inclusive, or Section 11.1, Section 11.8 or Section 11.9;

(c) Other Defaults — the Company, PLECO or any of the Company's Wholly-Owned Subsidiaries fails to comply with any other provision of this Agreement and such failure continues for more than thirty (30) days after such failure shall first become known to any vice president or other officer of similar or higher rank or title of PLECO, the Company or any of the Company's Wholly-Owned Subsidiaries, as the case may be;

(d) Warranties or Representations — any warranty, representation or other statement by or on behalf of the Company, PLECO or any of the Company's Subsidiaries or Beloit contained in this Agreement, any other New Financing Agreement, the GECC Amendments, any instrument furnished by any of them in compliance with or in reference to this Agreement, such other New Financing Agreement or the GECC Amendments, or any other document or instrument executed by any of them in connection herewith or therewith or contemplated hereby or thereby, is false or misleading in any material respect;

(e) Default on Indebtedness or Other Security — the Company, PLECO or any of the Company's Subsidiaries fails to make any payment due on any Debt or other Security (other than Common Stock) or any event shall occur or any condition shall exist in respect of any Debt or other Security (other than Common Stock) of the Company, PLECO or any of the Company's Subsidiaries, or under any agreement securing or relating to such Debt or other Security, representing obligations in an aggregate amount in excess of Five Hundred Thousand Dollars ($500,000), the effect of which is to (i) cause (or permit any holder of such Debt or other Security or a trustee to cause) such Debt or other Security, or a portion thereof, to become due prior to its stated maturity or prior to its regularly scheduled date or dates of payment or (ii) permit the holder of any such Debt or other Security or a trustee to elect a majority of the directors of the board of directors of any such Person;

(f) Involuntary Bankruptcy Proceedings — a receiver, custodian, liquidator or trustee of the Company, PLECO or any of the Company's Material Subsidiaries, or of all or any of the Property of any such Person, is appointed by court order and such order remains in effect for more than thirty (30) days; or an order for relief under any state or federal bankruptcy law is entered with respect

to the Company, PLECO or any of the Company's Material Subsidiaries; or the Company, PLECO or any of the Company's Material Subsidiaries is adjudicated a bankrupt or insolvent; or any of the Property of the Company, PLECO or any of the Company's Material Subsidiaries is sequestered by court order and such order remains in effect for more than thirty (30) days; or a petition is filed against the Company, PLECO or any of the Company's Material Subsidiaries under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within thirty (30) days after such filing;

(g) Voluntary Petitions — the Company, PLECO or any of the Company's Material Subsidiaries files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under any such law;

(h) Assignments for Benefit of Creditors, etc. — the Company, PLECO or any of the Company's Material Subsidiaries makes an assignment for the benefit of its creditors, or admits in writing its inability, or fails, to pay its debts generally as they become due, or consents to the appointment of a receiver, conservator, custodian, liquidator or trustee of the Company, PLECO or any of the Company's Material Subsidiaries or of all or any part of their respective Properties;

(i) Undischarged Final Judgments — final judgment or judgments for the payment of money aggregating in excess of Five Hundred Thousand Dollars ($500,000) (net of all insurance proceeds payable with respect thereto) is or are outstanding against the Company, PLECO or any of the Company's Subsidiaries and any one of such judgments has been outstanding for more than thirty (30) days from the date of its entry and has not been discharged in full or stayed;

(j) Default in Related Documents — Beloit, PLECO, the Company or any of the Company's Subsidiaries shall fail to comply with any covenant or other provision of the GECC Financing Agreements, the Single Investor Leases or any New Financing Agreement other than this Agreement;

(k) Loss, Theft, etc. — any loss, theft, substantial damage or destruction (a "Loss Event") of tangible Property upon which the Security Trustee holds a Lien pursuant to the terms hereof shall occur and the remainder of (i) the Fair Market Value of such Property prior to such Loss Event minus (ii) the sum of (A) the Fair Market Value of such Property after such Loss Event plus (B) insurance proceeds payable in respect of such Loss Event shall exceed the greater of five percent (5%) of the Book Value of Tangible Assets of the Company and its Subsidiaries as at the date immediately preceding such Loss Event or Five Million Dollars ($5,000,000);

(l) Non-Compliance with Certain Documents — any action shall be taken by any party to the Tax Sharing Agreement, the Beloit/PLECO Subordination Agreements or the GECC Subordination Agreement which, in the opinion of the Required Persons, shall be contrary to the terms thereof; or

(m) Ineffectiveness of Certain Provisions — any material provision of this Agreement or any other New Financing Agreement (other than the New

Obligations) shall cease to be in full force and effect without the written consent of the Required Persons.

9.2 Payment Upon Default.

(a) Acceleration and Payment. If an Event of Default shall exist and be continuing, the Company, upon the written order (a "Payment Order") of the Security Trustee, shall pay to the Security Trustee an amount equal to the sum of (a) the entire principal of and all unpaid interest accrued on all Certificates of Interest then Outstanding, (b) the aggregate Preferred Certificate Par Value Amount of all Preferred Certificates then outstanding together with all unpaid Preferred Certificate Distributions accrued thereon, and (c) the aggregate par value of all Preferred Stock then outstanding together with all unpaid dividends accrued thereon; provided, however, that in the case of any of the Events of Default specified in Section 9.1(f), Section 9.1(g) or Section 9.1(h), the aforesaid amount shall immediately become due and payable without any delivery of a Payment Order to the Company; provided, further, that during the existence of an Event of Default described in Section 9.1(a) or in Section 9.1(b) (but only with respect to the Company's failure to perform or observe the covenants set forth in Section 7.9 and in Section 11.8) and irrespective of whether the Security Trustee shall have delivered a Payment Order, any holder of Certificates of Interest which has not consented to a waiver with respect to such Event of Default may bring suit to enforce the payment which the Company failed to make and which gave rise to such Event of Default, but only to the extent of the portion of such payment which would have been distributed to such holder by the Security Trustee under the provisions hereof (such portion to be applied as set forth in the provision pursuant to which such payment should have been made); and provided, further, that no such holder shall have any right to foreclose on or take any other action with respect to the Trust Estate. If an Event of Default shall exist, the Security Trustee shall deliver a Payment Order to the Company and all Persons which shall have executed Guaranty Agreements if so directed in writing pursuant to Article 3 of the Intercreditor Agreement.

(b) Cross-Default. The delivery of a Payment Order under this Section 9.2 is an event of default under each of the GECC Conditional Sale Agreements. Any amounts which shall have been paid to the Security Trustee, as transferee of all of the certificates of interest issued pursuant to the GECC Participation Agreements, in respect of any accelerated GECC Conditional Sale Indebtedness shall reduce, on a dollar-for-dollar basis, any and all amounts payable by the Company pursuant to this Section 9.2.

(c) Transfer of "certificates of interest". Upon the payment in full of any and all amounts due pursuant to Section 9.2(a) (taking into effect any reduction pursuant to Section 9.2(b)), the Security Trustee shall assign, transfer and deliver to the Company all of the certificates of interest then held by the Security Trustee issued pursuant to the GECC Participation Agreements. The Security Trustee and the Company shall execute and deliver such documents and instruments of transfer as may be reasonably requested by either party, all at the sole cost and expense of the Company (including, without limitation, reasonable attorneys' fees of the Security Trustee); provided, however, that in no case shall the Security Trustee make or be deemed to have made any representations, warranties (implied or expressed) or guarantees in respect of said certificates of interest, the indebtedness evidenced thereby or the collateral securing the same.

9.3 Annulment of Payment Order. If the Security Trustee shall deliver a Payment Order, then and in every such case, the Required Persons may, by written instrument filed with the Company and the Security Trustee, rescind and annul such

Payment Order, and the consequences thereof; provided, however, that at the time such declaration is annulled and rescinded:

(a) no judgment or decree shall have been entered for the payment of any moneys due pursuant to this Agreement;

(b) all payments with respect to this Agreement (except any such payments which shall have become due and payable by reason of such Payment Order) shall have been duly paid; and

(c) each and every other Default and Event of Default shall have been waived pursuant to Section 14.2 or otherwise made good or cured;

and, provided further, that no such rescission and annulment shall extend to or affect any subsequent Default or Event of Default or impair any right consequent thereon.

9.4 Default Remedies.

(a) Enforcement Rights. If any Event of Default shall occur and be continuing, the Security Trustee may exercise, in addition to any and all other rights and remedies granted to it under this Agreement, any other New Financing Agreement, and the GECC Financing Agreements, and in any other instrument or agreement securing, evidencing or relating to the New Obligations, all rights and remedies of a secured party under the Code and as provided by 49 U.S.C. § 11301 et seq. Without limiting the generality of the foregoing, the Company, PLECO and each Wholly-Owned Subsidiary of the Company expressly agree that in any such event the Security Trustee, without demand of performance or other demand, advertisement or notice of any kind (except for the Payment Order referred to in Section 9.2 hereof and the notice specified below of the time and place of public or private sale) to or upon the Company, PLECO, any Wholly-Owned Subsidiary of the Company or any other Person (all and each of which demands, advertisements and/or notices are hereby expressly waived), may immediately collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may immediately sell, lease, assign, give option or options to purchase or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of the Security Trustee's offices or elsewhere at such prices and upon such other terms and conditions as the Security Trustee may determine in its sole and absolute discretion, for cash or credit or for future delivery without assumption of any credit risk.

The Company, PLECO and each Wholly-Owned Subsidiary of the Company agree, at the Security Trustee's request and at their respective expense and risk, to assemble the Collateral and make it available to the Security Trustee at the place or places which the Security Trustee shall reasonably select, whether at the Company's premises or elsewhere. Without limiting the generality of the foregoing and at the request of the Security Trustee, the Company, PLECO and each Wholly-Owned Subsidiary of the Company shall, at its own expense and risk, do any or all of the following:

(i) place any Railcar identified by the Security Trustee upon such storage track of the Company, PLECO or any Wholly-Owned Subsidiary of the Company as the Security Trustee may reasonably designate;

(ii) permit the Security Trustee to store without charge any Railcar on such storage track at the risk of the Company, PLECO or any Wholly-Owned

Subsidiary of the Company until said Railcar has been sold or otherwise disposed of by the Security Trustee and for a period of at least 90 days thereafter;

(iii) transport any Railcar identified by the Security Trustee to any place located on any railroad line operated by the Company, PLECO, any Wholly-Owned Subsidiary of the Company, or any Affiliate or Subsidiary of the Company or PLECO; or

(iv) transport any Railcar identified by the Security Trustee to any connecting carrier for shipment, or as otherwise directed by the Security Trustee.

Without limiting any of its foregoing rights and remedies and in addition thereto, the Security Trustee shall have the right to take immediate possession of the Collateral, or any part thereof, and may enter any of the premises of the Company, PLECO or any Wholly-Owned Subsidiary of the Company or wherever the Collateral shall be located, with or without force or process of law, and the Security Trustee shall have the right to obtain possession of, keep, and store said Collateral on said premises until sold; and if said premises be the Property of the Company, PLECO or any Wholly-Owned Subsidiary of the Company, the Company, PLECO and the Wholly-Owned Subsidiaries of the Company agree to permit and not to charge the Security Trustee for the storage of the Collateral, or any part thereof, on said premises prior to the sale or disposition thereof hereunder and for a period of at least ninety (90) days after said sale or disposition.

Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, in which events no notification is necessary, the Company, PLECO and each Wholly-Owned Subsidiary of the Company agree that the Security Trustee need not give more than ten days' notice (which notification shall be deemed given when mailed, postage prepaid, addressed to the Company, PLECO or any Wholly-Owned Subsidiary of the Company, as the case may be, at the address or addresses set forth herein) of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. No notification need be given to the Company, PLECO or any Wholly-Owned Subsidiary of the Company if it has signed, after the occurrence of an Event of Default, a statement renouncing or modifying any right to notification of sale or other intended disposition.

(b) Notification Rights. If any Event of Default shall occur and be continuing, the Security Trustee may in its sole and absolute discretion, with or without proceeding with sale or foreclosure or the delivery of a Payment Order, communicate in its own name with any party to any Account, Contract, General Intangible or Pledged Note with regard to the assignment thereof to the Security Trustee and other matters relating thereto and may execute, in connection with any sale thereof provided for in Section 9.4(a), any endorsements, assignments or other instruments of conveyance or transfer with respect thereto.

(c) Registration Rights.

(i) Any or all shares of the Pledged Stock held by the Security Trustee may, with or without proceeding with sale or foreclosure or the delivery of a Payment Order, be registered in the name of the Security Trustee or its nominee. The Security Trustee or its nominee may thereafter, without notice, exercise all voting and corporate rights at any meeting of any corporation issuing any of the shares included in the Pledged Stock and exercise any and all rights of conversion,

exchange, subscription or any other rights, privileges or options pertaining to any shares of the Pledged Stock as if it were the absolute owner thereof, including without limitation, the right to exchange at its discretion any and all of the Pledged Stock upon the merger, consolidation, reorganization, recapitalization or other readjustment of any corporation issuing any of such shares or upon the exercise by any such issuer or the Security Trustee of any right, privilege or option pertaining to any shares of the Pledged Stock, and in connection therewith, to deposit with and deliver to any committee, depositary, transfer agent, registrar or other designated agency any and all of the Pledged Stock upon such terms and conditions as it may determine, all without liability except to account for property actually received by it. The Security Trustee shall have no duty to exercise any of the aforesaid rights, privileges or options and shall not be responsible for any failure to do so or delay in so doing.

(ii) If the Security Trustee shall determine to exercise its right to sell any or all of the Pledged Stock pursuant to Section 9.4(a) of this Agreement, and if in the opinion of counsel for the Security Trustee it is necessary, or in the opinion of the Security Trustee it is advisable, to have the Pledged Stock, or that portion thereof to be sold, registered under the provisions of the Securities Act of 1933, as amended (the "Securities Act"), the Company, the Company's Wholly-Owned Subsidiaries, and PLECO shall, and PLECO shall cause its Wholly-Owned Subsidiaries to, and the Company shall cause The Mahoning State Line Railroad to, execute and deliver, and cause its or their directors and officers to execute and deliver, at its or their own expense, all such instruments and documents, and do or cause to be done all such other acts and things as may be necessary or, in the opinion of the Security Trustee, advisable to register the Pledged Stock issued by the Company, the Company's Subsidiaries, PLECO or any of PLECO's Wholly-Owned Subsidiaries, as the case may be, or that portion thereof to be sold, under the provisions of the Securities Act and to cause the registration statement related thereto to become effective and to remain effective for a period of one year from the date of the first public offering of said Pledged Stock and to make all amendments thereto and/or to the related prospectus which, in the opinion of the Security Trustee, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission applicable thereto. The Company, the Company's Wholly-Owned Subsidiaries, and PLECO agree to, and PLECO agrees to cause its Wholly-Owned Subsidiaries to, and the Company agrees to cause The Mahoning State Line Railroad to, comply with the provisions of the Securities or "Blue Sky" laws of any jurisdiction which the Security Trustee shall designate and to make available to its security holders, as soon as practical, an earnings statement, which need not be audited, which will satisfy the provisions of Section 11(a) of the Securities Act. The Company, the Company's Wholly-Owned Subsidiaries, and PLECO agree to, and PLECO agrees to cause its Wholly-Owned Subsidiaries to, and the Company agrees to cause The Mahoning State Line Railroad to, comply with the provisions of 49 U.S.C. § 11301 and the regulations promulgated in connection therewith with respect to any registration of the Pledged Stock under the Securities Act.

(iii) In view of the fact that federal and state securities laws may impose certain restrictions on the method by which a sale of the Pledged Stock may be effected after an Event of Default, the Company, the Company's Wholly-Owned Subsidiaries, and PLECO agree, and PLECO agrees to obtain the consent and agreement of its Wholly-Owned Subsidiaries therefor, and the Company agrees to

obtain the consent and agreement of The Mahoning State Line Railroad therefor, that upon the occurrence or existence of an Event of Default, the Security Trustee may, from time to time, attempt to sell all or any part of such Pledged Stock by means of a private placement or placements restricting the bidding and prospective purchasers to those who will represent and agree that they are purchasing for investment only and not for, or with a view to, distribution. In so doing, the Security Trustee may solicit offers to buy the Pledged Stock, or any part thereof, for cash, from a limited number of investors deemed by the Security Trustee, in its reasonable judgment, to be responsible parties who may be interested in purchasing the Pledged Stock, or any part thereof, and if the Security Trustee solicits such offers from not less than four (4) such investors, then the acceptance by the Security Trustee of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposition of the Pledged Stock, or any part thereof.

(iv) The Security Trustee shall be under no obligation to delay a private sale of any of the Pledged Stock for the period of time necessary to permit the issuer of such Pledged Stock to register the same for public sale under the Securities Act or under applicable state securities laws.

(d) Set-Off. If an Event of Default shall occur and be continuing, each of the Security Trustee and the Creditors, subject to Section 16.15(a), with or without proceeding with sale or foreclosure or delivery of a Payment Order or other notice, may, and are hereby authorized by PLECO, the Company, and the Company's Wholly-Owned Subsidiaries to, appropriate for payment of the obligations secured hereunder (whether such obligations are contingent, matured or unmatured) (i) in the case of the Security Trustee, all or any portion of the Trust Estate in its possession and (ii) any and all matured or unmatured balances, credits, deposits, accounts, reserves or other monies due or owing to the Company, the Wholly-Owned Subsidiaries of the Company or PLECO held by it hereunder or otherwise. The Person so appropriating such amounts shall give prior notice thereof to the Company, the Wholly-Owned Subsidiaries of the Company or PLECO, whichever shall be affected by such appropriation. Any amounts so appropriated by the Creditors shall be paid to the Security Trustee for distribution as provided herein.

(e) Waiver. The Company, the Company's Wholly-Owned Subsidiaries and PLECO hereby waive presentment, demand, protest or any notice (to the extent permitted by applicable law) of any kind in connection with this Agreement, any of the Collateral or the enforcement of any of the rights of the Security Trustee under this Agreement, any other New Financing Agreement, any Old Financing Agreement and any other instrument or agreement securing, evidencing or relating to the New Obligations.

To the extent permitted by applicable law and except for the gross negligence or willful misconduct of the Security Trustee or any Creditor, the Company, the Company's Wholly-Owned Subsidiaries and PLECO waive (i) all claims, damages and demands against the Security Trustee and/or any Creditor arising out of the repossession, retention or sale of the Collateral or any part thereof and (ii) any and all rights and privileges which it may acquire under Section 9-112 of the Code.

(f) Proceeds. All payments and other proceeds received by the Company, PLECO or any Wholly-Owned Subsidiary of the Company under or in connection with any of the Collateral shall be held by the same in trust for the Security Trustee, shall be segregated from other funds of said entity and shall forthwith upon receipt be turned over

to the Security Trustee in the same form as received by said entity (duly endorsed to the Security Trustee, if required).

(g) Undertakings Cumulative. All covenants, agreements, warranties, guarantees, indemnities and other undertakings of the Company, the Company's Wholly-Owned Subsidiaries or PLECO contained in this Agreement, any other New Financing Agreement, any Old Financing Agreement or in any document referred to herein or in any other agreements supplementary hereto shall be deemed cumulative to and not in derogation or substitution of any of the covenants, agreements, warranties, guarantees, indemnities, and other undertakings of the Company, the Company's Wholly-Owned Subsidiaries and PLECO herein contained.

Any rights and remedies granted to the Security Trustee hereunder are not intended to be exclusive of any other remedies or rights of the Security Trustee in respect of the Company, the Company's Subsidiaries or PLECO granted to it under any Old Financing Agreement, any New Financing Agreement or in any document referred to herein or in any agreement supplementary hereto, but each and every right and remedy shall be cumulative and shall be in addition to every other right and remedy given herein, in any other New Financing Agreement, in any Old Financing Agreement, in any document referred to herein or in any agreement supplementary hereto or now or hereafter existing, at law or in equity, or by statute, and such right or remedy may be exercised from time to time as often as the Security Trustee may deem expedient.

(h) Limitation on Security Trustee's Duty in respect of Collateral. Beyond the safe custody thereof, the Security Trustee shall not have, either prior to or after the occurrence of any Event of Default, any duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee thereof or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto.

(i) GECC Financing Agreements. The provisions of Section 9.4(a) through Section 9.4(h), inclusive, shall not apply to the GECC Financing Agreements. In lieu thereof, the Security Trustee shall have for so long as it holds the certificates of interest outstanding under the GECC Participation Agreements the rights of a holder of such certificates of interest.

9.5 Enforcement of Rights by the Security Trustee. The Security Trustee may, but unless first requested to do so pursuant to Article 3 or Article 6 of the Intercreditor Agreement and furnished with reasonable indemnity pursuant to Section 6.2(E) of the Intercreditor Agreement shall not (subject to the provisions of Section 6.2(B) of the Intercreditor Agreement) be under any obligation to, (a) exercise any of the rights set forth in Section 9.4 and (b) proceed to protect and enforce this Agreement and each other New Financing Agreement by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein or therein contained, in execution or aid of any power herein or therein granted, for foreclosure thereunder, for the appointment of a receiver or receivers for the Trust Estate or any part thereof, for the recovery of any judgment for the obligations hereby secured, or for the enforcement of any other proper, legal or equitable remedy available under applicable law.

9.6 Effect of Sale, etc.

(a) Effect of Sale. Any sale or sales pursuant to the provisions hereof or of any of the other New Financing Agreements, whether under the power of sale granted hereby or thereby or pursuant to any legal proceedings, shall operate to divest the Company, PLECO, and the Company's Subsidiaries, as the case may be, of all right, title, interest, claim and demand whatsoever, either at law or in equity, of, in and to the Trust Estate, or any part thereof, so sold, and any Property constituting all or a part of the Trust Estate so sold shall be free and clear of any and all rights of redemption by, through or under the Company, PLECO, and the Company's Subsidiaries.

At any such sale the holder of any Certificate of Interest, or the Security Trustee on behalf of all holders of Certificates of Interest, Preferred Certificates and Preferred Stock (if authorized by the Required Persons), may bid for and purchase said Property to the extent permitted by law and may make payment therefor as set forth in Section 9.6(b), and any holder of a Certificate of Interest, or the Security Trustee, so purchasing any such Property, upon compliance with the terms of sale, may hold, retain and dispose of such Property without further accountability.

(b) Receipt and Payment. The receipt by the Security Trustee, or by any Person authorized under any judicial proceedings to make any such sale, of the proceeds of any sale contemplated by Section 9.6(a) shall be a sufficient discharge to any purchaser of the Trust Estate, or of any part thereof, sold as aforesaid; and no such purchaser shall be bound to see to the application of such proceeds or to inquire as to the authorization, necessity or propriety of any such sale. In the event that, at any such sale, any holder of any Certificate of Interest is the successful purchaser, it shall be entitled, for the purpose of making settlement or payment in part, to use and apply its Certificates of Interest, Preferred Certificates and Preferred Stock, if any, by crediting thereon such portion of the obligations evidenced thereby as would be repaid if such sale were entirely for cash and the proceeds were distributed in accordance with Section 9.10.

9.7 Delay or Omission; No Waiver. No course of dealing on the part of the Security Trustee or any holder of Certificates of Interest nor any delay or failure on the part of the Security Trustee or such holder to exercise any right shall impair such right or operate as a waiver of such right or otherwise prejudice the Security Trustee's or such holder's rights, powers and remedies. The giving, taking or enforcement of any other or additional security, collateral or guarantees (including, without limitation, the Guaranty Agreements, the Guaranty Security Agreements, the Guaranty Mortgages, and the Guaranty Pledge Agreements) for the payment or securing of the obligations of the Company under this Agreement, any other New Financing Agreement, any Old Financing Agreement or any GECC Financing Agreement shall not prejudice, waive, or affect the payment obligations and security therefor under this Agreement, any other New Financing Agreement, any Old Financing Agreement or any GECC Financing Agreement or any rights, powers or remedies hereunder or thereunder, and the Security Trustee or any holder of any Certificate of Interest shall not be required to first look to, enforce, exhaust or marshal such other or additional security, collateral or guaranties (including, without limitation, any Guaranty Agreements, Guaranty Security Agreements, Guaranty Mortgages or Guaranty Pledge Agreements). Every right and remedy given by this Article 9 or by law to the Security Trustee or the holders of Certificates of Interest may be exercised from time to time as often as it or they may deem expedient.

9.8 Limitation on Waiver of Default. No waiver by the Security Trustee, or the holder of any Certificate of Interest, Preferred Certificate or Preferred Stock of any

Default or Event of Default, whether such waiver be full or partial, shall extend to or affect any subsequent Default or Event of Default or impair the rights resulting therefrom, except as may be otherwise expressly provided herein.

9.9 Restoration of Rights and Remedies. If the Security Trustee or any holder of Certificates of Interest shall have instituted any proceeding to enforce any right or remedy under this Agreement and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Security Trustee or such holder, then and in every such case the Security Trustee, the Company and the holders of the Certificates of Interest shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Security Trustee and the holders of Certificates of Interest shall continue as though no such proceeding had been instituted.

9.10 Application of Proceeds. The proceeds of any exercise of rights with respect to the Trust Estate, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid and applied as follows:

(a) First, to the payment of costs and expenses of foreclosure or suit, if any, and of such exercise of rights and remedies, and of all proper fees, expenses, indemnities, liabilities and advances, including legal expenses and attorneys' fees, incurred or made hereunder, or under any of the other New Financing Agreements, by or payable to the Security Trustee, or the holder or holders of Certificates of Interest, and of all taxes, assessments and Liens superior to the Lien held by the Security Trustee hereunder except any Liens subject to which any Disposition of Property constituting a part of the Trust Estate may have been made;

(b) Second, to the payment to the holder or holders of the Certificates of Interest of the amounts then due, owing or unpaid in respect of the principal thereof and accrued interest thereon, the redemption of all Preferred Stock and Preferred Certificates held by such holder or holders and the Single Investor Lessors, and the payment of all accumulated dividends on such Preferred Stock and all accumulated Preferred Certificate Distributions on such Preferred Certificates held by such holder or holders or Single Investor Lessors; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid, then ratably according to the respective Distribution Percentages set forth in the Outstanding Certificates of Interest held by such holders and the respective Distribution Percentages of the Single Investor Lessors set forth in Annex 2 to this Agreement;

(c) Third, to the payment to CBT, GECC and J. P. Morgan of all amounts owed to any of them under the GECC Financing Agreements; and

(d) Fourth, to the payment of the surplus, if any, to the Company, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

The Security Trustee shall only make the distribution referred to in clause (c) above upon receipt of a certificate from CBT specifying the amount owed to CBT, GECC, and J. P. Morgan under the GECC Financing Agreements. Except for its gross negligence or willful misconduct, the Security Trustee shall be fully protected in paying to CBT the amount specified in such certificate.

If the aforesaid proceeds shall be insufficient to pay, in full, the obligations set forth in clause (a) and clause (b) above, the Company shall, subject always to the other provisions hereof, remain liable for such deficiency hereunder and shall forthwith pay the amount of any such deficiency to the Security Trustee. Any distribution to the holders of Certificates of Interest pursuant to clause (b) of this Section 9.10 shall be applied by such holders as follows:

First, to the payment of accrued and unpaid interest on the principal amount of such Certificates of Interest;

Second, to the payment of the principal amount of such Certificates of Interest;

Third, to the payment of all accumulated Preferred Certificate Distributions on Preferred Certificates held by such holder;

Fourth, to the redemption of the Preferred Certificates held by such holder;

Fifth, to the payment of all accumulated dividends on Preferred Stock held by such holder; and

Sixth, to the redemption of Preferred Stock held by such holder.

Any distribution to the Single Investor Lessors pursuant to clause (b) of this Section 9.10 shall be applied by each of them in the order set forth in clauses Third through Sixth above, inclusive.

Notwithstanding anything contained herein to the contrary, the Security Trustee, as transferee of the outstanding certificates of interest issued pursuant to the GECC Participation Agreements, shall have recourse to the Company in respect of any deficiency claim arising out of any GECC Conditional Sales Agreement and the GECC Conditional Sales Indebtedness thereunder only to the extent that it may direct the GECC Creditors' Agent under such GECC Conditional Sales Agreement to pursue whatever remedies it may have in respect of the Company's obligations to such GECC Creditors' Agent under the GECC Lease collaterally assigned by CBT to such GECC Creditors' Agent to secure the aforesaid GECC Conditional Sales Agreement and the GECC Conditional Sales Indebtedness thereunder.

9.11 Limitations on Suits. No holder of any Certificate of Interest shall have the right to institute any suit, action or proceeding, at law or in equity, for the execution of any trust or power under this Agreement or for any other remedy under or upon this Agreement or any other New Financing Agreement, except as set forth in the second proviso to Section 9.2, unless (a) such holder shall have previously given to the Security Trustee written notice of the occurrence of an Event of Default, (b) the Required Persons shall have made written request upon the Security Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) the Security Trustee shall have been offered reasonable indemnity, and (d) the Security Trustee shall have refused or omitted to comply with such request for a period of thirty (30) days after it shall have received such written request. Such notification, request, offer of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any holder of a Certificate of Interest of any remedy hereunder, it being understood and intended that no one or more of such holders shall have any right in any manner whatever by its or their action to enforce any right

under this Agreement, except in the manner herein provided, and that all judicial proceedings to enforce any provision of this Agreement shall be instituted, had and maintained in the manner herein provided. No Single Investor Lessor shall have the right to institute any suit, action or proceeding, at law or in equity, for the execution of any trust or power under this Agreement or for any other remedy under or upon this Agreement or any other New Financing Agreement.

9.12 Undertakings. Each party to this Agreement agrees, and each holder of a Certificate of Interest by its acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Agreement or any other New Financing Agreement or in any suit against the Security Trustee for any action taken or omitted by it as Security Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claim or defenses made by such party litigant; but the provisions of this Section 9.12 shall not apply to (a) any suit instituted by the Security Trustee, (b) any suit instituted by any one or more holders of Outstanding Certificates of Interest with Distribution Percentages aggregating not less than ten percent (10%), or (c) any suit instituted by any holder of a Certificate of Interest pursuant to the second proviso to Section 9.2.

9.13 Waivers by the Company, PLECO and Subsidiaries. Each of the Company, PLECO, the Company's Wholly-Owned Subsidiaries, and CBT, by becoming a party to this Agreement, hereby covenants (to the extent that it may lawfully do so) that it will not at any time insist upon or plead, or in any manner claim or take the benefit or advantage of, any stay (except in connection with a pending appeal), valuation, appraisal, redemption or extension law now or at any time hereafter in force which, but for this waiver, might be applicable to any sale made under any judgment, order or decree based on, or authorized by law in respect of, any of the New Obligations, this Agreement, any other New Financing Agreement, the GECC Financing Agreements, the Existing Obligations or the Old Financing Agreements; and, each such Person, by becoming a party to this Agreement (to the extent it may lawfully do so), hereby expressly waives and relinquishes all benefit and advantage of any and all such laws and hereby covenants that it will not hinder, delay or impede the execution of any power herein granted and delegated to the Security Trustee or the holders of Certificates of Interest, but that it will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

ARTICLE 10. BUSINESS COVENANTS

Each of the Persons set forth below covenants as follows with respect to the period commencing on the date of the initial issue of the Certificates of Interest and ending upon the surrender of all Certificates of Interest required pursuant to Section 3.11:

10.1 Payment of Taxes and Claims. Each of the Company, the Company's Wholly-Owned Subsidiaries, and PLECO shall, and the Company shall cause The Mahoning State Line Railroad to, pay, before they become delinquent,

(a) all taxes, assessments and governmental charges or levies imposed upon it or its Property, and

(b) all claims and demands of materialmen, mechanics, carriers, warehousemen, landlords and other like Persons which, if unpaid, might result in the creation of a Lien upon its Property;

provided, however, that any of the foregoing need not be paid if and for so long as (i) they are being contested in good faith and by appropriate proceedings, (ii) adequate book reserves have been established with respect thereto, (iii) the owning Person's title to, and its right to use, its Property is not materially adversely affected thereby, and (iv) in the case of any of the foregoing involving in excess of Five Hundred Thousand Dollars ($500,000), the appropriateness of the proceedings shall be supported by an opinion of the independent counsel responsible for such proceedings and the adequacy of such reserves shall be supported by the opinion of the independent accountants of the contesting Person.

10.2 Maintenance of Properties and Existence. Each of the Company, the Company's Wholly-Owned Subsidiaries, and PLECO shall, and the Company shall with respect to Section 10.2(a), Section 10.2(b)(i), Section 10.2(b)(iii), Section 10.2(c), Section 10.2(e), and Section 10.2(f) cause The Mahoning State Line Railroad to,

(a) Property — maintain its Property (including, without limitation, the Collateral) in good condition and make all necessary renewals, replacements, additions, betterments and improvements thereto; provided, however, that, with respect to Property which is obsolete or surplus to the needs of such Person's business, this Section 10.2(a) shall only require such Person to prevent a material decrease in the Fair Market Value of such Property subsequent to the Closing Date (or, if later, the time such Property becomes obsolete or surplus to the needs of such Person's business);

(b) Insurance — (i) maintain, with financially sound and reputable insurers, insurance with respect to its Properties and business, including, without limitation, the Collateral, against such casualties and contingencies of such types (including, without limitation, insurance in respect of (A) loss or damage by fire, explosion, theft and such other casualties as are usually insured against by companies engaged in the same or similar businesses; (B) public liability; (C) larceny; (D) embezzlement; (E) criminal misappropriation and (F) workmen's compensation or comparable insurance) and in such amounts as is customary in the case of companies of established reputations engaged in the same or similar businesses and similarly situated. If the premiums due in respect of such insurance shall not be paid when due, the Security Trustee may pay the same for the account of PLECO, the Company or any of the Company's Wholly-Owned Subsidiaries, as the case may be, and the Person for whose account such premiums were paid shall reimburse the Security Trustee on demand, together with interest at the Base Rate on the amount so paid by the Security Trustee from the date of payment by the Security Trustee to the date of reimbursement by such Person. Copies of each casualty or hazard policy of insurance together with a satisfactory loss payable endorsement thereto naming the Security Trustee as loss payee shall be delivered to the Security Trustee. Each such policy of insurance or endorsement thereto shall contain a clause requiring the insurer thereunder to give not less than thirty (30) days' written notice to the Security Trustee in the event of cancellation of said policy for any reason whatsoever and a clause that the interest of the Security Trustee shall not be impaired or invalidated by any act or neglect of, or breach of warranty by, the Company, PLECO or any of the Company's Wholly-Owned Subsidiaries or the owner of the Property nor by the occupation of the insured premises for purposes more hazardous than are permitted by said policy. Any

policy of insurance in respect of public liability or other similar risks shall name the Security Trustee as an additional insured thereunder and copies of said policies shall be delivered to the Security Trustee;

(ii) authorize and empower and do hereby authorize and empower the Security Trustee, at its option, to adjust or compromise any loss of the Collateral under any insurance policies covering the Collateral and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to the Security Trustee alone and not to the Security Trustee and the Company, PLECO and the Company's Wholly-Owned Subsidiaries, or any of them, jointly. After deducting from such insurance proceeds any expenses incurred by the Security Trustee in the collection and handling of such funds and reimbursing the Company or any of its Wholly-Owned Subsidiaries for any reasonable expenditures made by such Person in connection with the cleaning up, restoring or replacing of any damaged or lost Property necessary for the continued operation of the railroad business of such Person (excluding the restoring or replacing of Railcars other than locomotives), the amounts, reasonableness, and necessity of such expenditures having been certified in writing by the Company to the Security Trustee and acknowledged by the Creditors' Consultant as not being manifestly unreasonable, the Security Trustee may apply the net proceeds, at its option, either toward restoring the Collateral or as a credit on any portion of the New Obligations as provided for in this Agreement or, at the option of the Security Trustee, such sums, either wholly or in part, may be paid over to the Company, PLECO, or the Company's Wholly-Owned Subsidiaries, as the case may be, to be used to repair the damaged Collateral or to acquire new Collateral in its place, without affecting the New Obligations, the Existing Obligations or the Liens provided for under this Agreement, any other New Financing Agreement or any Old Financing Agreement securing the New Obligations or the Existing Obligations. Unless the Security Trustee is otherwise instructed by the Required Persons, the Security Trustee shall request and follow the advice of the Creditors' Consultant in exercising the option referred to in the preceding sentence. The Security Trustee shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure, nor shall it be responsible for the use of any such proceeds paid to the Company, except for its willful misconduct or gross negligence. The foregoing notwithstanding and for so long as no Event of Default shall have occurred and be continuing, the Company, PLECO or any of the Company's Wholly-Owned Subsidiaries may apply for and receive directly from any insurer any payment of insurance proceeds for a Single Casualty Occurrence which (A) does not exceed One Million Dollars ($1,000,000), and (B) when aggregated with all Single Casualty Occurrences having occurred during the twelve (12) months immediately preceding the occurrence of such Single Casualty Occurrence does not exceed Three Million Dollars ($3,000,000), provided that such insurance proceeds, or any part thereof, (1) constituting Total Loss Proceeds are used by the Company, PLECO or any of the Company's Wholly-Owned Subsidiaries, as the case may be, to replace the Collateral in respect of which the insurer declared a total loss with other Property of equal utility and of a value at least equal to that of the replaced Collateral and free from any Lien except the Liens provided for by the New Financing Agreements or the Old Financing Agreements or (2) constituting proceeds other than Total Loss Proceeds are used by the Company, PLECO or any of the Company's Wholly-Owned Subsidiaries, as the case may be, to pay the cost of restoring and repairing the damaged Collateral in respect of which said insurance proceeds were paid. If the Company, PLECO or any of the Company's Wholly-

Owned Subsidiaries, as the case may be, shall have determined that the restoration, repairing, or replacing of any of such destroyed or damaged Collateral is not necessary or appropriate in their respective businesses or insurance proceeds remain after the completion of said restoration, repairing, or replacing, all such insurance proceeds in the possession of any of the Company, PLECO or the Company's Wholly-Owned Subsidiaries shall be immediately deposited into the Proceeds Account and paid to the Security Trustee not later than the end of the month following the month in which such deposit is made;

(iii) deliver to the Security Trustee, at least fifteen (15) days prior to the expiration date of all or any insurance policies, evidence of the renewal thereof satisfactory to the Security Trustee, together with certificates of insurance issued by a reputable insurance broker evidencing the types and amounts of insurance then in effect and containing such other information as may be reasonably requested by the Security Trustee; and

(iv) cause each policy of insurance to state that the insurer thereunder shall not be entitled to become subrogated, by virtue of any payments made to the Security Trustee, to any rights of the Security Trustee (or any holder of a Certificate of Interest) under this Agreement until all New Obligations and other obligations provided for in this Agreement are finally paid, performed and discharged in full.

(c) Financial Records — (i) keep true books of records and accounts in which full and correct entries shall be made of all its business transactions and reflect in its financial statements adequate accruals and appropriations to reserves, all in accordance with generally accepted accounting principles, and (ii) not change its fiscal year;

(d) Collateral Records — keep and maintain at its respective cost and expense, accurate, satisfactory and complete books and records of the Collateral which is subject to the New Financing Agreements to which it is a party, including, without limitation, a record of all payments received and all credits granted with respect to such Collateral and all other dealings with such Collateral, and mark such books and records to evidence the New Financing Agreements to which it is a party and the Liens created thereby. For the Security Trustee's further security, PLECO, the Company and each of the Company's Wholly-Owned Subsidiaries agree that the Security Trustee shall have a special property interest in all of its respective books and records pertaining to such Collateral and if an Event of Default shall have occurred and be continuing, PLECO, the Company and each of the Company's Wholly-Owned Subsidiaries shall deliver and turn over any such books and records to the Security Trustee or to its representatives at any time on demand of the Security Trustee.

(e) Existence and Rights — do or cause to be done all things necessary to (i) preserve and keep in full force and effect its corporate existence, rights and franchises and (ii) maintain each Material Subsidiary as a Subsidiary, except as otherwise permitted by Section 10.4;

(f) Compliance with Law — not be in violation of any law, ordinance, bylaw or operating rules of any railroad operating association, or governmental rule or regulation to which it is subject (including, without limitation, the interchange rules of the Association of American Railroads and the rules of the United States

Department of Transportation and the Interstate Commerce Commission) and not fail to obtain any license, permit, franchise or other governmental authorization necessary to the ownership of its Properties or the conduct of its business, which violation or failure to obtain might materially and adversely affect the business, prospects, profits, Properties or condition (financial or otherwise) of any one or more of the Company, PLECO and the Company's Subsidiaries;

(g) Condemnation Proceeds — cause each Person paying condemnation proceeds with respect to its Properties to have all proceeds of such condemnation paid to the Security Trustee; provided, however, the Company may receive any payment of such proceeds which is not in excess of One Hundred Seventy-Five Thousand Dollars ($175,000) but shall remit such payment to the Security Trustee within five (5) days after its receipt; and

(h) Banking Arrangements — maintain arrangements, satisfactory to the Security Trustee, pursuant to which any moneys deposited by it with any bank shall be subject to setoff by such bank for application to the payment of all amounts owed by such Person pursuant to the provisions of this Agreement or any other New Financing Agreement.

(i) Maintenance of Proceeds Account — in the case of the Company, maintain a Proceeds Account into which it shall deposit (or cause the deposit of), promptly after receipt thereof, all Asset Disposition Payments which are not required to be paid directly to the Security Trustee pursuant to Section 7.9(a)(ii) and all insurance proceeds required to be deposited therein pursuant to Section 10.2(b). Other than as permitted by Section 7.9(a)(i), the Company shall not make (nor shall it permit any other Person to make) any withdrawals from the Proceeds Account without the written consent of the Security Trustee, unless such withdrawal is for the purpose of making a payment to the Security Trustee, and shall not deposit (nor shall it permit any other Person to deposit) any moneys into such account which do not constitute Asset Disposition Payments or insurance proceeds. The Company shall deliver to the Security Trustee, promptly after each deposit into the Proceeds Account, a notice specifying the Disposition or event which gave rise to the Asset Disposition Payments or insurance proceeds so deposited. The Security Trustee shall have the right to inspect the records of such bank with respect to the Proceeds Account, at any time, and the Company shall give to such bank any authorization or instructions necessary or appropriate to effectuate such right.

10.3 Payment of Amounts Due and Maintenance of Office. The Company shall punctually pay or cause to be paid all amounts to be paid under this Agreement, the other New Financing Agreements, the GECC Financing Agreements, and the Single Investor Leases. Each of PLECO and the Wholly-Owned Subsidiaries of the Company shall punctually pay or cause to be paid all amounts to be paid by it as provided in their respective Guaranty Agreements and the other New Financing Agreements executed in connection therewith. Each of the Company, the Company's Wholly-Owned Subsidiaries and PLECO shall maintain an office in the Commonwealth of Pennsylvania where notices, presentations and demands in respect of this Agreement, the other New Financing Agreements, the GECC Financing Agreements and the Single Investor Leases may be made upon it. Such office shall be maintained at Commerce Court, Four Station Square, Pittsburgh, Pennsylvania 15219-1199 and shall not be changed or moved except upon sixty (60) days' prior written notice to the Security Trustee and the taking of any and all actions necessary to maintain the perfection and priority of the Liens securing the New

Obligations and the Existing Obligations. Such office shall be the chief place of business and chief executive office of the Company, PLECO and each of the Company's Wholly-Owned Subsidiaries. Each of the Company, PLECO, and the Company's Wholly-Owned Subsidiaries shall not change the location of its chief place of business or chief executive office or any of its offices or premises where it keeps or holds any of the Collateral (including, without limitation, any records or files relating thereto) from the locations of same as of the Closing Date unless it shall give sixty (60) days' prior written notice thereof to the Security Trustee and shall, prior to any such change in location, take any and all actions necessary to maintain the perfection and priority of the Liens securing the New Obligations and the Existing Obligations. Each of the Company, PLECO and the Company's Wholly-Owned Subsidiaries shall not change its corporate name without notifying the Security Trustee in writing of its intention to change its name and obtaining the written consent of the Security Trustee thereto.

10.4 Merger and Consolidation. Neither the Company or PLECO shall, nor shall either of them permit any of their respective Subsidiaries to, consolidate with or merge into any other Person or permit any other Person to consolidate with or merge into it; provided, however, (a) any Subsidiary of the Company may consolidate with or merge into the Company or any of its Subsidiaries (including, without limitation, a consolidation or merger of The Youngstown and Southern Railroad Company with or into, as the case may be, The Montour Railroad Company) and (b) any Subsidiary of PLECO may consolidate with or merge into PLECO.

10.5 Liens and Encumbrances.

(a) Negative Pledge. Neither the Company, PLECO nor the Company's Wholly-Owned Subsidiaries shall (i) permit or (ii) agree or consent to permit in the future (upon the happening of a contingency or otherwise), any of its Property or any of the Property of The Mahoning State Line Railroad, whether now owned or hereafter acquired, to be subject to a Lien except:

(1) Liens securing taxes, assessments or governmental charges or levies or the claims or demands of materialmen, mechanics, carriers, warehousemen, landlords and other like Persons, provided the payment thereof is not at the time required by Section 10.1;

(2) Liens incurred or deposits made in the ordinary course of business (i) in connection with workmen's compensation, unemployment insurance, railroad retirement, social security and other like laws or (ii) to secure the performance of letters of credit, bids, tenders, sales contracts, leases, statutory obligations, surety, appeal and performance bonds and other similar obligations not incurred in connection with the borrowing of money, the obtaining of advances or the payment of the deferred purchase price of Property;

(3) attachments, judgments and other similar Liens arising in connection with court proceedings, provided the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are being actively contested in good faith and by appropriate proceedings;

(4) reservations, exceptions, encroachments, easements, rights-of-way, trackage rights, covenants, conditions, restrictions, leases and other similar title exceptions or encumbrances affecting real Property, provided they do not in the aggregate materially detract from the value of said Properties taken as a whole or

materially interfere with their use in the ordinary conduct of the owning Person's business as presently conducted by such Person;

(5) inchoate Liens arising under ERISA to secure the contingent liability, if any, of the Company, PLECO or any of the Company's Subsidiaries permitted by Section 10.8;

(6) Liens in favor of the Security Trustee with respect to the Trust Estate as provided in this Agreement and the other New Financing Agreements;

(7) Liens granted pursuant to the Old Financing Agreements; and

(8) Liens arising in connection with Approved Capital Expenditures or Supplemental Approved Expenditures; provided, that such Liens encumber only the Property acquired or improved pursuant to such Approved Capital Expenditures or Supplemental Approved Expenditures and no other Property and secure only the obligations incurred in connection with such Approved Capital Expenditures or Supplemental Approved Expenditures and no other obligations.

The Liens referred to in clause (1) through clause (8), inclusive, in this Section 10.5(a) are herein referred to as "Permitted Liens."

(b) **Equal and Ratable Lien; Equitable Lien.** In case any Property shall be subjected to a Lien in violation of Section 10.5(a), the Company, any of its Wholly-Owned Subsidiaries or PLECO shall make or cause to be made provision whereby its obligations, or the obligations of The Mahoning State Line Railroad, if any, hereunder or under any other New Financing Agreement or Old Financing Agreement shall be secured equally and ratably with all other obligations secured hereby or thereby, and in any case the Security Trustee shall have the benefit, to the full extent that, and with such priority as, it may be entitled to under applicable law, of an equitable Lien on such Property securing such obligations. Such violation of Section 10.5(a) shall constitute an Event of Default, whether or not any such provision is made pursuant to this Section 10.5(b).

(c) **Financing Statements.** Neither the Company, PLECO or the Company's Wholly-Owned Subsidiaries shall, nor shall the Company permit The Mahoning State Line Railroad to, sign or file a financing statement under the Uniform Commercial Code of any jurisdiction, or any document to be filed with the ICC, in order to perfect any security interest in any Property of such Person or which names it as debtor, or sign any security agreement authorizing any secured party thereunder to file any such financing statement or document, except, in any such case, a financing statement filed or to be filed to perfect or protect a security interest which the Company, PLECO or any of the Company's Subsidiaries is entitled to create, assume or incur, or which is permitted to exist, under the foregoing provisions of this Section 10.5 or to evidence, for informational purposes only, a true lessor's interest in Property leased to the Company, PLECO or any of the Company's Subsidiaries.

(d) **Opinions of Counsel.** The Company shall cause this Agreement, each other New Financing Agreement, the GECC Amendments, the Single Investor Lease Amendments, and any and all other agreements, mortgages, security agreements, instruments of further assurance, financing statements, ICC filings and continuation statements supplemental or related hereto, at all times to be kept recorded, filed, deposited and registered, in such manner and in such places as may be required by law to fully preserve and protect the rights of the holders of Certificates of Interest, of Single

Investor Lessors (but only with respect to Preferred Stock and Preferred Certificates held by them) and of the Security Trustee hereunder and under all other documents and instruments evidencing or securing the obligations secured hereby or thereby (including, without limitation, documents and instruments granting Liens to the Security Trustee with respect to the Trust Estate). The Company shall furnish to the Security Trustee within sixty (60) days after the end of each Fiscal Year, commencing with the Fiscal Year ending September 30, 1985, an opinion of independent counsel stating (i) that in the opinion of such counsel such action (if any be required) has been taken with respect to the recording, filing, depositing, registering, rerecording, refiling, redepositing and reregistering of this Agreement, each other New Financing Agreement, the GECC Amendments, the Single Investor Lease Amendments, and any and all supplemental agreements, mortgages, security agreements, instruments of further assurance, financing statements, ICC filings and continuation statements as is necessary for such purposes, (ii) the details of such action (if any), and (iii) that in the opinion of such counsel no additional action is, or will become during the twelve (12) months following the date of such opinion, necessary for such purpose or if any such action is necessary, describing the action to be taken.

10.6 Restricted Investments. Neither the Company, PLECO, or the Company's Wholly-Owned Subsidiaries shall, nor shall the Company permit The Mahoning State Line Railroad to, make, or incur any liability to make, any Restricted Investment.

10.7 Distributions. Neither the Company or PLECO shall, nor shall either of them permit their respective Subsidiaries to, declare, make, or incur any liability to make, any Distribution other than a Distribution by (a) a Subsidiary of the Company which is paid to the Company or (b) a Subsidiary of PLECO which is paid to PLECO. If an Event of Default shall have occurred and be continuing, any Distribution payable to the Company shall be paid to the Security Trustee. If no Event of Default shall have occurred and be continuing, any Distribution payable to the Company from any Person may be received and utilized by the Company; provided, however, if such Distribution constitutes, in whole or part, a liquidation or dissolution dividend or similar payment it shall be paid in its entirety to the Security Trustee. All Distributions payable to PLECO from any Person shall be paid to the Security Trustee.

10.8 ERISA and Plan Compliance.

(a) Relationship of Vested Benefits to Pension Plan Assets. Except to the extent that a waiver shall have been obtained from the appropriate governmental authority or shall have been requested from such governmental authority in a timely manner and not denied (but only if the pendency of such request protects the requesting Person from any liability for fines or penalties which it would incur as a result of not having obtained a waiver), neither the Company, PLECO or the Company's Wholly-Owned Subsidiaries shall, nor shall the Company permit The Mahoning State Line Railroad to, at any time (i) cause the present value of all employee benefits vested under all Pension Plans to exceed the present value of the assets allocable to such vested benefits or (ii) fail to make any contribution required to be made under, or otherwise not comply with its obligations with respect to, any Plan.

(b) Valuations. All assumptions and methods used to determine the actuarial valuation of vested employee benefits under Pension Plans and the present value of assets of Pension Plans shall be reasonable in the Company's good faith judgment and shall comply with all requirements of law.

(c) Prohibited Actions. Neither the Company, PLECO, the Company's Wholly-Owned Subsidiaries or any Plan shall, nor shall the Company permit The Mahoning State Line Railroad to,

(1) engage in any "prohibited transaction" (as such term is defined in Section 406 or Section 2003(a) of ERISA);

(2) incur any "accumulated funding deficiency" (as such term is defined in Section 302 of ERISA), whether or not waived;

(3) permit termination of any Plan in a manner which could result in the imposition of a Lien on the Property of the Company, PLECO or any of the Company's Subsidiaries pursuant to Section 4068 of ERISA; or

(4) be an employer required to contribute to any "multiemployer plan" (as such term is defined in MPPAA), other than a multiemployer plan covering only the Company and its Subsidiaries.

10.9 Transactions with Affiliates. Neither the Company, PLECO or the Company's Wholly-Owned Subsidiaries shall, nor shall the Company permit The Mahoning State Line Railroad to, enter into any transaction, including, without limitation, the purchase, sale or exchange of Property or the rendering of any service, with any Affiliate or Subsidiary of any such Person except in the ordinary course of and pursuant to the reasonable requirements of such Person's business and upon fair and reasonable terms no less favorable to such Person than would obtain in a comparable arm's-length transaction with a Person not an Affiliate or Subsidiary. Any such transaction shall comply with the provisions of Article 11.

10.10 Acquisition of Certificates of Interest. Neither the Company or PLECO shall, nor shall either of them permit any of their respective Subsidiaries or Affiliates to, directly or indirectly, acquire or make any offer to acquire any Certificate of Interest, Preferred Certificate, Preferred Stock or Common Stock issued pursuant to this Agreement, unless such Person has offered to acquire Certificates of Interest, Preferred Certificates, Preferred Stock or Common Stock, as the case may be, pro rata from all holders thereof and upon the same terms. In case the Company, PLECO, any of their respective Subsidiaries or any Affiliate of any such Person acquires any Certificate of Interest or Preferred Certificate, such Certificate of Interest or Preferred Certificate shall thereafter be cancelled and no Certificate of Interest or Preferred Certificate, as the case may be, shall be issued in substitution therefor.

10.11 Disposal of Shares of a Subsidiary. Neither the Company or PLECO shall, nor shall either of them permit any of their respective Subsidiaries to, issue or sell any shares of its stock, or any option or warrant to purchase its stock, or any other Securities exchangeable for or convertible into its stock, if the effect of the transaction would be to reduce the proportionate interest of Beloit, the Company, PLECO or any of their respective Subsidiaries in the outstanding stock, options, warrants or convertible Securities of such Person; provided, however, this Section 10.11 shall not apply to the issuance of Common Stock or Preferred Stock to the holders of Certificates of Interest or Preferred Stock to the Single Investor Lessors, as contemplated by this Agreement.

10.12 Leases. Neither the Company, PLECO or the Company's Wholly-Owned Subsidiaries shall, nor shall the Company permit The Mahoning State Line Railroad to, become liable as lessee under any lease (other than a financing lease which constitutes

Adjusted Funded Debt or a lease under which the Company is lessor) of Property unless (a) all payments to be made under such lease constitute Approved Capital Expenditures, (b) such lease is a renewal of or substitute lease for a lease in effect as at the Closing Date or (c)(i) the Rentals to be paid under such lease do not exceed One Hundred Thousand Dollars ($100,000), (ii) the term thereof does not exceed thirty-six (36) months and (iii) at the time of execution of such lease, the sum of the Rentals to be paid thereunder plus the Rentals to be paid under all other leases entered into pursuant to this Section 10.12(c) during any future period of twelve (12) consecutive months will not exceed Two Hundred Fifty Thousand Dollars ($250,000).

10.13 Debt. Neither the Company, PLECO or the Company's Wholly-Owned Subsidiaries shall, nor shall the Company permit The Mahoning State Line Railroad to, incur or in any manner become liable in respect of any Debt other than (a) the New Obligations and the Existing Obligations, (b) the Company's obligation to make rental payments under the GECC Leases and (c) Debt used to finance Approved Capital Expenditures; provided, however, that all of such Persons may, in the aggregate, incur and become liable for unsecured Debt in an aggregate amount not in excess of Two Hundred Fifty Thousand Dollars ($250,000); and, provided further, that the Company may incur and become liable for unsecured Debt payable to PLECO or its Subsidiaries.

10.14 Guaranties. Except for the Guaranties specified on Annex 14 hereto, neither the Company, PLECO or the Company's Wholly-Owned Subsidiaries shall, nor shall the Company permit The Mahoning State Line Railroad to, become liable in respect of any Guaranty.

10.15 Line of Business. Neither the Company, PLECO or the Company's Wholly-Owned Subsidiaries shall, nor shall the Company permit The Mahoning State Line Railroad to, engage in any business if, as a result thereof, the business of any such Person would not be substantially the same as on the date of this Agreement; provided, however, that any such Person may, in accordance with any applicable law or regulation, abandon any line of business in which it is engaged as of the Closing Date.

10.16 Railcar Identification.

(a) Identifying Numbers; Legend. The Company shall (i) cause each Railcar in which it or any of its Subsidiaries has an interest to be kept numbered with the identification numbers set forth in Annex 6 to this Agreement and, in the case of any Railcar not there listed, such identification number as shall be set forth in any amendment or supplement to the Railcar Security Agreement extending it to cover such Railcar and (ii) keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each such Railcar, in letters not less than one inch (1") in height, the words "Ownership Subject to a Security Agreement Filed with the Interstate Commerce Commission," or other appropriate words designated by the Security Trustee, with such appropriate changes therein and additions thereto as from time to time may be required by law in order to protect the Security Trustee's security interest in such Railcar.

(b) Change of Identification. The Company shall not change the identification number of any Railcar in which it or any of its Subsidiaries has an interest unless and until (i) a statement of the new number or numbers to be substituted therefor shall have been filed with the Security Trustee and filed, recorded and deposited by the Company in all public offices where the Railcar Security Agreement shall have been filed, recorded or deposited and (ii) the Company shall have furnished the Security Trustee with an opinion of independent counsel to the effect that such statement has been so filed, recorded and

deposited, such filing, recordation and deposit will protect the Security Trustee's security interest in such Railcars, and no filing, recording, deposit or giving of notice with or to any other federal, state or local government, or agency thereof, is necessary to protect the security interest of the Security Trustee in such Railcars.

(c) Insignia of the Company. Except as provided in this Section 10.16, the Company shall not allow the name of any Person to be placed on any Railcar in which it or any of its Subsidiaries has an interest as a designation that may be interpreted as a claim of ownership; provided, however, such Railcars may be lettered with the names or initials or other insignia customarily used by the Company or its Subsidiaries or by any lessee of the Company or its Subsidiaries and as to the GECC Railcars, may be lettered with the names or initials or other insignia customarily used by CBT, GECC or J. P. Morgan and as to any of the Railcars owned by the Single Investor Lessors, may be lettered with the names or initials or other insignia of such Single Investor Lessors, or any of them.

(d) Location. Not more than five percent (5%) of all Railcars in which the Company or any of its Subsidiaries has an interest shall be removed from the United States of America. No GECC Railcars shall be removed from the United States of America. Except as set forth in Annex 6 and except with respect to not more than five percent (5%) of all Railcars in which the Company or any of its Subsidiaries has an interest, none of which shall include any GECC Railcars, any Railcar in which the Company or any of its Subsidiaries has an interest located outside of the United States of America will be subject to normal industry interline agreements concerning per diem payments and return of such Railcars to the United States of America, and all of such Railcars so removed shall be located in either Canada or Mexico.

(e) Further Identification. The Company, PLECO and each Wholly-Owned Subsidiary of the Company shall furnish to the Security Trustee from time to time statements and schedules further identifying and describing the Railcars and other Collateral and such other reports in connection therewith as the Security Trustee may reasonably request, all in reasonable detail.

10.17 ICC and PUC Approval. The Company shall use its best efforts to obtain ICC Approval and, if necessary, PUC Approval as promptly as possible.

10.18 After-Acquired Property.

(a) Real Estate. In the event that PLECO, the Company or any Wholly-Owned Subsidiary of the Company shall acquire at any time or times hereafter any interest in real Property, PLECO, the Company or any such Wholly-Owned Subsidiary, as the case may be, shall promptly execute and deliver to the Security Trustee an original deed of trust, mortgage or other collateral assignment satisfactory in form and substance to the Security Trustee and its counsel (hereinafter collectively referred to as "New Mortgage"), covering such real Property as Property which is to be subject to such New Mortgage. Such New Mortgage shall be duly recorded by or at the direction of PLECO or the Company in each office where such recording is required in order to constitute it a valid Lien on the Property covered thereby and shall constitute a valid first Lien in favor of the Security Trustee on the Property covered thereby, subject to no Liens other than Permitted Liens.

(b) Other Property. In the event that the Company, PLECO or any Wholly-Owned Subsidiary of the Company shall acquire at any time or times hereafter any interest in Property other than real Property (including, without limitation, any Railcars

not included as Collateral under this Agreement or any New Financing Agreement), the Company, PLECO or any such Wholly-Owned Subsidiary of the Company, as the case may be, shall promptly execute and deliver to the Security Trustee such additional security agreements, documents, financing statements, and other agreements and shall take whatever steps are deemed by the Security Trustee to be necessary or desirable to perfect the Lien and security interest of the Security Trustee in such additional Property. Such additional security agreements, documents, instruments and other agreements shall be duly recorded by or at the direction of the Company in each office where such recording is required in order to perfect a valid Lien on such additional Property, including, without limitation, the recording of all financing statements required by the Code and any Uniform Commercial Code of any applicable jurisdiction, the filing of any and all agreements with the ICC, and the filing of any and all instruments and agreements with the Registrar General of Canada.

(c) Additions, Modifications and Improvements to Collateral. The Company, PLECO, and any Wholly-Owned Subsidiary of the Company may, from time to time, make such additions, modifications and improvements to the Collateral (including, without limitation, to the Railcars, other than the GECC Railcars, which as to this covenant shall be governed by the GECC Financing Agreements) as do not adversely affect the value thereof or which are required to be made pursuant to requirements of law. Such additions, modifications and improvements made under the preceding sentence shall be owned by the Company, PLECO or any such Wholly-Owned Subsidiary of the Company, as the case may be, and shall constitute, with respect to personal Property, accessions thereto and, with respect to real Property, non-fixtures, and shall immediately become subject to the Lien of this Agreement and the other New Financing Agreements in favor of the Security Trustee.

10.19 Capital Expenditures. The Company shall not permit the aggregate amount of Capital Expenditures made by it and its Subsidiaries in any Fiscal Year ending in 1985 to 1989 inclusive, whether paid for in cash or financed by the incurring of Debt, to be greater than eleven percent (11%), or less then seven percent (7%), of the Net Freight Revenues for such Fiscal Year.

10.20 Tax-Sharing Agreement. Neither the Company or PLECO shall, nor shall either of them permit any of their respective Subsidiaries to, agree to an amendment of, or waiver with respect to, the Tax Sharing Agreement.

10.21 Further Assurances.

At any time and from time to time, upon the written request of the Security Trustee, PLECO, the Company and each of the Company's Wholly-Owned Subsidiaries shall, at their own respective cost and expense, promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Security Trustee or any holder of a Certificate of Interest may reasonably deem desirable in obtaining the full benefits of this Agreement and any other New Financing Agreement and of the rights and powers herein and therein granted, including, without limitation, (a) the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Liens created by any of the New Financing Agreements, (b) the recording or rerecording of any deed of trust, mortgage, collateral assignment or New Mortgage and any and all collateral instruments or documents in connection therewith in each office where such recording or rerecording is required in order to constitute a valid Lien on the Property covered thereby, (c) the filing and recording or refiling and rerecording of any New Financing Agreement or other

document or instrument related thereto with the ICC in accordance with 49 U.S.C. § 11303 (as such section or any successor provision may be amended from time to time), and (d) the filing, recording or depositing or refiling, rerecording or redepositing of any New Financing Agreement or other document or instrument related thereto with the Registrar General of Canada pursuant to and in accordance with applicable Canadian law. Each of PLECO, the Company and the Company's Wholly-Owned Subsidiaries shall pay all filing fees with respect to the perfection and registration of the security interests and Liens created by those New Financing Agreements to which it is a party and do all acts and things which are necessary or advisable in order to perfect said security interests and Liens. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by a promissory note or other instrument, such note or instrument shall be immediately pledged to the Security Trustee, duly endorsed in a manner satisfactory to the Security Trustee.

10.22 Performance by Security Trustee of Company's Obligations. If any of PLECO, the Company and the Company's Wholly-Owned Subsidiaries fails to maintain their respective Property (including, without limitation, the Collateral) as provided for in Section 10.2(a), the Security Trustee may, without prior written notice to or incurring any obligation to act on behalf of any party to this Agreement, pay the cost of any such repairs for the account of PLECO, the Company, or any such Subsidiary, as the case may be, in which event the Person for whose account such costs were paid shall reimburse the Security Trustee therefor on demand, together with interest, calculated at the Base Rate, on the amount so paid by the Security Trustee from the date of payment by the Security Trustee to the date of reimbursement by such Person.

10.23 Notification Obligations. The Company, PLECO, and each of the Company's Wholly-Owned Subsidiaries shall advise the Security Trustee immediately of the assertion of any Lien against any material portion of the Collateral, any material change in the composition of the Collateral, any material casualty loss or destruction of the Collateral, and the occurrence of any other event which would have a material effect on the aggregate value of the Collateral or on the Liens created under this Agreement, any other New Financing Agreement or the GECC Financing Agreements.

10.24 Limitations on Modifications of Accounts, Contracts, and General Intangibles. The Company, PLECO and each of the Company's Wholly-Owned Subsidiaries shall not, after the occurrence of an Event of Default, without the Security Trustee's prior written consent, grant any extension of time for payment of any amounts due in respect of its Accounts, Contracts, General Intangibles, and Pledged Notes, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any Person liable for the payment thereof, or allow any credit or discount whatsoever thereon, other than trade discounts granted in the normal course of business.

10.25 Indemnification. Each of PLECO, the Company and the Company's Wholly-Owned Subsidiaries shall protect, indemnify and hold the Security Trustee (in both its individual and fiduciary capacities), the holders of the Certificates of Interest and their respective successors, assigns, agents and servants, the Creditors' Agents, the Single Investor Lessors, CBT, GECC and J. P. Morgan (the "Indemnified Persons"), harmless from and against (a) any and all causes of action, (b) suits, (c) penalties, (d) claims, (e) demands or judgments of any nature whatsoever, (f) taxes (other than income taxes based on or measured by the compensation paid to any of the entities acting as the Security Trustee under this Agreement or any other New Financing Agreement, any of the Creditors' Agents under any of the Old Financing Agreements or GECC Financing Agreements or CBT under any of the GECC Financing Agreements), and (g) any and all

liabilities, obligations, damages, costs, disbursements, expenses, and attorneys' fees connected with any of the foregoing, which may be imposed on, incurred by, or asserted against, any Indemnified Person in connection with or arising out of, or alleged to arise out of, this Agreement, any other New Financing Agreement, the GECC Financing Agreements, the Single Investor Leases, any Lien on any or all of the Collateral (including, without limitation, any Railcars), or the Disposition of any or all of the Collateral (including, without limitation, any or all of the Railcars), and including, without limitation, any of the following:

(i) the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, non-delivery, lease, possession, use, operation, condition, sale, return or other Disposition of any or all of the Collateral;

(ii) any latent and other defects whether or not discoverable by any Indemnified Person, PLECO, the Company or any of their respective Subsidiaries;

(iii) any claim for patent, trademark or copyright infringement;

(iv) any claims based on strict liability or tort;

(v) any injury to or the death of any Person or any damage to or loss of Property on or near any of the Collateral or in any manner growing out of, or connected with, or alleged to grow out of or be connected with, the ownership, use, replacement, modification, condition or maintenance of any of the Collateral, whether such Collateral is owned or under the control of any Indemnified Person, PLECO, the Company or any of their respective Subsidiaries;

(vi) any violation or alleged violation of any provisions of this Agreement, any other New Financing Agreement, the GECC Financing Agreements or the Single Investor Leases or of any agreement, law, rule, regulation, ordinance or restriction affecting or applicable to the Collateral (or any part thereof) or the leasing, ownership, use, replacement, modification or maintenance thereof; or

(vii) the assertion of any defense, set-off, counterclaim, recoupment or reduction of liability whatsoever by the obligor under any Account, Contract or General Intangible arising out of a breach by PLECO, the Company or any of their respective Subsidiaries of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligor or its successors, and all such obligations of PLECO, the Company and their resepctive Subsidiaries shall be and remain enforceable only against PLECO, the Company and their respective Subsidiaries, and shall not be enforceable against the Security Trustee or any Indemnified Person; and

(viii) the failure to pay or delay in paying any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or otherwise in connection with this Agreement, any other New Financing Agreement, the GECC Financing Agreements or the Single Investor Leases or any of the transactions contemplated hereby or thereby; provided, however, PLECO, the Company and each of the Company's Wholly-Owned Subsidiaries shall not be obligated to pay or indemnify any Indemnified Person for any income or other tax arising, directly or indirectly, out of (A) the acquisition by any Creditor or Single Investor Lessor of a Certificate of Interest, Preferred Certificate, Preferred Stock or Common Stock hereunder or the receipt or accrual

by any Creditor or Single Investor Lessor, or CBT, GECC or J. P. Morgan, of any interest, dividend or other payment made or to be made by the Company or the Security Trustee in accordance with terms of this Agreement, any other New Financing Agreement, the GECC Financing Agreements or the Single Investor Leases, (B) any Disposition of Property pursuant to Article 9 or Article 11 or (C) any loss of tax credits or other tax benefits or deductions as a result of the execution, delivery or performance by any Creditor or Single Investor Lessor, or CBT, GECC or J. P. Morgan, of this Agreement, any other New Financing Agreement, the GECC Financing Agreements or the Single Investor Leases, or the performance of any of the provisions hereof or thereof or the enforcement of any of the rights and remedies hereunder or thereunder; provided, however, that this clause (C) shall not apply to CBT, GECC or J. P. Morgan at such time as a Payment Order shall have been delivered to the Company.

Each of the matters hereinabove set forth in this Section 10.25 shall hereinafter be referred to as the "Indemnified Matters".

PLECO, the Company and the Company's Wholly-Owned Subsidiaries shall be obligated to perform in accordance with this Section 10.25, irrespective of whether any Indemnified Person shall also be indemnified or entitled to indemnification with respect to the same matter under any other agreement by any other Person. The Indemnified Person seeking to enforce this Section 10.25 may proceed directly against any of PLECO, the Company and the Company's Wholly-Owned Subsidiaries under this Section 10.25 without first resorting to any such other rights of indemnification or other Collateral.

In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, PLECO, the Company and each of the Company's Wholly-Owned Subsidiaries may and, upon such Indemnified Person's request, shall, at PLECO's, the Company's or such Subsidiary's expense, resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by PLECO, the Company or such Subsidiary, as the case may be, and approved by such Indemnified Person. In the event of any failure by PLECO, the Company or such Subsidiary, as the case may be, to defend any such action, suit or proceeding brought against such Indemnified Person, each of PLECO, the Company and the Company's Wholly-Owned Subsidiaries shall be liable for and shall pay all costs and expenses (including, without limitation, any and all attorneys' fees and expenses) incurred by such Indemnified Person in connection with the defense of such action, suit or proceeding.

In the event PLECO, the Company or any of the Company's Wholly-Owned Subsidiaries is required to make any indemnification payment under this Section 10.25, PLECO, the Company or such Subsidiary shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States of America or of any political subdivision thereof, shall equal the amount of such indemnification payment.

PLECO, the Company, and each of the Company's Wholly-Owned Subsidiaries shall not be obligated to indemnify any Indemnified Person in respect of any Indemnified Matter if such Indemnified Matter arose out of the gross negligence or willful misconduct of such Indemnified Person.

PLECO, the Company, each of the Company's Wholly-Owned Subsidiaries, and each Indemnified Person agree to give each of the others, immediately upon obtaining knowledge thereof, written notice of any claim or liability hereby indemnified against.

The obligations of PLECO, the Company, and each of the Company's Wholly-Owned Subsidiaries under this Section 10.25 shall survive the payment or prepayment of the New Obligations and the termination of this Agreement.

ARTICLE 11. DISPOSITION OF COLLATERAL

11.1 Disposition Restricted.

Neither PLECO nor any of its Subsidiaries shall make any Disposition of any Property except Dispositions in the ordinary course of business or in connection with the payment of any Debt existing as at the Closing Date of PLECO or any of its Subsidiaries. Neither the Company or any of its Wholly-Owned Subsidiaries shall, nor shall the Company permit The Mahoning State Line Railroad to, make any Disposition of any Property except pursuant to the terms of Section 7.21 or this Article 11. The Security Trustee shall, for so long as an Event of Default shall not have occurred and be continuing, by execution of appropriate instruments, release or cause the release of all Liens in its favor granted pursuant to this Agreement on any Property which is subject to a Disposition in accordance with this Article 11;provided, however, that all proceeds from such Disposition shall remain subject to such Lien. The Security Trustee shall execute such instruments upon receipt of a certificate from the Company certifying that the conditions set forth in this Article 11 have been satisfied as to any such Disposition and specifying in reasonable detail the basis for such certification.

11.2 Railcars - Sale.

(a) Scrap. Subject to Section 11.2(e) and Section 11.9, any Railcar in which the Company or any of its Subsidiaries has an interest which is listed on Annex 6 to this Agreement as scrap may be sold without restriction as to price so long as, at the time of such sale and after giving effect thereto, there shall exist no Default or Event of Default.

(b) Other Railcars. Subject to Section 11.2(e) and Section 11.9, any Railcar in which the Company or any of its Subsidiaries has an interest may be sold

(i) if

(A) the Average Net Disposition Proceeds per Railcar for all Railcars of the same series ("Similar Railcars"), including such Railcar, to be sold pursuant to this Section 11.2(b) contemporaneously with such Railcar shall be not less than the release price (the "Release Price") for such series of Railcar, as set forth on Annex 10 to this Agreement, or

(B) after giving effect to the sale of such Railcar and of all other Similar Railcars to be sold pursuant to this Section 11.2(b) contemporaneously therewith, the Average Net Disposition Proceeds per Railcar for all Similar Railcars (including such Railcar) sold pursuant to this Section 11.2(b) during the ninety (90) day period ending on (and including) the day of such sale shall be not less than the Release Price for such series of Railcar as set forth on Annex 10 to this Agreement; and

(ii) at the time of such sale and after giving effect thereto, there shall exist no Default or Event of Default.

For purposes of this Section 11.2, Railcars shall be of the same series if they are listed on the same line under the heading entitled "Series of Railcars" on Annex 10 to this Agreement.

(c) Average Net Disposition Proceeds Per Railcar. The "Average Net Disposition Proceeds Per Railcar" means, with respect to any Disposition or series of Dispositions of Railcars, the quotient of (i) the aggregate Net Disposition Proceeds received by the Company in respect of such Disposition or series of Dispositions divided by (ii) the number of Railcars subject to such Disposition or series of Dispositions.

(d) Release Price.

(i) Subject to Section 11.2(d)(ii), the Release Price for any series of Railcar shall be equal to the amount set forth on Annex 10 as the Release Price for such series of Railcar (or deemed, by operation of Section 11.2(d)(ii), to be set forth on such Annex).

(ii) Within thirty (30) days after September 30 in each year, the Company shall cause the Creditors' Consultant to deliver a certificate to the Security Trustee either

(A) stating that the Fair Market Value of each series of Railcar set forth on Annex 10 to this Agreement (as determined by reference to the values listed, or deemed to be listed, under the heading "Fair Market Value (Appraisal) as of 8/83") has not increased or decreased, as of such date, by more than twenty percent (20%) from the amount set forth on such Annex (or deemed, by operation of this Section 11.2(d)(ii), to be set forth on such Annex) as the Fair Market Value of such series of Railcar, or

(B) if any such Fair Market Value (the "Old Fair Market Value") of any series of Railcar has changed by more than such percentage, specifying the amount of such Fair Market Value (the "New Fair Market Value") as of such date.

With respect to any series of Railcar as to which the Creditors' Consultant has identified a New Fair Market Value in such certificate, this Agreement shall be deemed to have been amended automatically so that (1) the Old Fair Market Value for such series of Railcar shall be deemed to have been deleted from Annex 10 to this Agreement and such New Fair Market Value substituted therefor and (2) the Release Price for such series of Railcar shall be deemed to have been amended to equal an amount (the "New Release Price") which bears the same relation to the Release Price (as in effect without regard to such amendment) as the New Fair Market Value bears to the Old Fair Market Value of such series of Railcar. All determinations of a Release Price for any Disposition of Railcars on or subsequent to the date such certificate is delivered to the Security Trustee shall be based upon such New Release Price.

(iii) The Creditors' Consultant shall determine whether any change in any Fair Market Value exceeds the percentage set forth in Section 11.2(d)(ii) by dividing the dollar amount of such change by the relevant Fair Market Value set

forth on Annex 10 to this Agreement (or deemed, by operation of Section 11.2(d)(ii), to be set forth on such Annex) and expressing the resulting fraction by a percentage which shall then be compared to the percentage set forth in Section 11.2(d)(ii)(A).

(e) GECC Railcars. The Company shall have no right to sell the GECC Railcars, or any of them, except as set forth in Section 10(b) of each of the GECC Amendments ,which section is, in its entirety, herein incorporated by reference.

11.3 Railcars—Lease.

(a) Lease. Subject to the terms and provisions of the GECC Leases as to the GECC Railcars and the Single Investor Leases as to the Railcars owned by the Single Investor Lessors, any Railcar owned or leased by the Company or any of its Subsidiaries may be leased upon satisfaction of each of the conditions set forth below:

(i) the terms of the lease shall be customary for the industry for the type of leasing transaction to be effected, except to the extent that the provisions to be included in such lease pursuant to this Section 11.3 shall not meet such standard;

(ii) if such lease is a Significant Person Lease, unsecured obligations for borrowed money issued by the lessee (or a guarantor of all of the lessee's obligations under the lease) shall be rated in any of the four (4) highest categories by either Moody's Investor Service, Inc. or Standard and Poor's Corporation (or would be so rated, as determined by the Company in good faith, if no such obligations have been rated by either such rating agency). A "Significant Person Lease" means any lease of a Railcar or Railcars with another Person as lessee, other than a Person which is rated as a Class I Railroad Carrier pursuant to 49 C.F.R. § 1201, if either (A) the Railcars which are the subject of any lease or leases between the Company or any of its Subsidiaries and such Person or its Affiliates shall constitute ten percent (10%) or more of all Railcars owned or leased by any one or more of the Company or any of its Subsidiaries or (B) the present value (discounted annually at the Base Rate as of the date of determination) of all Rental Payments to be made by such Person and its Affiliates pursuant to any and all leases of Railcars from the Company or any of its Subsidiaries shall exceed Five Million Dollars ($5,000,000);

(iii) except as permitted by Section 11.3(b), no lease shall have a term of more than twelve (12) months unless the present value of all Rental Payments to be made under the non-cancellable (by the lessee) term of such lease, discounted annually at the Base Rate in effect at the commencement of the lease to the commencement date of such term, shall be not less than a portion of the Release Price applicable to such Railcar which bears the same relation to such Release Price as the number of years included in such term of the lease (rounded to the nearest tenth of a year) bears to the product of (A) the number of years left in the remaining useful life of such Railcar subsequent to the commencement date of the

lease, as determined by reference to Annex 10 to this Agreement, times (B) the appropriate factor set forth below:

Factor	Number of Years in Remaining Useful Life of Railcar Minus Number of Years in the Term of the Lease for Such Railcar
100%	1 or less
90%	2
80%	3 or more

(iv) the lease shall provide that Rental Payments thereunder shall be made not less frequently than annually; and

(v) the lease shall provide that Rental Payments shall be made in cash or other immediately available funds;

provided, however, that if any lease shall provide for Rental Payments in any period of twelve (12) consecutive months which are materially higher than the Rental Payments (the "Second Year Rent") provided for in the thirteenth (13th) through the twenty-fourth (24th) months of such lease (the "Second Year"), then, for purposes of determining compliance with clause (iii) above, the Rental Payments due in respect of all periods of twelve (12) consecutive months subsequent to the Second Year shall be deemed to be equal to the lesser of the Second Year Rent or the Rental Payments actually payable in respect of such periods.

(b) Utilization Leases. Any Railcar owned or leased by the Company or any of its Subsidiaries may be leased pursuant to so-called "utilization leases," provided that any such utilization lease is (i) cancellable by the Company or such Subsidiaries, as lessor, without any penalty or other payment, upon not more than ninety (90) days' prior written notice to the lessee, if the aggregate Rental Payments received by the Company or such Subsidiary pursuant thereto in any period of one hundred eighty (180) consecutive days, with respect to all Railcars which are subject to such utilization lease, shall be less than fifty percent (50%) of the aggregate hourly rentals payable with respect to such Railcars for such period, as set forth in the Universal Machine Language Equipment Register or any successor register (as such register or successor register may be amended from time to time), maintained by the Association of American Railroads or its successor and (ii) shall automatically terminate by its own terms not later than the third anniversary of the date on which such Railcars were first put on lease to such lessee.

(c) Rental Payments. "Rental Payments" means, as of the date of determination, all fixed payments which the lessee is required to make by the terms of any lease but shall not include amounts required to be paid in respect of maintenance, repairs, income taxes, property taxes, insurance, assessments or other similar charges or, except with respect to utilization leases described in Section 11.3(b), additional rentals (in excess of fixed minimums) based upon a percentage of gross receipts.

11.4 Non-Railcar Tangible Assets and Other Tangible Assets.

(a) Non-Railcar Dispositions. Any Non-Railcar Tangible Assets owned by the Company or any of its Subsidiaries may be sold or leased upon satisfaction of the conditions set forth in Section 11.4(a)(i) and Section 11.4(a)(ii) as follows:

(i) the aggregate Book Value of Non-Railcar Tangible Assets to be so sold or leased in any transaction or Series of Related Transactions shall not exceed one half of one percent (1/2%) of the aggregate Book Value of all Non-Railcar Tangible Assets (including the Non-Railcar Tangible Assets to be so sold or leased) owned by the Company and its Subsidiaries at the time of such sale or lease, and the Transaction Price involved in such transaction or Series of Related Transactions shall not exceed two hundred fifty thousand dollars ($250,000); and

(ii) after taking into account the sale or lease of such Non-Railcar Tangible Assets and of all other Non-Railcar Tangible Assets to be sold or leased contemporaneously therewith, the aggregate Book Value of all Non-Railcar Tangible Assets sold or leased by the Company or its Subsidiaries during the three hundred sixty-five (365) day period ending on (and including) the day of such sale or lease shall not exceed six percent (6%) of the aggregate Book Value of all Non-Railcar Tangible Assets owned by the Company and its Subsidiaries at the commencement of the first day of such period, and the aggregate Transaction Prices of all such sales and leases shall not exceed two million dollars ($2,000,000).

(b) Tangible Asset Dispositions. Any Tangible Assets owned by the Company or any of its Subsidiaries may be sold or leased upon satisfaction of the conditions set forth in either Section 11.4(b)(i) or Section 11.4(b)(ii) as follows:

(i) (A) the Transaction Price involved in any sale or lease of such Tangible Assets in any single transaction or Series of Related Transactions shall not exceed Five Million Dollars ($5,000,000) and the aggregate of such Transaction Prices in any period of three hundred sixty-five (365) days shall not exceed Ten Million Dollars ($10,000,000);

(B) the Company shall have delivered a written notice (the "Transaction Notice"), not less than thirty (30) nor more than ninety (90) days prior to the proposed consummation of such sale or lease, to each of the Creditors, the Creditors' Agents, the Creditors' Consultant and the Security Trustee (1) describing the Tangible Assets to be so sold or leased, (2) identifying the proposed lessee or purchaser (and any guarantor of the obligations of such lessee or purchaser), (3) specifying the Transaction Price for such transaction or Series of Related Transactions (including sufficient information to show how such Transaction Price was computed) and the means of payment thereof, and (4) certifying that such Tangible Assets are being sold for their Fair Market Value or leased for their Fair Rental Value, as the case may be to a Person which is not a Subsidiary or Affiliate of the Company or such Subsidiary; and

(C) Creditors holding Certificates of Interest with Distribution Percentages aggregating at least thirty-three and one third percent (33-1/3%) shall not have delivered to the Company written objections to such proposed sale or lease within thirty (30) days after delivery to them of the Transaction Notice;

provided, however, that upon satisfaction of the conditions set forth in this Section 11.4(b)(i), the Company shall only have the right to consummate the sale or lease described in the Transaction Notice (on the terms set forth therein) during the one hundred eighty (180) day period following the date of the Transaction Notice; or

(ii) (A) the aggregate amount of the Transaction Prices from all sales or leases of Tangible Assets after the Closing Date pursuant to this Section 11.4(b)(ii) shall not exceed One Million Dollars ($1,000,000);

(B) the aggregate Book Value of all such Tangible Assets so sold or leased shall not exceed One Million Dollars ($1,000,000); and

(C) the Company shall have delivered a written certificate to the Security Trustee prior to each such sale or lease of such Tangible Assets certifying that such Tangible Assets are being sold or leased for their Fair Market Value or Fair Rental Value, as the case may be, to a Person which is not a Subsidiary or Affiliate of the Company or such Subsidiary.

(c) Determination of Amounts of Permissible Sales or Leases. A sale or lease of Tangible Assets made pursuant to any of Section 11.4(a), Section 11.4(b)(i) or Section 11.4(b)(ii) shall not be counted for purposes of determining whether a sale or lease pursuant to either of the other Sections is permissible. In addition, a sale or lease of Tangible Assets made pursuant to Section 11.2 or Section 11.3 shall not be considered to be a sale or lease of Tangible Assets pursuant to Section 11.4.

(d) Non-Railcar Tangible Assets. "Non-Railcar Tangible Assets" means any interest in tangible Property, other than Railcars.

(e) Tangible Assets. "Tangible Assets" means Non-Railcar Tangible Assets and Railcars, other than GECC Railcars and Railcars subject to Single Investor Leases.

(f) Book Value. "Book Value" means the net book value (after deducting related depreciation, obsolescence, amortization, valuation and other proper reserves) at which any Tangible Asset would be shown on a consolidated balance sheet of the Company and its Subsidiaries at the time of determination, but excluding any amount on account of write-ups subsequent to September 30, 1984.

(g) Series of Related Transactions. "Series of Related Transactions" means (i) all sales or leases by a Person and its Subsidiaries of substantially identical Property within any period of ninety (90) consecutive days and (ii) all sales or leases by a Person and its Subsidiaries of Property within any period of ninety (90) consecutive days to another Person or any of its Affiliates.

(h) Transaction Price. "Transaction Price" means, in the case of a sale, Net Disposition Proceeds and, in the case of a lease, the present value (discounted annually at the Base Rate to the commencement date of the lease) of all Rental Payments required to be made by the lessee under the non-cancellable (by the lessee) term of such lease.

11.5 Notes and Receivables.

For so long as an Event of Default shall have not occurred and be continuing, any notes receivable or accounts receivable owned by the Company or any of its Subsidiaries

may be sold so long as such sale is (a) without recourse and (b) for a cash purchase price of not less than eighty percent (80%) of the face value thereof; provided, however, that there shall be no sale of any note receivable or account receivable which arose from the Disposition of any Railcar unless the cash purchase price thereof shall equal or exceed the Release Price applicable to such Railcar.

11.6 Other Dispositions.

Any Disposition of Property by the Company or any of its Subsidiaries for which specific provision is not made in Section 11.2, Section 11.3, Section 11.4, Section 11.5 or Section 10 of the GECC Amendments shall not be effected without the prior written approval of the Required Persons; provided, however, that notwithstanding anything contained in this Agreement to the contrary, the Company, PLECO and the Company's Subsidiaries may, subject to Section 11.2(a), sell, lease, transfer or otherwise dispose of any Property (other than GECC Railcars) if either:

(a) such Property is obsolete or is simultaneously replaced with comparable Property of at least equal value and capable of serving the same business functions as the Property so disposed of; or

(b) the aggregate Fair Market Value of such Property and any Property disposed of in any single transaction or Series of Related Transactions shall be less than Ten Thousand Dollars ($10,000).

11.7 Terms of Agreement. Any agreement for the sale of any Property pursuant to this Article 11 shall contain the following terms:

(a) payment by the Vendee for any sale must be by delivery of (i) cash or other immediately available funds, certified check, cashier's check, a letter of credit payable upon presentation of documents, or, if the aggregate sale price of such Property shall be less than One Hundred Thousand Dollars ($100,000), by check; or (ii) a negotiable promissory note or notes, with a final maturity date not in excess of three (3) year(s) after the date of issuance thereof, which is either fully secured or issued by a Person with outstanding unsecured obligations rated in any of the four (4) highest categories by either Moody's Investor Service, Inc. or Standard and Poor's Corporation (or which would be so rated, as determined by the Company in good faith, if no such obligations have been rated by either such rating agency); provided, however, that the foregoing restrictions shall not apply if either (A) the purchase price of such Property, together with the purchase price of any other Property sold to the same Vendee or any of its Affiliates in any period of ninety (90) consecutive days, shall not exceed One Hundred Thousand Dollars ($100,000) or (B)(1) the Vendee is an equipment broker or scrap dealer, (2) payment is to be made by the Vendee in accordance with normal trade terms but in any event within ninety (90) days, and (3) the purchase price of such Property, together with the purchase price of any other Property sold to such Vendee or any of its Affiliates in any period of ninety (90) consecutive days, shall not exceed One Million Dollars ($1,000,000);

(b) any Disposition by sale must be of all the selling Person's interest in the Property subject to such sale; and

(c) any Disposition by sale must be without recourse to the selling Person except for breach of warranties expressly made in writing in the agreement providing for the Disposition.

For purposes of determining whether the Company is receiving not less than the Release Price applicable to any Railcar which is the subject of a Disposition, the amount payable pursuant to any promissory note delivered in payment for such Railcar shall be discounted annually at the greater of the interest rate borne by such promissory note or the Base Rate in effect at the time of determination.

11.8 Pending Sales. Notwithstanding anything contained in this Agreement to the contrary, the Company and its respective Subsidiaries, if appropriate, may complete the sale of any one or more of the Railcars identified on Annex 11 to this Agreement so long as, simultaneously with the consummation of each such sale, (a) the Creditors, which previously were parties to the Old Financing Agreements applicable to such Railcars being sold, are paid, in immediately available funds, the amount designated as "Amount Paid To Creditors" on said Annex 11 and (b) such payment is distributed to each individual Creditor in accordance with the provisions of the Old Financing Agreement applicable to the Railcars so sold.

11.9 Single Investor Lease. Except as provided in the Single Investor Lease Amendments, neither the Company nor its Subsidiaries may sell, lease or otherwise cause any Disposition of any Railcar subject to any Single Investor Lease without the prior written consent of the Single Investor Lessor which is a party to such Lease.

ARTICLE 12. INFORMATION

12.1 Financial and Business Information. The Company shall deliver to the Security Trustee, GECC, J. P. Morgan, the Creditors' Consultant, each of the Single Investor Lessors and each holder of Certificates of Interest then Outstanding:

(a) Monthly Statements — as soon as practicable after the end of each of the first, second, fourth, fifth, seventh, eighth, tenth and eleventh fiscal months in each Fiscal Year, and in any event within thirty (30) days thereafter, a copy of the balance sheet of the Company as at the end of such month, and the statements of income and of surplus of the Company for such month and (other than in the case of the first fiscal month) for the portion of the Fiscal Year ending with such month, setting forth in each case in comparative form the figures for the corresponding periods in the previous Fiscal Year, all in reasonable detail and certified as complete and correct to the best of the Company's knowledge, by a principal financial officer of the Company;

(b) Collateral Reports — as soon as practicable after the end of each quarterly fiscal period in each Fiscal Year, and in any event within thirty (30) days thereafter, a copy of a report, signed by a principal financial officer of the Company and an authorized officer of PLECO, setting forth with respect to such fiscal quarter, the following:

(i) a detailed description of all Property which was the subject of a Disposition by the Company, PLECO or their respective Subsidiaries (and, in the case of Railcars, the total number, description and identification numbers of all such Railcars), the Vendee, the disposing entity, the nature of the Disposition, the Net Disposition Proceeds relating thereto and whether,

as of the date of such report, payment of such Net Disposition Proceeds has been made to the Security Trustee;

(ii) except for Railcars listed on Annex 6 to this Agreement as scrap, the total number, description and identification numbers of all Railcars owned by or conditionally sold or leased to the Company or any of its Subsidiaries which suffered a Casualty Occurrence during such fiscal quarter or which are then undergoing repairs (other than running repairs) or withdrawn from use pending repair (other than running repairs), and setting forth such other information regarding the condition and state of repair of the Railcars as the Security Trustee or any Creditor may reasonably request; and

(iii) stating that, in the case of all Railcars repainted or repaired during the fiscal quarter covered by such statement, the numbers and markings required by Section 10.16 have been preserved or replaced;

(c) Quarterly Statements — as soon as practicable after the end of each quarterly fiscal period in each Fiscal Year, and in any event within forty-five (45) days thereafter, a copy of

(i) the separate consolidated balance sheets of (A) the Company and its consolidated Subsidiaries and (B) PLECO, the Company and their respective consolidated Subsidiaries, as at the end of such fiscal quarter, and

(ii) the separate consolidated statements of income and of surplus of (A) the Company and its consolidated Subsidiaries and (B) PLECO, the Company and their respective consolidated Subsidiaries, for such fiscal quarter and (in the case of the second and third fiscal quarters) for the portion of the Fiscal Year ending with such fiscal quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous Fiscal Year, all in reasonable detail and certified as complete and correct to the best of the Company's or PLECO's knowledge, as the case may be, by a principal financial officer of the Company or an authorized officer of PLECO, as the case may be;

(d) Annual Statements — as soon as practicable after the end of each Fiscal Year, and in any event within ninety (90) days thereafter, a copy of

(i) separate consolidated balance sheets of (A) the Company and its consolidated Subsidiaries and (B) PLECO, the Company and their respective consolidated Subsidiaries, as at the end of such Fiscal Year, and

(ii) consolidated statements of income and of surplus of (A) the Company and its consolidated Subsidiaries and (B) PLECO, the Company and their respective consolidated Subsidiaries, for such Fiscal Year,

setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and accompanied by an opinion thereon of the accountants named in Section 5.4 or other independent certified public accountants of recognized national standing selected by the Company, and acceptable to the

Required Persons, which opinion shall state, without qualification as to scope, that such financial statements fairly present the financial condition of the companies being reported upon and have been prepared in accordance with generally accepted accounting principles consistently applied (except for changes in application in which such accountants concur) and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances;

(e) Opinions of Independent Accountants and Counsel — as soon as practicable after the end of each Fiscal Year, and in any event within ninety (90) days thereafter, duplicate copies of all opinions of independent accountants and counsel required pursuant to Section 10.1; and, within sixty (60) days after the end of each Fiscal Year, duplicate copies of the opinion of counsel referred to in Section 10.5(d);

(f) Audit Reports — promptly upon receipt thereof, a copy of each other report (including, without limitation, so-called management letters) submitted to the Company, PLECO or any of their respective Subsidiaries by independent accountants in connection with any annual, interim or special audit made by them of the books of the Company, PLECO or any of their respective Subsidiaries, or otherwise;

(g) Regulatory Reports — promptly upon their becoming available, a copy of (i) each financial statement, report, notice or proxy statement sent by the Company, PLECO or any of their respective Subsidiaries to stockholders or holders of equity interests generally and (ii) each regular or periodic report and any registration statement, prospectus, or written communication (other than transmittal letters) in respect thereof filed or sent by the Company, PLECO or any of their respective Subsidiaries with or to, or received by the Company, PLECO or any of their respective Subsidiaries in connection therewith from, any securities exchange, the Securities and Exchange Commission, the ICC or any agency succeeding to the duties and functions of either the Securities and Exchange Commission or the ICC;

(h) ERISA — immediately upon becoming aware of the occurrence of any (i) "reportable event" (as such term is defined in Section 4043 of ERISA) or (ii) "prohibited transaction" (as such term is defined in Section 406 or Section 2003(a) of ERISA) in connection with any Pension Plan or any trust created thereunder, a written notice specifying the nature thereof, what action the Company is taking or proposes to take with respect thereto, and, when known, any action taken by either or both of the Internal Revenue Service and the United States Department of Labor with respect thereto;

(i) Notice of Default or Event of Default — immediately upon any vice president or other officer of similar or higher rank or title of PLECO, the Company or any of the Company's Subsidiaries becoming aware of the existence of any condition or event which constitutes a Default or an Event of Default, a written notice specifying the nature and period of existence thereof and what action PLECO, the Company or such Subsidiary is taking or proposes to take with respect thereto;

(j) Notice of Claimed Default — immediately upon becoming aware that the holder of any Certificate of Interest or any Debt or Security of the Company, PLECO or any of the Company's Subsidiaries has given notice or taken any other action with respect to a claimed event of default or default with respect thereto, a written notice specifying the notice given or action taken by such holder, the nature of the claimed event of default or default, and what action the Company is taking or proposes to take with respect thereto;

(k) Litigation — immediately upon becoming aware of any litigation, proceeding, investigation or dispute which may exist at any time between the Company, PLECO or any of the Company's Subsidiaries and any other Person, which might have a material adverse effect upon the business operations or financial condition of the Company, PLECO, or any of the Company's Subsidiaries, a written notice specifying the nature and amount of such litigation, proceeding, investigation or dispute, what action is being undertaken with respect thereto, and the likely outcome of any such action;

(l) Update of Five-Year Forecast and Capital Expenditures — not later than June 30 in each year, commencing June 1986, (i) an update of the Five-Year Forecast as of the following October 1, on a basis and in a format comparable to the previous Five-Year Forecast and drafted in consultation with the Creditors' Consultant and (ii) a list, in reasonable detail, of the Capital Expenditures, other than Capital Expenditures required to meet the minimum standards of safety established by the ICC, the Federal Railroad Administration, the Association of American Railroads or any other governmental or regulatory body having jurisdiction over the operations of the Company or any of the Company's Subsidiaries, proposed to be made by the Company for the remaining Fiscal Years included in the period covered by the Five-Year Forecast, together with, in the case of such Capital Expenditures proposed to be made during the Fiscal Year commencing on the following October 1, sufficient information to permit a determination of the rate of return to be generated by each such Capital Expenditure;

(m) Line of Business Reports — together with the monthly, quarterly and annual financial statements to be delivered by the Company pursuant to Section 12.1(a), Section 12.1(c) and Section 12.1(d), respectively, for the period beginning after September 30, 1985, a copy of separate statements of income and of surplus for each of the Company's railroad, car and car repair groups (the method of preparation, computation and composition of such groups being determined by the Company in consultation with the Creditors' Consultant); and

(n) Requested Information — with reasonable promptness, such other data and information as from time to time may be reasonably requested by the Security Trustee, any holder of a Certificate of Interest or the Creditors' Consultant.

12.2 Certificates of Officers. Each set of financial statements delivered to the Security Trustee pursuant to the provisions of Section 12.1(a), Section 12.1(c) or Section 12.1(d) shall be accompanied by a certificate of the president or a vice president

and the treasurer or controller, as the case may be, of the Company and of PLECO, setting forth:

(a) Covenant Compliance — the information (including detailed calculations) required in order to establish whether the Company was in compliance with the requirements of Section 7.7 through Section 7.10, inclusive, Section 10.19 and, if applicable, Section 10.12, during the period covered by the income statements then being furnished; and

(b) Event of Default — that the signers have reviewed the relevant terms of this Agreement and have made, or caused to be made under their supervision, a review of the transactions and conditions of the Company, PLECO and their respective Subsidiaries from the beginning of the accounting period covered by the income statements being delivered therewith to the date of such certificate and that such review has not disclosed the existence during such period of any condition or event which constitutes or constituted a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Company has taken or proposes to take with respect thereto.

12.3 Accountants' Certificates. Each set of annual financial statements delivered pursuant to Section 12.1(d) shall be accompanied by a certificate of the accountants who certify such financial statements, stating that they have reviewed this Agreement and stating further, whether, in making their audit, such accountants have become aware of the existence during the Fiscal Year covered by such statements of any condition or event which constitutes or constituted a Default or an Event of Default, and, if any such condition or event existed or exists, specifying the nature and period of existence thereof.

12.4 Inspection. Each of the Company, PLECO and the Company's Wholly-Owned Subsidiaries shall, and the Company shall cause The Mahoning State Line Railroad to, permit the Security Trustee or the representatives of any institutional holder of a Certificate of Interest (at the expense of the Company if an Event of Default shall have occurred and at the Security Trustee's or such holder's expense if no Event of Default shall have occurred) or the Creditors' Consultant (at the expense of the Company) to visit and inspect any of the Properties of the Company, PLECO and the Company's Subsidiaries, to examine all their books of account, records, reports and other papers, make copies and extracts therefrom, and discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants (and by this provision each of the Company, PLECO and the Company's Wholly-Owned Subsidiaries authorizes said accountants to discuss the finances and affairs of the Company, PLECO and the Company's Wholly-Owned Subsidiaries), all at such reasonable times and as often as may be reasonably requested. Each of the Company, PLECO and the Company's Wholly-Owned Subsidiaries shall, and the Company shall cause The Mahoning State Line Railroad to, provide such clerical and other assistance as may be reasonably requested in respect of this Section 12.4 and Section 10.2(d).

Each of the Company, PLECO and the Company's Wholly-Owned Subsidiaries shall, and the Company shall cause The Mahoning State Line Railroad to, permit CBT, GECC, J. P. Morgan, the Single Investor Lessors and their respective representatives (at the expense of the Company if an Event of Default shall have occurred and at the expense of CBT, GECC, J. P. Morgan or the Single Investor Lessors, as the case may be, if no Event of Default shall have occurred) to visit and inspect any of the GECC Railcars in the case

of CBT, GECC or J. P. Morgan or any Railcars subject to the Single Investor Lease to which such Single Investor Lessor is a party in the case of any Single Investor Lessor, at such reasonable times and as often as may be reasonably requested, subject, however, to the right of quiet enjoyment of any sublessee of any such Railcar.

ARTICLE 13. THE SECURITY TRUSTEE

13.1 Acceptance of Trust; Security Trustee's Rights to Compensation and Indemnification. The Security Trustee, for itself and its successors, hereby accepts the trust created by this Agreement and agrees to perform all its duties as set forth in the New Financing Agreements, but only upon and subject to the express terms and conditions of this Agreement and the Intercreditor Agreement. The Company covenants and agrees to pay to the Security Trustee from time to time, and the Security Trustee shall be entitled to, reasonable compensation for all services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties hereunder or under any of the other New Financing Agreements of the Security Trustee, which compensation shall not be limited by any provisions of law in regard to the compensation of a trustee of an express trust, and the Company shall pay or reimburse the Security Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Security Trustee in accordance with any of the provisions of this Agreement (including the reasonable compensation and the expenses and disbursements of its counsel and of all Persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its gross negligence or willful misconduct.

13.2 Written Request. Any request, direction or authorization by the Company, PLECO or any of the Company's Subsidiaries shall be sufficiently evidenced by a request, direction or authorization in writing, delivered to the Security Trustee, and signed in the name of such Person by its chairman of the board, president, any vice president, treasurer or secretary, as the case may be; and any resolution of the Board of Directors of such party shall be sufficiently evidenced by a copy of such resolution certified by its secretary or an assistant secretary to have been duly adopted and to be in full force and effect on the date of such certification, and delivered to the Security Trustee.

13.3 Investment of Moneys Received; Transactions with the Company and Its Affiliates.

(a) Investment of Moneys Received. All moneys received by the Security Trustee and deposited into the Cash Collateral Account shall, until used or applied as herein provided, be held in trust for the purposes for which they were received but, if the Security Trustee is a bank, need not be segregated in any manner from any other moneys, except to the extent required by law. Until such time as the Security Trustee shall so use or apply such moneys, the Security Trustee shall, to the extent feasible (as determined by the Company or absent such determination, by the Security Trustee), invest and reinvest such moneys in such of the following obligations as shall have been selected by the Company or, absent such selection, by the Security Trustee, provided that such obligations shall mature not later than one (1) year after the date of purchase thereof:

(i) direct obligations of the United States of America, or any agency thereof or obligations guarantied by the United States of America, provided that the acquisition of any of the foregoing obligations constituting "Book-entry Treasury Securities", as defined in 31 C.F.R. § 306.115(d), shall be effected pursuant to, and shall have met the perfection requirements set forth in, 31 C.F.R. § 306.118 (or any applicable successor provision);

(ii) certificates of deposit issued by a bank or trust company organized under the laws of the United States or any state thereof, having capital, surplus and undivided profits aggregating at lease One Hundred Million Dollars ($100,000,000);

(iii) commercial paper (except commercial paper issued by PLECO, the Company, any of their respective Subsidiaries or any Affiliates of PLECO, the Company or their respective Subsidiaries) given the highest rating by a recognized national credit rating agency and maturing not more than two hundred seventy (270) days from the date of creation thereof; or

(iv) repurchase agreements, with respect to any of the Investments listed in clauses (i), (ii) and (iii) above, with corporations having capital and surplus aggregating Fifty Million Dollars ($50,000,000), provided that the Person entering into any such repurchase agreement (or its agent) takes immediate physical possession of the Investments which are subject thereto;

provided, however, that the Security Trustee shall have (1) obtained possession of, or caused its agent (which shall not be PLECO, the Company or any of their respective Subsidiaries) to have obtained possession of, any of the aforesaid obligations in respect of which a certificate or other writing has been issued or (2) registered in its name, or caused the registration in its name or the name of its agent of, any of the aforesaid obligations which are uncertificated; provided further, however, that the aggregate amount invested in obligations of the types described in clauses (ii), (iii) and (iv) above of any one issuer shall not exceed Ten Million Dollars ($10,000,000) at any time. All such investments and the interest and income received thereon and the net proceeds realized on the sale or redemption thereof shall be distributed by the Security Trustee to the holders of Certificates of Interest and the Single Investor Lessors at the times, to the extent, in the manner and otherwise as provided in Section 7.8(b)(ii). The Security Trustee is hereby authorized to sell any such investment prior to the maturity thereof in order to obtain funds with which to make the payments provided for in this Agreement. If there shall be any loss on the amount so invested (as a result of selling any investment prior to the maturity thereof or otherwise), the Company shall pay the amount of such loss to the Security Trustee on demand. Subject to any written standing instructions of the Company as to the investment of funds in the Cash Collateral Account pursuant to this Section 13.3, any moneys not so invested may be deposited by the Security Trustee under such general conditions as may be (if the Security Trustee is a bank) prescribed by law in the Security Trustee's general banking department, and in such event the Security Trustee shall be under no liability for interest on any moneys received by it hereunder.

(b) **Transactions with the Company and its Affiliates.** The Security Trustee, if a corporation, and any affiliated corporation, may become the owner of any Certificate of Interest, Preferred Certificate, Preferred Stock or Common Stock and be interested in any financial transaction with the Company, PLECO or any of their respective Subsidiaries or any Affiliate of any such Person. The Security Trustee may act as depositary or otherwise in respect of other Securities of the Company, PLECO or any of their respective Subsidiaries or any Affiliate of any such Person, all with the same rights which it would have if not the Security Trustee.

13.4 Resignation of the Security Trustee. The Security Trustee may resign and be discharged of the trusts hereby created by mailing notice to the Company and to all holders of Certificates of Interest and Preferred Certificates registered as such on the register maintained by the Security Trustee pursuant to Section 3.3 or Section 7.5, respectively, specifying the time and date when such resignation shall take effect. Such

resignation shall take effect at the time and on the date specified in such notice (being not less than sixty (60) days after the mailing of such notice) unless prior thereto a successor trustee shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor.

13.5 Removal of the Security Trustee. The Security Trustee may be removed, with or without cause, and a successor appointed at any time by an instrument or concurrent instruments in writing signed and acknowledged by the Required Persons and delivered to the Security Trustee, the Company, and, in the case of the appointment of a successor Security Trustee, to such successor Security Trustee.

13.6 Successor Security Trustee. Each security trustee appointed in succession of the Security Trustee named in this Agreement, or its successor in the trust hereby created, shall be a trust company or banking corporation having an office in the United States of America, in good standing and having a capital and surplus aggregating at least One Hundred Million Dollars ($100,000,000), if there be such a trust company or banking corporation qualified, able and willing to accept such trusts upon reasonable or customary terms. PLECO, the Company and the Company's Wholly-Owned Subsidiaries hereby consent to the appointment of any such successor trustee appointed pursuant to the provisions of the Intercreditor Agreement.

13.7 Conveyance upon Request of Successor Security Trustee. Should any deed, conveyance or instrument in writing from the Company, PLECO or any of the Company's Wholly-Owned Subsidiaries or the respective Affiliates of any such Person be required by any successor Security Trustee for more fully and certainly vesting in and confirming to such new Security Trustee the estates, Properties, rights, powers, trusts and duties provided for herein and in any of the other New Financing Agreements, the Old Financing Agreements and the GECC Financing Agreements, then, upon request of such successor Security Trustee, any and all such deeds, conveyances and instruments in writing shall be made, executed, acknowledged and delivered, and recorded and filed, by such of the Company, PLECO and the Company's Wholly-Owned Subsidiaries or the respective Affiliates of any such Person, as shall be necessary for such purpose.

13.8 Acceptance of Appointment by Successor Security Trustee. Any new Security Trustee appointed pursuant to any of the provisions hereof shall execute, acknowledge and deliver to PLECO, the Company and the Company's Wholly-Owned Subsidiaries an instrument accepting such appointment, and thereupon such new Security Trustee, without any further act, deed or conveyance, shall become vested with all the estates, Properties, rights, powers, trusts and duties of its predecessor in the rights hereunder with like effect as if originally named as Security Trustee herein; but nevertheless upon the written request of the Company or of the successor Security Trustee, the Security Trustee ceasing to act, upon payment of fees and expenses due to it, shall execute and deliver an instrument transferring to such successor Security Trustee, upon the trusts herein expressed, all the estates, Properties, rights, powers, trusts and duties of the Security Trustee so ceasing to act, and shall duly assign, transfer and deliver any of the Property and moneys held by such Security Trustee to the successor Security Trustee so appointed in its or his place. Upon acceptance of appointment by a successor Security Trustee as provided in this Section 13.8, the Company shall give each holder of a Certificate of Interest, Preferred Certificate or Preferred Stock written notice of the succession of such Security Trustee to the trusts hereunder, by mail, first class postage prepaid. Neither failure so to mail nor any defect in the notice so mailed shall affect the sufficiency of the proceedings in question.

13.9 Co-Trustees and Additional Trustees.

(a) Need for Additional Trustees. Anything herein contained to the contrary notwithstanding, if, at any time or times, in order to conform with any law of any jurisdiction in which the Company, PLECO or any of the Company's Wholly-Owned Subsidiaries shall then own or hold any Property, the Security Trustee shall be advised by counsel satisfactory to it that it is necessary or prudent in the interest of the holders of the Certificates of Interest, the Preferred Certificates or Preferred Stock so to do, the Security Trustee shall execute and deliver any and all instruments and agreements necessary or proper to appoint, and the Company, PLECO and the Company's Wholly-Owned Subsidiaries hereby consent thereto, another trust company, bank or banking association, or one or more other Persons, approved by the Security Trustee, either to act as co-trustee or co-trustees hereunder, jointly with the Security Trustee, or its successors, or to act as separate trustee or trustees hereunder (such co-trustees and separate trustees are referred to herein individually as an "Additional Trustee" and, collectively, as the "Additional Trustees"); and the trust company, bank or banking association, or the Person or Persons so appointed shall be Additional Trustee or Additional Trustees, with such powers, duties and discretion as shall be specified in the said instruments or agreements of appointment, executed as aforesaid.

(b) Joint or Individual Action. The rights, powers, duties and obligations conferred or imposed upon the Security Trustee shall be conferred and imposed upon, and exercised or performed by, the Security Trustee or the Security Trustee jointly with any Additional Trustee or Additional Trustees appointed pursuant to this Section 13.9 as provided herein or in the instrument or agreement appointing such Additional Trustee or Additional Trustees, except to the extent that under the law of any jurisdiction in which any particular act or acts are to be performed the Security Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by such Additional Trustee or Additional Trustees.

(c) Removal of Additional Trustees. Each Additional Trustee appointed pursuant to the provisions of this Section 13.9 may resign and may be removed, and successors to such trustees may be appointed, in the same manner that the Security Trustee may resign or be removed or a successor to the Security Trustee appointed as provided in this Article 13, and all of the provisions hereof with respect to the resignation or removal of the Security Trustee or the appointment of a successor to the Security Trustee (except the provisions of Section 13.6), and the effect thereof, shall be deemed applicable to the resignation or removal of each Additional Trustee appointed pursuant to the provisions of this Section 13.9 and to the appointment of successors to such Additional Trustee, as the case may be.

13.10 Maintenance of Office. The Security Trustee shall maintain an office in the State of Connecticut where all payments with respect to the New Obligations and any other payments contemplated hereby may be made to it and where all notices, demands and other communications in connection herewith may be made or given to or upon it. Such office shall be maintained at 777 Main Street, Hartford, Connecticut 06115, until such time as the Security Trustee shall notify in writing the Company and all holders of Certificates of Interest, Preferred Certificates and Preferred Stock of any change of location of such office.

13.11 Accounting. Upon the termination of the Trust Estate in accordance with the terms and provisions of this Agreement, and in any case, within sixty (60) days

thereafter, the Security Trustee shall render to the Creditors and the Single Investor Lessors a final accounting of its transactions hereunder and of all moneys received and distributed by the Security Trustee and shall deliver to the Company a final bill for its services.

13.12 Intercreditor Agreement. The provisions of Article Six of the Intercreditor Agreement are hereby incorporated in this Agreement as if set forth herein in full; provided, however, that any amendments of such provisions as set forth in the Intercreditor Agreement shall automatically constitute amendments of such provisions as incorporated herein by reference and no consent from any Person which is not a party to the Intercreditor Agreement shall be required in order to effect any such amendment; and the Security Trustee shall be entitled, with respect to each provision of this Agreement and the performance by the Security Trustee of its duties hereunder, to the benefit of the standard of conduct and all of the privileges, immunities and indemnities set forth in Article Six of the Intercreditor Agreement.

ARTICLE 14. SUPPLEMENTAL AGREEMENTS; WAIVERS

14.1 Supplemental Agreements Without Consent. PLECO, the Company, the Company's Wholly-Owned Subsidiaries and the Security Trustee from time to time and at any time, subject to the restrictions contained in this Agreement, may, without consent from the holder of any Certificate of Interest, any Single Investor Lessor or from any Additional Trustee (so long as such Additional Trustee shall not be required thereby to perform additional duties or be exposed to additional liabilities) or from any other party to this Agreement, enter into an agreement or agreements supplemental hereto and which thereafter shall form a part hereof for any one or more or all of the following purposes:

(a) to add to the Trust Estate held by the Security Trustee pursuant to the terms hereof additional Property hereafter acquired by any one or more of the Company, PLECO or any of the Company's Wholly-Owned Subsidiaries, or Property held by any other Person wishing to grant a security interest therein or Lien thereon to the Security Trustee as part of the Trust Estate, and intended to be subjected to the Trust Estate pursuant to the provisions of this Agreement and the other New Financing Agreements, and to correct and amplify the description of any Property subject to this Agreement or any other New Financing Agreement;

(b) to cure any ambiguity or cure, correct or supplement any defect or inconsistent provisions of this Agreement or any other New Financing Agreement or any supplement hereto or thereto; provided, however, that the same shall in no respect be adverse to the interests of the holders of Certificates of Interest, CBT, GECC, J. P. Morgan or the Single Investor Lessors; and

(c) to appoint an Additional Trustee or Additional Trustees pursuant to the provisions of Section 13.9;

and each of PLECO, the Company and the Company's Wholly-Owned Subsidiaries covenants to perform all requirements of any such supplemental agreement. No restriction or obligation imposed upon the Company, PLECO or any of their respective Subsidiaries may, except as otherwise provided in this Agreement, be waived or modified by any such supplemental agreement or otherwise.

14.2 Waivers and Consents; Supplemental Agreement. With the consent of the Required Persons,

(a) the Security Trustee shall execute an appropriate instrument permitting any Person to take any action prohibited, or omit the taking of any action required, by any of the provisions of this Agreement or any other New Financing Agreement;

(b) PLECO, the Company, the Company's Wholly-Owned Subsidiaries and the Security Trustee may enter into an agreement or agreements supplemental hereto for the purpose of adding, changing or eliminating any provisions of this Agreement, any other New Financing Agreement or any Old Financing Agreement or of any agreement supplemental hereto or thereto or modifying in any manner the rights of the holders of Certificates of Interest, Preferred Certificates or Preferred Stock or the rights and obligations of the Company, which agreement or agreements shall form a part hereof and bind all parties hereto, including all holders from time to time of Certificates of Interest, Preferred Certificates and Preferred Stock; provided, however, that no such instrument of permission or supplemental agreement shall (i) impair or affect the right of any holder to receive payments on any Certificate of Interest, Preferred Certificate or Preferred Stock held by it, as therein and herein provided, without the consent of such holder, unless any such impairment or effect applies equally to all holders of Certificates of Interest, Preferred Certificates or Preferred Stock, as the case may be, for a period not in excess of ninety (90) days, (ii) permit the creating of any Lien with respect to any of the Trust Estate which is prior or equal in priority to the Lien of the Security Trustee, without the consent of the holders of all Outstanding Certificates of Interest, (iii) create priority with respect to any Certificate of Interest, Preferred Certificate or Preferred Stock over any other Certificate of Interest, Preferred Certificate or Preferred Stock, respectively, without the consent of the holders of all Outstanding Certificates of Interest, Preferred Certificates or Preferred Stock, as the case may be, (iv) amend Section 14.1 or Section 14.2, without the consent of the Single Investor Lessors and the holders of all Outstanding Certificates of Interest and, with respect to amendments of the last paragraph of this Section 14.2, without CBT's consent, (v) change the definition of "Required Percentage" or "Required Persons" without the consent of the Single Investor Lessors and the holders of all Outstanding Certificates of Interest, (vi) modify the rights, duties or immunities of the Security Trustee or any Additional Trustee, without the consent of the Security Trustee or such Additional Trustee and the Single Investor Lessors and the holders of all Outstanding Certificates of Interest, (vii) change the Distribution Percentage in any Certificate of Interest, except as provided in Section 3.4 and Section 14.5, without the consent of the Single Investor Lessors and the holders of all Outstanding Certificates of Interest, or (viii) change (A) the interest rate applicable to any Certificate of Interest, (B) the rate at which Preferred Certificate Distributions accrue on any Preferred Certificate or dividends accrue on any Preferred Stock, or (C) the principal amount of any Certificate of Interest, the Preferred Certificate Par Value Amount of any Preferred Certificate or the par value of any Preferred Stock, without the consent of all holders of Certificates of Interest, Preferred Certificates or Preferred Stock, as the case may be;

(c) CBT, GECC, J. P. Morgan, the GECC Creditors' Agents and the Company may, from time to time, amend the GECC Financing Agreements; and

(d) the Single Investor Lessors and the Company may, from time to time, amend the Single Investor Leases.

The holder of any Certificate of Interest may specify that any written consent executed by it shall be effective only with respect to a portion of the Certificates of Interest held by it (in which case it shall specify the aggregate Distribution Percentage with respect to which such consent shall be effective) and in the event of any such specification such holder shall be deemed to have executed such written consent only with respect to the portion of Certificates of Interest (and the aggregate Distribution Percentage) so specified.

Notwithstanding any of the foregoing in this Section 14.2, no action shall be taken pursuant to Section 14.2(a) or Section 14.2(b) in respect of any of the following Sections of this Agreement without the consent of CBT, GECC and J. P. Morgan: Section 4.1(c), Section 4.2(c), the last sentence of Section 5.3(a), Section 5.8(c) as to the GECC Railcars only, Section 6.12, Section 7.1(b), Section 7.5(b), Section 7.9(c), Section 7.11(b), Section 7.11(c), Section 7.11(e), Section 7.13(e), Section 7.13(f), Section 7.17(c)(ii) Section 7.20, Section 7.21, Section 9.10(c), Section 10.16(c) as to the GECC Railcars only, Section 10.25 as to the rights of CBT, GECC and J. P. Morgan only, Section 11.2(e), Section 11.3(a) as to the reference to the GECC Railcars only, Article 12 as to the information to be provided to CBT, GECC and J. P. Morgan only, and the second paragraph in Section 12.4 as to the rights of CBT, GECC and J. P. Morgan only.

14.3 Solicitation of Holders of Certificates of Interest. So long as there are any Certificates of Interest Outstanding, neither PLECO, the Company nor any of the Company's Wholly-Owned Subsidiaries shall, nor shall the Company permit The Mahoning State Line Railroad to, formally solicit, request or negotiate for or with respect to any proposed waiver or amendment of any of the provisions of this Agreement, any other New Financing Agreement, the GECC Financing Agreements or the Single Investor Leases, unless each holder of Certificates of Interest and each Single Investor Lessor shall be informed thereof by the Company and shall be afforded the opportunity of considering the same and shall be supplied by the Company with sufficient information to enable it to make an informed decision with respect thereto. The Company shall not, directly or indirectly, pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, to any holder of Certificates of Interest or any Single Investor Lessor as consideration for or as an inducement to entering into by such holder of Certificates of Interest or such Single Investor Lessor of any waiver or amendment of any of the terms and provisions of this Agreement unless such remuneration is concurrently paid, on the same terms, to the holders of all Certificates of Interest then Outstanding and to all Single Investor Lessors, ratably in accordance with the Distribution Percentages set forth in such Certificates of Interest and attributable to such Single Investor Lessors in Part II of Annex 2 to this Agreement.

14.4 Effect of Supplemental Agreement. Upon the execution of any supplemental agreement pursuant to the provisions of this Article 14, this Agreement, the other New Financing Agreements, the GECC Financing Agreements or the Single Investor Leases affected thereby shall be and be deemed to be modified and amended in accordance therewith and the respective rights, duties and obligations under this Agreement, such other New Financing Agreements, the GECC Financing Agreements or the Single Investor Leases of the Company, PLECO, any of the Company's Wholly-Owned Subsidiaries, CBT, GECC, J. P. Morgan, the Single Investor Lessors, the Security Trustee and any Additional Trustees, all holders of Certificates of Interest and all other parties hereto shall thereafter be determined, exercised and enforced hereunder or thereunder subject in all

respects to such modification and amendment, and all the terms and conditions of any such supplemental agreement shall be and be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

14.5 New Certificates of Interest and Preferred Certificates. Certificates of Interest and Preferred Certificates executed and delivered after the execution of any supplemental agreement pursuant to the provisions of this Article 14 may bear a notation in form approved by the Security Trustee as to any matter provided for in such supplemental agreement. If such supplemental agreement shall so provide, new Certificates of Interest and Preferred Certificates, so modified as to conform, in the opinion of the Security Trustee, to any modification or amendment of this Agreement contained in any such supplemental agreement, may be prepared by the Security Trustee and executed and delivered, at the expense of the Company (except as provided in Section 3.7 and Section 7.5(g), respectively), in exchange for the surrender of such Certificates of Interest and such Preferred Certificates and otherwise as provided in Section 3.4 and Section 7.5(e), respectively.

14.6 Attorney-In-Fact. The Creditors and, by the acceptance thereof, all holders of Certificates of Interest, Preferred Certificates and Preferred Stock hereby make, constitute and appoint the Security Trustee their true and lawful attorney-in-fact to execute all instruments of permission and agreements supplemental to this Agreement as such holders may direct pursuant to Section 14.2.

ARTICLE 15. DEFEASANCE; UNCLAIMED MONEYS

15.1 Satisfaction and Discharge of Agreement. If the Company shall pay or cause to be paid all sums payable hereunder by the Company (including, without limitation, fees and expenses of the Security Trustee), and the Company shall fully and faithfully discharge, and cause to be faithfully discharged, every other obligation herein and in each of the other New Financing Agreements contained, then and in that case this Agreement shall cease, determine, and become null and void, and thereupon the Security Trustee and each Additional Trustee shall, upon Written Request of the Company or any other party to the New Financing Agreements, forthwith execute proper instruments acknowledging satisfaction of and discharging this Agreement and releasing all Liens and security interests held by it pursuant to the terms hereof. The satisfaction and discharge of this Agreement shall be without prejudice to the rights of the Security Trustee under Section 13.1 or any of the parties referred to in Section 16.1(a) to be indemnified for Indemnified Matters pursuant to Section 10.25 and to charge and be reimbursed by the Company for any expenses or fees which may thereafter be incurred by, or become owing to, any of them in connection with this Agreement, any other New Financing Agreement, any Old Financing Agreement or any GECC Financing Agreement.

15.2 Return of Unclaimed Money. Notwithstanding any provision of this Agreement, any moneys paid to the Security Trustee in respect of the New Obligations and remaining unclaimed for six (6) years after such payment shall, subject to the requirements of escheat statutes, if applicable, then be repaid to the Company upon its Written Request, and any Person claiming any right thereto shall thereafter be entitled to look only to the Company for repayment thereof, and all liability of the Security Trustee with respect to such moneys shall thereupon cease; provided, however, that before repaying such moneys to the Company as aforesaid, the Security Trustee shall (at the Company's expense) first publish, at least once, in (a) a newspaper, printed in the English language and customarily published once each Business Day, of general circulation in New York, New York (other than The Wall Street Journal), and (b) if it is at such time being

published, The Wall Street Journal, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than ten (10) or more than twenty (20) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Company. In the event of the repayment of any such moneys to the Company as aforesaid, all Persons claiming any right thereto shall thereafter be deemed to be unsecured creditors of the Company for amounts equivalent to the respective amounts so repaid to the Company (without interest thereon and subject to escheat and abandoned property laws).

ARTICLE 16. MISCELLANEOUS

16.1 Expenses.

(a) Payment. At the Closing, the Company shall pay all expenses relating to this Agreement and to the transactions contemplated hereby accrued to the Closing and unpaid (or paid by a Person other than the Company), and shall promptly (and in any event within twenty (20) days after receiving any statement or invoice therefor) pay all such expenses which accrue after the Closing Date. Such expenses include, but are not limited to:

(i) the cost of reproducing the Certificates of Interest, the Preferred Certificates, this Agreement, the other New Financing Agreements, the GECC Amendments, the Single Investor Lease Amendments and all related documentation;

(ii) the fees and disbursements of Hebb & Gitlin, Simpson Thacher & Bartlett, and Wachtell Lipton Rosen & Katz, special counsel for certain of the Creditors; and Shipman & Goodwin, special counsel for the Security Trustee;

(iii) fees and disbursements of the Creditors' Consultant and the Creditors' Agents;

(iv) the initial and ongoing fees and expenses of the Security Trustee and any Additional Trustees;

(v) all costs (including the fees and disbursements of special counsel for the holders of Certificates of Interest, CBT, GECC, J. P. Morgan, the Single Investor Lessors and the Security Trustee) relating to the consideration and, if applicable, effectuation of any amendments, waivers or consents pursuant to the provisions hereof; and

(vi) all costs (including the fees and disbursements of special counsel for the holders of Certificates of Interest, CBT, GECC, J. P. Morgan, the Single Investor Lessors and the Security Trustee) incident to the enforcement, protection, preservation, analysis or evaluation of any claim of the holders of Certificates of Interest, CBT, GECC, J. P. Morgan, the Single Investor Lessors or the Security Trustee under this Agreement, the other New Financing Agreements, the GECC Financing Agreements or the Single Investor Leases.

(b) Survival of Obligations. The obligations of the Company under this Section 16.1 shall survive the payment or prepayment of the New Obligations and the termination of this Agreement.

16.2 Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Agreement contained by or on behalf of the Company, the Creditors, CBT, GECC, J. P. Morgan, the Single Investor Lessors, the Security Trustee and each other party hereto shall bind and inure to the benefit of the respective successors and assigns of such parties (including all holders from time to time of the Certificates of Interest), whether so expressed or not.

16.3 Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

16.4 Notices. All notices and other communications to any party to this Agreement provided for or permitted hereunder shall be in writing (including telex and telecopy communications) and shall be sent by United States mail (first class mail, postage prepaid, with respect to all information required pursuant to the provisions of Article 12 and all other routine correspondence, and registered or certified, postage prepaid, with respect to all other notices or communications), telex, telecopier or hand delivery to the address of such party set forth in the signature pages to this Agreement, or to such other address as such party may designate by notice duly given in accordance with this Section 16.4 to the other parties. All such notices and communications shall be deemed to have been duly given or made, (a) when mailed, five (5) days after deposit thereof into the mail, (b) when delivered by hand, upon such delivery, (c) when telexed, upon receipt of the answer-back and (d) when telecopied, upon acknowledgment of receipt thereof. The foregoing notwithstanding, any notice of the scheduling or rescheduling of the Closing, as contemplated by Article 6, shall be sufficient if communicated by telephone, telex or telecopier to each Creditor, each Single Investor Lessor, CBT, GECC, J. P. Morgan, each Creditors' Agent, the Security Trustee and the Company.

16.5 Counterparts. This Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Agreement; provided, however, that this Agreement shall not be deemed to be delivered until at least one counterpart shall have been executed by each of the parties named as signatories hereto and a counterpart so executed shall have been delivered to the Security Trustee at its principal place of business at 777 Main Street, Hartford, Connecticut 06115.

16.6 Interpretation.

(a) Headings. The headings and captions preceding the text of the several articles and sections hereof are intended solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

(b) Covenants Independent. Each covenant contained in this Agreement shall be construed (absent an express contrary provision therein) as being independent of each and every other covenant contained herein and compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any and all other covenants.

(c) Gender. All references herein or in any other New Financing Agreement to the masculine, feminine or neuter gender shall also include and refer to each other gender not so referred to.

(d) Governing Law. This Agreement, the Certificates of Interest and the Preferred Certificates shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania, except that the provisions of this Agreement relating to the Security Trustee's standard of conduct and immunities in the performance of its duties hereunder shall be construed in accordance with and governed by the laws of the State of Connecticut.

16.7 Amendments. This Agreement may, subject to the provisions of Article 14, from time to time and at any time, be amended or supplemented by an instrument or instruments in writing executed by the parties hereto.

16.8 Effective Date. This Agreement is dated as of the date designated in the initial paragraph hereof for convenience of identification, but is executed and delivered and shall become effective on the Closing Date.

16.9 Benefits of Agreement Restricted. Nothing in this Agreement expressed or implied is intended or shall be construed to give to any Person other than the parties hereto and the holders, from time to time, of Certificates of Interest, Preferred Certificates or Preferred Stock, any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition or provision herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of such Persons.

16.10 Waiver of Notice. Whenever in this Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person or Persons entitled to receive such notice.

16.11 Payment on Non-Business Days. In any case where the date fixed hereunder for the payment of any amount by the Company shall not be a Business Day, then payment of such amount due need not be made on such date but shall be made on the next succeeding Business Day with the same force and effect as if made on the date fixed therefor; provided, however, that interest shall accrue and be payable with respect to such amount so paid to the actual date of payment at the rate provided in the Certificates of Interest.

16.12 Prejudgment Remedies. EACH OF THE COMPANY, PLECO AND THE COMPANY'S WHOLLY-OWNED SUBSIDIARIES ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS AGREEMENT IS A PART IS A COMMERCIAL TRANSACTION AND, TO THE EXTENT ALLOWED UNDER APPLICABLE LAW, HEREBY WAIVES ITS RIGHT TO NOTICE AND HEARING WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH THE SECURITY TRUSTEE OR ANY HOLDER OF CERTIFICATES OF INTEREST, OR THEIR RESPECTIVE SUCCESSORS OR ASSIGNS, MAY DESIRE TO USE.

16.13 Directly or Indirectly. Where any provision in this Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, including actions taken by or on behalf of any partnership in which such Person is a general partner.

16.14 Accounting Principles. Where the character of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall

be done in accordance with generally accepted accounting principles at the time in effect, to the extent applicable, except where such principles are inconsistent with the requirements of this Agreement. All accounting terms used in this Agreement and not expressly defined shall have the meanings given them in accordance with generally accepted accounting principles.

16.15 Set-Offs.

(a) Exercise of Right of Set-Off. No holder of a Certificate of Interest and no Single Investor Lessor shall exercise any right of set-off against PLECO, the Company, or any of their respective Subsidiaries, or take any action to impair access of any such Person to its funds or deposits with such holder or Single Investor Lessor, unless prior thereto such holder or Single Investor Lessor, as the case may be, shall have notified such Person and shall have received the written consent to such exercise or action from the Required Persons.

(b) Sharing of Set-Off. Each holder of a Certificate of Interest and each Single Investor Lessor agrees that if it shall, by exercising any right of set-off or counterclaim or otherwise, receive payment of any portion of the aggregate amount of principal and interest or other amount due with respect to any Certificate of Interest, Preferred Certificate or Preferred Stock held by it or with respect to any Existing Obligation or any payment of rent due under a Single Investor Lease, it shall promptly remit such payment to the Security Trustee and the Security Trustee shall promptly distribute such payment to the holders of Outstanding Certificates of Interest in accordance with the respective Distribution Percentages set forth therein and to the Single Investor Lessors in accordance with their respective Distribution Percentages set forth in Part II of Annex 2 to this Agreement; provided, however, if all or any portion of such payment is thereafter recovered from the Person initially obtaining such payment, each holder of a Certificate of Interest and each Single Investor Lessor shall pay to the Security Trustee its Distribution Percentage share of the amount recovered of such payment (together with its Distribution Percentage share of any interest being claimed thereon) and the Security Trustee shall pay all such amounts to such Person.

16.16 Trust Term. Unless this Agreement shall have been sooner satisfied and discharged as provided in Article 15, this Agreement and the trusts created hereby shall terminate and be of no further force or effect twenty-one (21) years less one (1) day after the death of the last survivor of all of the descendants living on the Closing Date of John D. Rockefeller, Jr., but excluding, however, Michael Rockefeller, grandson of said John D. Rockefeller, Jr., and any descendants of said Michael Rockefeller; provided, however, that if any such rights, privileges or options shall be or become valid under applicable law for a period subsequent to the twenty-first (21st) anniversary of the death of such last survivor (or, without limiting the generality of the foregoing, if legislation shall become effective providing for the validity or permitting the effective grant of such rights, privileges and options for a period in gross, exceeding the period for which such rights, privileges and options are hereinabove stated to extend and be valid), then such rights, privileges or options shall not terminate as aforesaid but shall extend to and continue in effect, but only if such nontermination and extension shall then be valid under applicable law, until such time as the same shall, under applicable law, cease to be valid, whereupon all moneys or other Property or proceeds constituting part of the Trust Estate shall be distributed in accordance with the terms of Section 9.10; otherwise this Agreement and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

16.17 Security Trustee's Appointment as Attorney-in-Fact. Each of PLECO, the Company, and the Company's Wholly-Owned Subsidiaries hereby irrevocably constitutes and appoints the Security Trustee and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in its place, stead, and name, from time to time in the Security Trustee's sole and absolute discretion, to take any and all appropriate action and to execute any and all documents and instruments and to do any and all other things which may be necessary or desirable to accomplish the purposes of this Agreement, any of the other New Financing Agreements, the GECC Financing Agreements or the Single Investor Leases and, without limiting the generality of the foregoing, hereby gives the Security Trustee the power and right, on its behalf without notice to or consent from any of them, to do the following:

(a) for so long as an Event of Default shall have occurred and be continuing, to pay or discharge taxes, Liens, or other encumbrances levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Agreement or any of the other New Financing Agreements, the GECC Financing Agreements or the Single Investor Leases and to pay all or any part of the costs thereof and premiums therefor;

(b) for so long as an Event of Default shall have occurred and be continuing, to receive payment of and give receipts for any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of any of the Collateral or the Disposition thereof;

(c) for so long as an Event of Default shall have occurred and be continuing, to sign and endorse any invoices, freight bills, express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with the Disposition of Accounts, Securities, and other documents constituting or relating to any of the Collateral;

(d) for so long as an Event of Default shall have occurred and be continuing, to defend any suit, action or proceeding brought against the Company, PLECO or any Wholly-Owned Subsidiary of the Company; to settle, compromise or adjust any such suit, action or proceeding; and, in connection therewith, to give such discharges or releases as the Security Trustee may deem appropriate;

(e) for so long as an Event of Default shall have occurred and be continuing, to do, in the Security Trustee's sole and absolute discretion and at the expense of PLECO, the Company or the Company's Wholly-Owned Subsidiaries, as the case may be, at any time, or from time to time, all acts and things which the Security Trustee deems necessary to protect and preserve the Collateral, or any part thereof, in order to effect the intent of this Agreement, any other New Financing Agreement, the GECC Financing Agreements or the Single Investor Leases, all as fully and effectively as PLECO, the Company or any of the Company's Wholly-Owned Subsidiaries might do;

(f) for so long as an Event of Default shall have occurred and be continuing, to ask, demand, collect, receive and give acquittance and receipts for any and all monies due and to become due under any Account, Contract, General Intangible, or Pledged Note in the name of the Company, PLECO or any Wholly-Owned Subsidiary of the Company, or in its own name or otherwise; to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of monies due under any Account, Contract,

General Intangible or Pledged Note; and to file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Security Trustee for the purpose of collecting any and all such monies due under any Account, Contract, General Intangible or Pledged Note, whenever payable;

(g) for so long as an Event of Default shall have occurred and be continuing, to direct any party liable for any payment under any Account, Contract, General Intangible or Pledged Note to make payment of any and all monies due or to become due thereunder directly to the Security Trustee or as the Security Trustee shall direct;

(h) for so long as an Event of Default shall have occurred and be continuing, to commence and prosecute any suits, actions or proceedings at law or in equity in a court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of the Collateral or any part thereof;

(i) for so long as an Event of Default shall have occurred and be continuing, generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Security Trustee were the absolute owner thereof for all purposes, and to do, at the Security Trustee's option and at the expense of PLECO, the Company or the Company's Wholly-Owned Subsidiaries, as the case may be, at any time, or from time to time, all acts and things which the Security Trustee deems necessary to realize upon the Collateral and the Security Trustee's Liens therein; and

(j) to file any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the Liens created on the Collateral.

Each of PLECO, the Company and the Company's Wholly-Owned Subsidiaries hereby ratifies all that the Security Trustee shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable. The powers conferred on the Security Trustee hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. The Security Trustee shall be accountable only for amounts that it actually receives as a result of the exercise of any of the foregoing powers and neither it nor any of its officers, directors, employees or agents shall be responsible to PLECO, the Company or any of the Company's Wholly-Owned Subsidiaries for any act or failure to act, except for its own gross negligence or willful misconduct.

16.18 **Preferred Stock Schedule.** On or before December 31, 1996, the Security Trustee will use its best efforts to establish a redemption schedule and deliver the same to the Company and to the Creditors and Single Investor Lessors showing (a) the Preferred Stock at par value plus accumulated and unpaid dividends thereon outstanding as at December 31, 1996 and (b) a payment chart showing each of the Quarterly Payments to be made pursuant to Section 7.15. The delivery of such a schedule and chart shall not be a condition precedent to the making of the Quarterly Payments when due as required by Section 7.15. If any inconsistency arises between the schedule and the chart contemplated by this Section 16.18 and the amounts and dates of payments required by Section 7.15, Section 7.15 shall govern.

16.19 Immunity of Stockholders, Officers and Directors. No recourse under or upon any Certificate of Interest, Preferred Certificate, Preferred Stock, New Financing Agreement, Single Investor Lease, GECC Financing Agreement or any obligation, covenant or agreement contained in this Agreement (hereinafter collectively referred to as the "Indebtedness") shall be had against any incorporator, individual stockholder, officer or director, as such, past, present or future, of Beloit, PLECO, the Company, or any of their respective Subsidiaries, whether by any legal or equitable proceeding, by virtue of any statute, constitutional provision or rule of law or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that the Indebtedness is solely a corporate obligation and that no personal liability whatever shall attach to or be incurred by the incorporators, individual stockholders, officers or directors, as such, of Beloit, PLECO, the Company or any of their respective Subsidiaries because of the incurring of the Indebtedness; and that any and all such personal liability of every name and nature, and any and all rights and claims against every such incorporator, individual stockholder, officer or director, as such, whether arising at common law or in equity, or created by statute or constitution, are hereby expressly waived and released as a condition of, and as a part of the consideration for, the execution of this Agreement. As used in the preceding sentence, "individual stockholder" does not include Beloit, PLECO, the Company, any Subsidiary of any such Person or any other Person which is not a natural person. This Section 16.19 shall not in any manner reduce or otherwise affect the liability or obligations of Beloit, PLECO, the Company or the Company's Wholly-Owned Subsidiaries under the New Financing Agreements, Single Investor Leases or the GECC Financing Agreements.

16.20 Instructions to Trustees. Each Creditor, by its execution hereof, shall be deemed to have instructed the Creditors' Agent acting for it under any Old Financing Agreement or any GECC Participation Agreement to execute this Agreement and each other New Financing Agreement to which such Creditors' Agent is to be a party; GECC and J. P. Morgan, by their execution hereof, shall be deemed to have instructed CBT to execute this Agreement and each other New Financing Agreement to which CBT is to be a party.

16.21 Intercreditor Agreement. Each Creditor, Single Investor Lessor, and Creditors' Agent by its execution and delivery of this Agreement, agrees to and accepts the terms of the Intercreditor Agreement and is hereby made a party thereto without the necessity of any other action on the part of such Creditor, Single Investor Lessor and Creditors' Agent.

16.22 Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated herein and supersedes all previous negotiations, commitments and writings, including, without limitation, the Letter of Intent.

16.23 CBT Reports. The Security Trustee shall, in writing, notify CBT, GECC, and J. P. Morgan, within thirty (30) days after each Quarterly Payment Date, of the receipt by it of any payment from the Company made during the three (3) month period then ending with such Quarterly Payment Date (a) under any of the GECC Leases or (b) in respect of any sale, exchange or transfer of, or Casualty Occurrence with respect to, any GECC Railcar. The Company shall deliver to the Security Trustee, in connection with any payment of rent under any GECC Lease (whether pursuant to the second sentence of Section 7.17(a) or otherwise) or any payment of Net Disposition Proceeds in respect of any sale of, or Casualty Occurrence to, a GECC Railcar, a certificate certifying the extent to which such monies represent payments under the GECC Leases or are proceeds

arising out of the sale of, or Casualty Occurrence to, GECC Railcars. The Security Trustee shall not be bound by such certificate in applying any such payments to the obligations then held by it but may rely on any such certificate in fulfilling its obligations under the first sentence of this Section 16.23.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed by their duly authorized representatives, all as of the day and year first above written.

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY

By_____
Title:

Suite 680
Commerce Court
Four Station Square
Pittsburgh, Pennsylvania 15219-1199
Attn: Office of the Treasurer

PLECO, INC.

By_____
Title:

Suite 780
Commerce Court
Four Station Square
Pittsburgh, Pennsylvania 15219-1199
Attn: Office of the General Counsel

THE MONTOUR RAILROAD COMPANY

By_____
Title:

Suite 680
Commerce Court
Four Station Square
Pittsburgh, Pennsylvania 15219-1199
Attn: Office of the Treasurer

THE YOUNGSTOWN AND SOUTHERN
RAILWAY COMPANY

By_____
Title:

Suite 680
Commerce Court
Four Station Square
Pittsburgh, Pennsylvania 15219-1199
Attn: Office of the Treasurer

Number of Old Financing Agreements to which Each Person is a Party*	
14060 14107 14108 14310	GENERAL ELECTRIC CREDIT CORPORATION By_____ Title: 1600 Summer Street Stamford, Connecticut 06904 Attn: Manager-Operations, Leasing and Industrial Loans

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*

14060 **J. P. MORGAN INTERFUNDING CORP.**

By_____
Title:

522 Fifth Avenue
New York, New York 10036
Attn: Lease Administration

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14060 14107 14108 14310	**THE CONNECTICUT BANK AND TRUST COMPANY, N.A., as Trustee** By_____ Title: One Constitution Plaze Hartford, Connecticut 06115 Attn: Corporate Truste Department

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*

THE CONNECTICUT NATIONAL BANK,
AS SECURITY TRUSTEE

By_____
Title:

777 Main Street
Hartford, Connecticut 06115
Attn: Bond and Trustee Administration

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14107 14108 14060	**FIRST SECURITY BANK OF UTAH, N.A., as Agent** By_____ Title: 79 South Main Street Salt Lake City, Utah 84111 Attn: Corporate Trust Department

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14120 14147 14242	MANUFACTURERS HANOVER TRUST COMPANY, as Lender By_____ Title: 270 Park Avenue New York, New York 10017 Attn: Richard Sweeney

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*

ATTEST:

By_____
Corporate Trust Officer

14031

MERCANTILE SAFE DEPOSIT & TRUST CO., as Agent

By_____
Title:

P. O. Box 2258
Baltimore, Maryland 21203
Attn: R. E. Schreiber

---

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14060	**AETNA LIFE INSURANCE AND ANNUITY COMPANY** By_____ Title: 151 Farmington Avenue Hartford, Connecticut 06156 Attn: Dora Davey Brown
14341	**AETNA LIFE INSURANCE COMPANY** By_____ Title: 151 Farmington Avenue Hartford, Connecticut 06156 Attn: David E. Bushong

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14060	**AMERICAN HEALTH LIFE INSURANCE COMPANY OF MARYLAND** By Commercial Credit Management Corporation By_____ Title: c/o Commercial Credit Management Corporation 301 North Charles Street Baltimore, Maryland 21201 Attn: Thomas D. Schroth

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14107	CONNECTICUT GENERAL LIFE INSURANCE COMPANY By CIGNA Capital Advisers, Inc. By_____ Title: 900 Cottage Grove Road Bloomfield, Connecticut 06002 Attn: Deborah M. White

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14120	CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO By_____ Title: 231 South LaSalle Street Chicago, Illinois 60693 Attn: Peter Norne

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14120	FIRST NATIONAL BANK OF BOSTON

By_____
Title:

100 Federal Street
Boston, Massachusetts 02110
Attn: Michael J. Cronin
Vice President
Loan Review Division
H012-4

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
13546	GREYHOUND LEASING & FINANCIAL CORPORATION

By_____

Title:

Mail Station 3304
Greyhound Tower
Phoenix, Arizona 85077
Attn: Donal A. Luttenegger

---

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14060	HANSECO INSURANCE COMPANY

By_____
Title:

John Hancock Place
200 Clarendon Street
P. O. Box 111
Boston, Massachusette 02117
Attn: Evans R. Whilby

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14060	THE LAFAYETTE LIFE INSURANCE COMPANY By_____ Title: 1905 Teal Road Lafayette, Indiana 47905 Attn: Jeffrey A. Poxon

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14108	MACCABEES MUTUAL LIFE INSURANCE COMPANY By_____ Title: 25800 Northwestern Highway Southfield, Michigan 48037 Attn: John F. McCormick

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14031 14060 14108	STATE TREASURER OF THE STATE OF MICHIGAN, CUSTODIAN OF PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM; STATE EMPLOYEES' RETIREMENT SYSTEM; STATE POLICE PENSION, ACCIDENT, AND DISABILITY FUND; JUDGES' RETIREMENT SYSTEM; AND PROBATE JUDGES' RETIREMENT SYSTEM

By_____

Title:

Corner of Walnut & Allegan Streets
Lansing, Michigan 48901
Attn: William A. Amerman

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14144	MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Trustee of a Commingled Pension Trust By_____ Title: Nine West 57th Street, 2nd Fl. New York, New York 10019 Attn: John F. Goydas

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14108	MUTUAL SERVICE LIFE INSURANCE COMPANY By_____ Title: Two Pine Tree Drive Arden Hills, Minnesota 55112 Attn: Michael C. Knebel

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14108	NATIONAL INVESTORS PENSION INSURANCE COMPANY By_____ Title: Second and Broadway Little Rock, Arkansas 72201 Attn: Glyn Sawyer

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
13869	**PITTSBURGH NATIONAL BANK, as Participant in CSA dated May 15, 1978** By_____ Title: Fifth & Wood Streets Pittsburgh, Pennsylvania 15265 Attn: Lawrence J. Koch
14120	**PITTSBURGH NATIONAL BANK, as Participant in Revolving Credit Agreement** By_____ Title: Fifth & Wood Streets Pittsburgh, Pennsylvania 15265 Attn: Lawrence J. Koch

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14060 14144	PRESBYTERIAN MINISTERS' FUND By_____ Title: 1809 Walnut Street Philadelphia, Pennsylvania 19103 Attn: James Kestner

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14060	STANDARD INSURANCE COMPANY

By_____
Title:

1100 Southwest 6th Avenue
Portland, Oregon 97204
Attn: Vicki R. Chase

---

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14060	VARIABLE ANNUITY LIFE INSURANCE COMPANY

By_____
Title:

c/o American General
Corporation
2727 Allen Parkway
Houston, Texas 77019
Attn: Richard L. Triska, Jr.

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14107 14144 14310	STATE OF WISCONSIN INVESTMENT BOARD By_____ Title: 121 East Wilson Street Madison, Wisconsin 53702 Attn: Mark G. Ulevich

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
13580	**PITTSBURGH NATIONAL BANK, as Lessor** By_____ Title: Fifth & Wood Streets Pittsburgh, Pennsylvania 15265 Attn: Edward Wesolek

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
13580	AMERICAN FLETCHER LEASING CORPORATION By_____ Title: 111 Monument Circle Suite 510 Indianapolis, Indiana 46277 Attn: Michael Mattasits

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14144 14310 14341	MANUFACTURERS HANOVER TRUST COMPANY, as Agent By_____ Title: 270 Park Avenue New York, New York 10017 Attn: Corporate Trust Department

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
13591	MDFC EQUIPMENT LEASING CORPORATION By_____ Title: 100 Oceangate Long Beach, California 90802 Attn: D. W. Risdon

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
13577	CI GENERAL EQUIPMENT LEASING CORPORATION By_____ Title: 231 South LaSalle Street Chicago, Illinois 60693 Attn: Gregory L. Allcroft

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

Number of Old Financing Agreements to which Each Person is a Party*	
14120	EQUIBANK

By_____

Title:

Two Oliver Plaza
Pittsburgh, Pennsylvania 15222
Attn: Jack Duff

---

* This list is included for convenience of reference only and does not constitute a part of this Agreement.

ANNEX 1

DEFINITIONS

Set forth below are the definitions of terms used in the Master Agreement Regarding the Restructuring of Obligations of The Pittsburgh and Lake Erie Railroad Company, dated as of May 1, 1985 (including the Annexes and Exhibits thereto, as amended from time to time, this "Agreement"), except that certain terms used in Exhibit E through Exhibit I-2, inclusive, and Exhibit K-1 through Exhibit T, inclusive, of the Agreement have the respective meanings set forth in each such Exhibit. Section references following any of the terms set forth below indicate that the term has the definition set forth in the section of the Agreement so referenced. All accounting terms used herein and not expressly defined shall have the meanings given to them in accordance with generally accepted accounting principles.

Acceleration Remainder — Section 7.7(b)(i).

Account — has the collective meaning ascribed to it in paragraph 1 of the Security Agreement and each Guaranty Security Agreement.

Additional Trustee -- Section 13.9(a).

Adjusted Cash Flow -- with respect to any period means the remainder of Cash Flow for such period minus the sum of the aggregate amount of the following items, but only to the extent that payment of such items is actually made during such period: (i) Approved Capital Expenditures (to the extent not deducted in the calculation of Net Income of the Company and its Consolidated Subsidiaries), plus (ii) Minimum Required Payments, plus (iii) Asset Disposition Payments (or portions thereof) consisting of Rental Payments to the Company and any other Asset Disposition Payment to the extent it would be included in Cash Flow for such period.

Adjusted Funded Debt -- with respect to any Person, means, without duplication,

(1) its liabilities for borrowed money, other than Current Debt;

(2) liabilities secured by any Lien existing on Property owned by such Person (whether or not such liabilities have been assumed) other than Current Debt;

(3) the present value of all payments due under any lease or under any other arrangement for retention of title (discounted at the implicit rate if known or eight percent (8%) per annum otherwise) if such lease or other arrangement is in substance (a) a financing lease (including, without limitation, any lease (i) under which the lessee has or will have an option to purchase the Property subject thereto at a nominal amount or an amount substantially less than a reasonable estimate of the Fair Market Value of such Property at the date of such purchase, (ii) if the present value of all

rental and other fixed payments due under such lease is equal to or exceeds ninety percent (90%) of the remainder of (x) the Fair Market Value of the Property subject thereto minus (y) the amount of any related investment tax credit retained by the lessor under such lease, or (iii) the term of which approximates or exceeds seventy-five percent (75%) of the reasonably estimated economic life of the Property subject thereto), (b) an arrangement for the retention of title for security purposes, or (c) an installment purchase;

(4) its liabilities under Guaranties of obligations of other Persons of the types set forth in clauses (1), (2), (3), and (5) of this definition; and

(5) any other obligations (other than deferred taxes, pension and welfare reserves, liability reserves, deferred credits and other similar reserves and credits) which are required by generally accepted accounting principles to be shown as liabilities on its balance sheet and which are payable or remain unpaid more than one (1) year from the creation thereof.

Affiliate — with respect to any Person, means a Person (other than a Subsidiary) (1) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such Person, (2) which beneficially owns or holds five percent (5%) or more of the Voting Stock (or in the case of a Person which is not a corporation, five percent (5%) or more of the equity interest) of such Person or (3) five percent (5%) or more of the Voting Stock (or in the case of a Person which is not a corporation, five percent (5%) or more of the equity interest) of which is beneficially owned or held by such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting Securities, by contract, or otherwise.

Aggregate Cumulative Payment -- Section 7.10(b).

Agreement — means this document as originally executed or as it may from time to time be supplemented or amended in accordance with the provisions hereof, including the Annexes and Exhibits hereto.

Anticipated Cash Needs Certificate — means a certificate signed by the Company and the Creditors' Consultant, containing (i) the same statements and specification with respect to future withdrawals from the Cash Collateral Account as are set forth in Section 7.8(b)(i) with respect to current withdrawals from the Cash Collateral Account and (ii) a statement of the date or dates when the Company anticipates making payment of the Supplemental Approved Expenditure to be funded by such future withdrawals.

Approved Capital Expenditures — means Capital Expenditures to the extent, but only to the extent, made in compliance with Section 10.19.

Asset Disposition Payments -- Section 7.9(b).

Assignment Agreement — Section 3.1(a).

Average Net Disposition Proceeds Per Railcar — Section 11.2(c).

Bankruptcy Default — means a Default which could give rise to an Event of Default pursuant to Section 9.1(f), Section 9.1(g), or Section 9.1(h).

Base Rate -- means the rate of interest from time to time publicly announced by MHTC in New York, New York, as its prime rate or, if for any reason MHTC shall not make such public announcement, the equivalent rate of interest of any other bank designated by the Security Trustee which is a Creditor or Creditors' Agent.

Beloit -- means Beloit Corporation, a Delaware corporation.

Beloit/PLECO Debt -- Section 6.14.

Beloit/PLECO Subordination Agreements -- Section 6.14.

Book Value — Section 11.4(f).

Business Day -- a day other than a Saturday, a Sunday or a day on which banks are authorized or required by law (other than a general banking moratorium or holiday for a period exceeding four (4) consecutive days) to be closed in the States of Connecticut, Pennsylvania or New York.

Capital Expenditures — means expenditures for property, plant, equipment and related items which would be included in any of the accounts numbered 0 through 90, inclusive, under the heading Property Accounts in 49 C.F.R. § 1201 (as such section or any successor provision may be amended from time to time; provided, however, if such section or successor provision shall be abrogated in toto by administrative, judicial, legislative or other action and not replaced by any substitute or further successor section or provision, 49 C.F.R. § 1201 shall mean that section as in effect at the Closing Date).

Cash Balance -- means, as at any date,

(a) all cash on deposit in bank accounts of any one or more of the Company and its Subsidiaries as reflected on the books of the depositary banks as at such date, except amounts which are not available for use because they are in the process of collection, plus

(b) all Investments (valued at the Fair Market Value thereof as of such date) of any one or more of the Company and its Subsidiaries as of such date, which mature within one (1) year from the date of acquisition thereof and are of the types described in clauses (4), (5), (6), (7) and (8) of the definition of Restricted Investment, minus

(c) the sum of any (i) Minimum Required Payment, (ii) Mid-Year Acceleration Payment, and (iii) End-of-Year Acceleration Payment, in each case due in respect of a period ending on or before said date and not theretofore made; provided, however, that the Cash Balance as at the

Closing Date shall be deemed to be the Cash Balance as at a date five (5) days prior thereto.

Cash Collateral Account — means that certain account opened on the Closing Date (and maintained thereafter for so long as the Trust Estate shall exist) by the Security Trustee with itself and entitled "The Pittsburgh and Lake Erie Railroad Company Cash Collateral Account" into which shall be deposited by the Security Trustee only the Excess Cash Payments required to be paid to the Security Trustee by the Company pursuant to Section 7.8 of this Agreement.

Cash Collateral Account Investments — means, at any date, the face amount of investments (together with interest accrued thereon to such date) then held in the Cash Collateral Account by the Security Trustee, which investments were originally made pursuant to Section 13.3 with moneys deposited into the Cash Collateral Account.

Cash Flow — means, for any period,

(a) Net Income of the Company and its Subsidiaries for such period; plus

(b) the sum of the following items of the Company and its Subsidiaries for such period, but only to the extent that each of such items was reflected in the computation of Net Income of the Company and its Subsidiaries for such period:

(i) any loss arising from any sale of capital assets or the write-down of any assets, together with any reduction in taxes attributable to such loss, plus

(ii) amortization of debt discount and expenses of issuance, and amortization of all other deferred charges properly subject to amortization, plus

(iii) provisions for contingency, valuation and other proper reserves and other non-cash expenses, plus

(iv) provisions for depreciation, depletion, obsolescence and amortization of Property of the Company and its Subsidiaries, plus

(v) all interest on Debt of the Company and its Subsidiaries to the extent not paid as of the last day of such period together with, in the case of Cash Flow as such term is used in Section 7.12(b), all interest on Debt of the Company and its Subsidiaries paid as of the last day of such period; minus

(c) any gain of the Company and its Subsidiaries for such period arising from any sale of capital assets or the write-up of any assets or any other non-cash revenue items, together with any increase in taxes attributable to such gain, but only to the extent that such gain and increase were reflected in the computation of Net Income of the Company and its Subsidiaries for such period; plus or minus, as the case may be

(d) any other items, whether debits or credits which, in accordance with customary accounting procedures consistently applied by the Company, should be included in determining cash flow for such period.

Casualty Occurrence — means, with respect to any Railcar other than a Railcar listed on Annex 6 to this Agreements as scrap, any of the following events:

(a) loss of such Railcar or the use thereof due to theft or disappearance of such Railcar for a period in excess of forty-five (45) days (or for such shorter period ending on the date on which there shall occur an insurance settlement with respect to any such theft or disappearance on the basis of a total loss) or due to destruction, damage beyond repair or rendition of such Railcar permanently unfit for normal use for any reason whatsoever;

(b) any damage to such Railcar which results in an insurance settlement with respect to such Railcar on the basis of a total loss;

(c) the condemnation, confiscation or seizure of, or requisition of title to, such Railcar, or the use thereof for a period in excess of ninety (90) days (or for such shorter period ending on the date on which there shall occur an insurance settlement with respect to such Railcar on the basis of a total loss); or

(d) as a result of any rule, regulation, order or other action by the ICC or other state, federal or foreign governmental body having jurisdiction, the use of such Railcar in the normal course of interstate commerce shall have been prohibited or interrupted for a period of six (6) consecutive months.

CBT — The Connecticut Bank and Trust Company, N.A., as Trustee for GECC and J. P. Morgan under the GECC Financing Agreements.

Certificate of Interest — Section 3.1(a).

Certificate of Interest Transfer Conditions — means in connection with the transfer of any Certificate of Interest and the Preferred Certificates and Preferred Stock in connection therewith compliance with the registration or other transfer requirements, if any, of any of the Securities Act, the Trust Indenture Act of 1939, as amended, the Investment Company Act of 1940, as amended, and any other applicable federal or state law governing or affecting the issuance, registration or regulation of securities. Delivery to the Security Trustee of a Transfer Opinion shall evidence such compliance.

Closing — has the meaning set forth in the first paragraph of Article 6.

Closing Date — has the meaning set forth in the first paragraph of Article 6.

Closing Representatives — means Simpson Thacher & Bartlett and Wachtell, Lipton, Rosen & Katz for the Creditors which are banks, Hebb & Gitlin for the

Creditors which are not banks, Day, Berry & Howard for CBT and Weil, Gotshal & Manges for GECC.

Code -- means the Uniform Commercial Code as the same may from time to time be in effect in the Commonwealth of Pennsylvania.

Collateral -- means any and all Property of the Company, PLECO or any Wholly-Owned Subsidiary of the Company, in which the Security Trustee has been granted a Lien pursuant to this Agreement, any other New Financing Agreement, any other instrument or agreement securing, evidencing or relating to the New Obligations or any Old Financing Agreement.

Common Stock -- means the Company's single class of voting common stock, Fifty Dollars ($50.00) par value per share, and each other equity Security of the Company which is not limited to a fixed sum or a fixed percentage of par value in respect of participation in Distributions or a liquidation.

Company — The Pittsburgh and Lake Erie Railroad Company, a Delaware corporation.

Complete Redemption Payment -- Section 7.15(d).

Compounding Preferred Stock -- Section 7.3(a).

Contract -- has the collective meaning ascribed to it in paragraph 1 of the Security Agreement and each Guaranty Security Agreement.

Control -- has the meaning set forth in the definition of the term "Affiliate."

Creditors — means the Persons listed as "Creditors" on Annex 2 to this Agreement and their respective successors and assigns.

Creditors' Agents — means the Persons listed on Annex 2 to this Agreement as agents for one or more of the Creditors.

Creditors' Consultant — means Gordon Fay Associates, Inc. or any other railroad consultant designated in a written notice to the Company by the Required Persons.

Creditors' Trust Account -- has the meaning set forth in the Intercreditor Agreement.

CSA Equivalent Amount -- Section 7.11(e).

CSA Indebtedness Per GECC Railcar -- means, as of any date, an amount equal to the quotient of (a) the GECC Conditional Sale Indebtedness due under any GECC Conditional Sale Agreement and outstanding on such date divided by (b) the number of GECC Railcars covered by such GECC Conditional Sale Agreement on such date.

Cumulation Period -- Section 7.10(a).

Current Debt — with respect to any Person as of any date means all liabilities of such Person for borrowed money and all liabilities secured by any Lien existing on Property owned by such Person, whether or not such liabilities have been assumed, which, in either case, are payable on demand or within one (1) year from such date, together with all Guaranties of liabilities of the same types of other Persons, except any such liabilities (and Guaranties of liabilities of the same types of other Persons):

(1) which are renewable or extendable at the option of such Person to a date more than one (1) year from such date; and

(2) which, although payable within one (1) year from such date, constitute payments required to be made on account of principal of Debt expressed to mature more than one (1) year from the date of creation thereof.

Debt -- with respect to any Person, means all Adjusted Funded Debt and all Current Debt of such Person.

Default — means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

Disposition — means the sale, lease, exchange, transfer or other disposition, whether voluntary or involuntary, of any Property; provided, however, that the use of Railcars by connecting and other carriers in the usual interchange of traffic or pursuant to so-called run-through agreements shall be deemed not to involve a Disposition and, provided further, that the grant by the Company or any of its Subsidiaries of a lease, license or easement over a portion of such Person's Property shall not be deemed a Disposition if the annual payment or other consideration to be received by the Company or its Subsidiary with respect to such grant is less than $10,000.

Distribution -- in respect of any corporation means:

(1) dividends or other payments, in cash or Property, with respect to capital stock of the corporation (except distributions in such stock); and

(2) the redemption or acquisition of such stock or of warrants, rights or other options to purchase such stock (except when solely in exchange for such stock) unless made contemporaneously from, and then only to the extent of, the net proceeds of a sale of such stock.

Distribution Percentage — as to the Creditors, and each of them, has the meaning set forth in Section 3.1(b)(i) and, as to the Single Investor Lessors, and each of them, has the meaning set forth in Annex 2 to this Agreement opposite each of such Single Investor Lessor's names.

End-of-Year Acceleration Payment -- Section 7.7(b)(i).

End-of-Year Acceleration Payment Date -- Section 7.7(b)(i).

End-of-Year Cash Flow Limit -- Section 7.7(b)(i).

Equipment -- has the collective meaning ascribed to it in paragraph 1 of the Security Agreement and each Guaranty Security Agreement.

ERISA -- means the Employee Retirement Income Security Act of 1974, as amended from time to time.

Event of Default -- Section 9.1.

Excess Cash Payment -- Section 7.8(b).

Excess Cash Payment Distributions -- Section 7.8(b)(ii).

Excess Rentals -- has the meaning set forth in the GECC Amendments.

Exchange -- has the meaning set forth in the first paragraph of Article 6.

Existing Obligations -- has the meaning set forth in paragraph A of the Background Section of this Agreement.

Extension Amount -- Section 7.11(a).

Extension Election -- Section 7.11(a).

Fair Market Value -- at any time with respect to any Property, means the sale value of such Property which could be realized in an arm's-length sale at such time between an informed and willing vendee, and an informed and willing vendor, under no compulsion to buy or sell, respectively, provided, however, that the Fair Market Value of the Railcars owned or leased by the Company as at the Closing Date shall be as set forth on Annex 10 to this Agreement under the heading "Fair Market Value (Appraisal) as of 8/83".

Fair Rental Value -- at any time with respect to any Property, means the rental value of such Property which could be realized in an arm's-length lease at such time between an informed and willing lessee, and an informed and willing lessor, neither being under any compulsion to enter into such lease.

First Security -- means First Security Bank of Utah, N.A., a national banking association, as agent.

Fiscal Year -- means the period of twelve (12) months commencing on the first day of October in each year and ending on the last day of September in each year.

Five Year Forecast -- means that forecast of the Company's financial results through the Fiscal Year ending on September 30, 1989, prepared by the Company in consultation with the Creditors' Consultant and distributed to the Creditors on or about July 27, 1984 (as modified by the revisions thereof dated

February 11, 1985), which forecast contains a list of business assumptions, revenue results, operating and capital expenditures and projections of the New Obligations to be paid by the Company."

GECC — means General Electric Credit Corporation, a New York corporation.

GECC Amendment — Section 6.12(a).

GECC Assignment of Leases — means, in each case as amended or to be amended by a GECC Amendment and as may be amended from time to time, the following:

Assignment of Lease and Agreement dated as of April 1, 1980, by and between The Connecticut Bank and Trust Company (Trustee) and First Security Bank of Utah, N.A. (Agent);

Assignment of Lease and Agreement dated as of December 1, 1979, by and between The Connecticut Bank and Trust Company (Trustee) and First Security Bank of Utah, N.A. (Agent);

Assignment of Lease and Agreement dated as of May 15, 1980, by and between The Connecticut Bank and Trust Company (Trustee) and First Security Bank of Utah, N.A. (Agent); and

Assignment of Lease and Agreement dated as of January 1, 1982, by and between The Connecticut Bank and Trust Company (Trustee) and Manufacturers Hanover Trust Company (Agent).

GECC Conditional Sale Agreements — means, in each case as amended or to be amended by a GECC Amendment and as may be amended from time to time, the following:

Conditional Sale Agreement dated as of December 1, 1979, between The Connecticut Bank and Trust Company, not in its individual capacity but solely as Trustee, and The Chessie Corporation;

Conditional Sale Agreement dated as of April 1, 1980, between The Connecticut Bank and Trust Company, not in its individual capacity but solely as Trustee, and Trinity Industries, Inc.;

Conditional Sale Agreement dated as of May 15, 1980, between The Connecticut Bank and Trust Company, not in its individual capacity but solely as Trustee, and Greenville Steel Car Company; and

Conditional Sale Agreement dated as of January 1, 1982, among The Connecticut Bank and Trust Company, not in its individual capacity but solely as Trustee, Greenville Steel Car Company and The Maxson Corporation.

GECC Conditional Sale Indebtedness — means the indebtedness of CBT outstanding under the GECC Conditional Sale Agreements which, as of the Closing Date, is equal in the aggregate to the sum of the amounts set forth in Part III of

Annex 2 under the heading "Original GECC Conditional Sale Indebtedness at 6/30/83.

GECC Creditors — Creditors which are parties to any of the GECC Financing Agreements.

GECC Creditors' Agent — any agent of a GECC Creditor under any GECC Financing Agreement.

GECC Financing Agreements — means the GECC Conditional Sale Agreements, the GECC Indemnity Agreements, the GECC Assignments of Leases, the GECC Trust Agreements, the GECC Leases and the GECC Participation Agreements, in each case as amended by a GECC Amendment and as may be amended from time to time.

GECC Indemnity Agreements — means in each case as amended or to be amended by a GECC Amendment and as may be amended from time to time, the following:

Indemnity Agreement dated as of December 1, 1979, between The Pittsburgh and Lake Erie Railroad Company, Lessee, and General Electric Credit Corporation and J. P. Morgan Interfunding Corp., Owners;

Indemnity Agreement dated as of April 1, 1980, between The Pittsburgh and Lake Erie Railroad Company, Lessee, and General Electric Credit Corporation, Owner;

Indemnity Agreement dated as of May 15, 1980, between The Pittsburgh and Lake Erie Railroad Company, Lessee, and General Electric Credit Corporation, Owner; and

Indemnity Agreement dated as of January 1, 1982, between The Pittsburgh and Lake Erie Railroad Company, Lessee, and General Electric Credit Corporation, Owner.

GECC Leases — means, in each case as amended or to be amended by a GECC Amendment and as may be amended from time to time, the following:

Lease of Railroad Equipment dated as of December 1, 1979, between The Pittsburgh and Lake Erie Railroad Company, Lessee, and The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee, Lessor;

Lease of Railroad Equipment dated as of April 1, 1980, between The Pittsburgh and Lake Erie Railroad Company, Lessee, and The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee, Lessor;

Lease of Railroad Equipment dated as of May 15, 1980, between The Pittsburgh and Lake Erie Railroad Company, Lessee, and The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee, Lessor; and

Lease of Railroad Equipment dated as of January 1, 1982, between The Pittsburgh and Lake Erie Railroad Company, Lessee, and The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee, Lessor.

GECC Participation Agreements -- means, in each case as amended or to be amended by a GECC Amendment and as may be amended from time to time, the following:

Participation Agreement among The Pittsburgh and Lake Erie Railroad Company, Lessee, First Security Bank of Utah, N.A., Agent, General Electric Credit Corporation, Owner, J. P. Morgan Interfunding Corp., Owner, The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee, and the Parties Named in Appendix I thereto, Investors, dated as of December 1, 1979 [Covering 850 Open-Top Hopper Cars] regarding 12% Conditional Sale Indebtedness due July 15, 1995;

Participation Agreement among The Pittsburgh and Lake Erie Railroad Company, Lessee, First Security Bank of Utah, N.A., Agent, General Electric Credit Corporation, Owner, The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee, and the Parties Named in Appendix I thereto, Investors, dated as of April 1, 1980 [Covering 600 Gondola Cars] regarding 15% Conditional Sale Indebtedness due January 15, 1999;

Participation Agreement among The Pittsburgh and Lake Erie Railroad Company, Lessee, First Security Bank of Utah, N.A., Agent, General Electric Credit Corporation, Owner, The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee, and the Parties Named in Appendix I thereto, Investors, dated as of May 15, 1980 [Covering 800 Gondola Cars] regarding 15% Conditional Sale Indebtedness due January 15, 1999; and

Participation Agreement among The Pittsburgh and Lake Erie Railroad Company, Lessee, Manufacturers Hanover Trust Company, Agent, General Electric Credit Corporation, Owner, The Connecticut Bank and Trust Company, not in its individual capacity, but solely as Trustee, and State of Wisconsin Investment Board, Investor, dated as of January 1, 1982 [Covering 275 Gondola Cars and 6 Flat Cars] regarding 15-7/8% Conditional Sale Indebtedness due June 1, 1997.

GECC Railcars -- means Railcars subject to any of the GECC Conditional Sale Agreements.

GECC Subordination Agreement -- Section 6.12(b).

GECC Trust Agreements — means, in each case as amended or to be amended by a GECC Amendment and as may be amended from time to time, the following:

Trust Agreement dated as of December 1, 1979, among General Electric Credit Corporation (Owner), J. P. Morgan Interfunding Corporation (Owner), and The Connecticut Bank and Trust Company (Trustee);

Trust Agreement dated as of April 1, 1980, between General Electric Credit Corporation (Owner) and The Connecticut Bank and Trust Company (Trustee);

Trust Agreement dated as of May 15, 1980, between General Electric Credit Corporation (Owner) and The Connecticut Bank and Trust Company (Trustee); and

Trust Agreement dated as of January 1, 1982, between General Electric Credit Corporation (Owner) and The Connecticut Bank and Trust Company (Trustee).

General Intangible — has the collective meaning ascribed to it in paragraph 1 of the Security Agreement and each Guaranty Security Agreement.

Gross Proceeds — means

(1) in the case of a Disposition which is a sale, the gross sales price as provided in the contract providing for such Disposition, without any deduction or adjustment for costs of sale, cost of preparing the Property for sale, or any other amount or adjustment for contract, warranty or other related claims, and

(2) in the case of a Disposition which is not a sale, the consideration actually received at any time or from time to time by the owner for the right to use, or other right with respect to, the Property which is the subject of such Disposition, without any adjustment for costs of preparing the Property for such Disposition, or any other amount or adjustment for contract, warranty or other related claims.

Guaranty — with respect to any Person means any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guarantying or in effect guarantying any indebtedness, dividend or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(1) to purchase such indebtedness or obligation or any Property constituting security therefor;

(2) to advance or supply funds

(i) for the purpose of purchase or payment of such indebtedness or obligation, or

(ii) to maintain working capital or any other balance sheet condition or any income statement condition;

(3) to lease Property or to purchase Securities or other Property or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of the primary obligor to make payment of the indebtedness or obligation; or

(4) otherwise to assure the owner of the indebtedness or obligation of the primary obligor against loss in respect thereof.

Guaranty Agreement — Section 6.8(a).

Guaranty Mortgages — Section 6.8(c).

Guaranty Pledge Agreement — Section 6.9(b).

Guaranty Security Agreement — Section 6.8(b).

ICC — means the Interstate Commerce Commission (or any successor agency, commission, bureau, department or other political authority of the United States of America).

ICC Approval — means (i) in any provision of this Agreement specifically pertaining to the Preferred Stock, a final order of the ICC approving the issuance by the Company of the Preferred Stock as contemplated by this Agreement, (ii) in any provision of this Agreement specifically pertaining to the Common Stock, a final order of the ICC approving the issuance by the Company of the Common Stock as contemplated by this Agreement, and (iii) in all other provisions of this Agreement, a final order of the ICC approving the issuance by the Company of both the Preferred Stock and the Common Stock as contemplated by this Agreement.

Indebtedness — Section 16.19.

Indemnified Matter — Section 10.25.

Indemnified Person — Section 10.25.

Intercreditor Agreement — Section 6.15.

Interim Payment — means the payment of three million dollars ($3,000,000) by the Company directly to the Creditors, provided for in the second paragraph of the Letter of Intent.

Investment — has the meaning set forth in the definition of the term "Restricted Investment."

J. P. Morgan — means J. P. Morgan Interfunding Corp., a Delaware corporation.

Letter of Intent — means the letter dated August 7, 1984 (including the addendum thereto, dated August 16, 1984), executed by the Company and certain

of the Creditors, summarizing the terms of the restructuring of certain of the Company's obligations.

Lien — means any interest in Property securing an obligation owed to, or a claim by, a Person other than the owner of the Property, whether such interest is based on the common law, statute or contract, and whether it is obtained by consent, judgment, levy, sequestration or other legal or equitable process or proceedings, and including, but not limited to, (a) security interests arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes and (b) reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases and other title exceptions and encumbrances (including with respect to stock, stockholder agreements, voting trust agreements, buy-back agreements and all similar arrangements) affecting Property. For the purposes of this Agreement, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement, financing lease or other arrangement pursuant to which title to the Property is purported to have been retained by or vested in some other Person for security purposes, and such retention or vesting shall be deemed to be a Lien.

Loss Event — Section 9.1(k).

Low Price Sale — Section 7.20(d).

Material Subsidiary — means any Subsidiary of a Person (i) whose assets constitute five percent (5%) or more of the consolidated assets of such Subsidiary and Person (and all other Subsidiaries consolidated with such Person), (ii) whose gross revenues and other proper income credits constitute five percent (5%) or more of the consolidated gross revenues and other proper income credits of such Subsidiary and Person (and all other Subsidiaries consolidated with such Person), or (iii) whose income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principles exceeds five percent (5%) of such income of such Subsidiary and Person (and all other Subsidiaries consolidated with such Person).

MHTC — Manufacturers Hanover Trust Company, a New York banking corporation.

Mid-Year Acceleration Payment — Section 7.7(a).

Mid-Year Acceleration Payment Date — Section 7.7(a).

Mid-Year Cash Flow Limit — Section 7.7(a).

Minimum Percentage — Section 3.2.

Minimum Required Payment — Section 7.6(a).

Mortgages — Section 6.7(c).

MPPAA — means the Multi-Employer Pension Plan Amendments Act of 1980, as amended.

Net Disposition Proceeds — means

(1) in the case of a Disposition which is a sale, the remainder of (a) the gross sales price as provided in the contract providing for such Disposition, without any deduction or adjustment for costs of sale, cost of preparing the Property for sale, or any other amount or adjustment for contract, warranty or other related claims, minus (b) the out-of-pocket costs incurred by the selling Person in preparing the Property for such Disposition and performing the selling Person's obligations under such agreement, but excluding any amount with respect to services performed or materials supplied in connection with such Disposition which are included in the selling Person's fixed overhead, and

(2) in the case of a Disposition which is not a sale, the remainder of (a) the consideration actually received at any time or from time to time by the owner for the right to use, or other right with respect to, the Property which is the subject of such Disposition, without any adjustment for costs of preparing the Property for such Disposition, or any other amount or adjustment for contract, warranty or other related claims, minus (b) the out-of-pocket costs incurred by the owner in preparing the Property for such Disposition and in carrying out its obligations under the contract pursuant to which such right was granted, excluding any amount attributable to the owner's fixed overhead.

In making the computations provided for in the preceding sentence, the selling Person or owner, as the case may be, shall, upon receipt of all or any portion of the gross sales price or consideration, as the case may be, in respect of any Property, deduct therefrom all appropriate out-of-pocket costs (as specified above) actually incurred by it, and not previously deducted, as of the date of such receipt.

Net Freight Revenues -- as to any period, means the revenues which would be credited to account number 101, entitled "Freight," under the heading "Railway Operating Revenue Accounts - Transportation Revenue Accounts" in 49 C.F.R. § 1201 (as such section or any successor provision may be amended from time to time; provided, however, if such section or successor provision shall be abrogated in toto by administrative, judicial, legislative or other action and not replaced by any substitute or further successor section or provision, 49 C.F.R. § 1201 shall mean that section as in effect at the Closing Date).

Net Income — of any Person means, for any period, the gross revenues and other proper income credits of such Person for such period minus an amount equal to the aggregate of all expenses and other proper income charges of such Person for such period, but in any event including (without in any respect limiting the generality of the foregoing) provisions for all taxes, whether in respect of property, income, excess profits or otherwise, accrued in respect of such period.

New Fair Market Value -- Section 11.2(d)(ii).

New Financing Agreements — means this Agreement and each of the documents the forms of which are set forth in Exhibit E through Exhibit I-2 hereto, inclusive, Exhibit K-1 through Exhibit M-2 hereto, inclusive, and on Exhibit P through Exhibit S hereto, inclusive.

New Mortgage — Section 10.18(a).

New Obligations — means the payment obligations of the Company set forth in the New Financing Agreements.

New Release Price — Section 11.2(d)(ii).

1989 Sales Date — Section 7.11(c).

1992 Sales Date — Section 7.13(f).

Non-Railcar Tangible Assets — Section 11.4(d).

Old Debt Event of Default — Section 4.1.

Old Fair Market Value — Section 11.2(d)(ii).

Old Financing Agreements — means each of the documents listed on Annex 9 hereto together with any and all instruments evidencing the Existing Obligations.

Original GECC Conditional Sale Agreement — means each of the GECC Conditional Sale Agreements as in effect immediately prior to the effectiveness of GECC Amendments applicable to such GECC Conditional Sale Agreement.

Original GECC Conditional Sale Indebtedness — has the meaning set forth in Paragraph B of the Background Section of this Agreement.

Original GECC Financing Agreements — means each of the GECC Financing Agreements as in effect immediately prior to the effectiveness of the GECC Amendments applicable to such GECC Financing Agreement.

Original GECC Leases — means each of the GECC Leases as in effect immediately prior to the effectiveness of the GECC Amendments applicable to such GECC Lease.

Original Single Investor Lease Payments — means the rental payments due under the Original Single Investor Leases.

Original Single Investor Lease — means each of the Single Investor Leases as in effect immediately prior to the effectiveness of the Single Investor Lease Amendment applicable to such Single Investor Lease.

Out-of-Pocket Costs — means

(1) in the case of a Disposition which is a sale, the out-of-pocket costs (including broker's fees and commissions) incurred by the selling Person in preparing the Property for such Disposition and performing the selling Person's obligations under such agreement, but excluding any amount with respect to services performed or materials supplied in connection with such Disposition which are included in the selling Person's fixed overhead; and

(2) in the case of a Disposition which is not a sale, the out-of-pocket costs (including broker's fees and commissions) incurred by the owner

in preparing the Property for such Disposition and in carrying out its obligations under the contract pursuant to which any rights with respect to such Property were granted, excluding any amount attributable to the owner's fixed overhead.

Outstanding — with respect to the Certificates of Interest at any time, means all Certificates of Interest which have been duly authorized, issued and delivered (except Certificates of Interest for which new Certificates of Interest have been issued pursuant to Section 3.4, Section 3.5 or Section 3.10) exclusive of any Certificates of Interest then owned by any one or more of the Company or any Subsidiary or Affiliate of the Company.

Overpayment — Section 7.7(b)(ii).

Payment Order — Section 9.2.

Pension Plan — Section 5.17(a).

Permitted Liens — Section 10.5(a).

Person — means an individual, partnership, corporation, trust, unincorporated organization, government, governmental agency or governmental subdivision.

Plan — Section 5.17(b).

PLECO — means PLECO, Inc., a Delaware corporation.

Pledge Agreement — Section 6.9(a).

Pledged Notes — has the meaning ascribed to it in Section 1 of the Pledge Agreement.

Pledged Stock — has the collective meaning ascribed to it in Section 1 of the Pledge Agreement and Section 1 of each Guaranty Pledge Agreement.

Pre-Closing Payments — Section 6.19(a).

Preferred Certificate — Section 7.5(a).

Preferred Certificate Distributions — Section 7.5(a).

Preferred Certificate Par Value Amount — Section 7.5(a).

Preferred Stock — means the Company's single class of non-voting preferred stock, One Thousand Dollars ($1,000) par value per share, governed by provisions in the Company's certificate of incorporation substantially in the form of Exhibit N to this Agreement.

Preferred Transfer Conditions — means in connection with the transfer of any Preferred Stock or Preferred Certificate compliance with the registration or other transfer requirements, if any, of any of the Securities Act, the Trust Indenture Act of 1939, as amended, the Investment Company Act of 1940, as

amended, and any other applicable federal or state law governing or affecting the issuance, registration or regulation of securities.

Proceeds Account — means that certain account opened on the Closing Date (and maintained thereafter for so long as the Trust Estate shall exist) by the Company with the Pittsburgh National Bank and entitled "The Pittsburgh and Lake Erie Railroad Company Net Asset Disposition and Insurance Proceeds Account" held in trust for The Connecticut National Bank, as Security Trustee, into which shall be deposited by the Company only the Asset Disposition Payments and the insurance proceeds referred to in Section 10.2(b)(ii).

Property — means any interest in any kind of property or asset, whether real, personal or mixed, and whether tangible or intangible.

PUC Approval — means a final order from each of the Pennsylvania Public Utility Commission and the Public Utilities Commission of the State of Ohio approving, or declaring exempt from its jurisdiction, (a) the execution, delivery, and performance by the Company of this Agreement, the other New Financing Agreements, the GECC Amendments, and the Single Investor Lease Amendments and the transactions contemplated thereby and (b) the execution, issuance, and delivery by the Company of the Preferred Stock as contemplated by this Agreement.

PUC Opinion — Section 7.22.

Quarterly CSA Payment — Section 7.13(b).

Quarterly Payment — Section 7.15(a).

Quarterly Payment Date — means March 31, June 30, September 30 and December 31 in any year.

Railcar — means each unit of railcar rolling stock, including, without limitation, locomotives and cabooses.

Railcar Security Agreement — Section 6.7(b).

Ratable Portion — Section 3.5(b).

Registered Holder(s) — Section 7.3(b).

Registrar General of Canada — means the Registrar General of Canada (or any successor agency, commission, bureau or other political authority of the Commonwealth of Canada).

Reinstatement Date — Section 7.20.

Release Price — Section 11.2(b)(i)(A).

Rentals — means, as of the date of determination, all fixed payments which the lessee is required to make by the terms of any lease having an unexpired term (including any renewal terms exercisable at the option of the lessor) of one (1) year or more, but shall not include amounts required to be paid in respect of

maintenance, repairs, income taxes, property taxes, insurance, assessments or other similar charges or, except for Rentals payable under utilization leases, additional rentals (in excess of fixed minimums) based upon a percentage of gross receipts.

Rental Payments — Section 11.3(c).

Required Percentage — means, at any date, Distribution Percentages in Outstanding Certificates of Interest and in respect of Single Investor Leases in full force and effect on such date aggregating sixty-seven percent (67%) of all Distribution Percentages set forth in all Outstanding Certificates of Interest and in respect of all Single Investor Leases in full force and effect on such date. For purposes of this definition of "Required Percentage", a Single Investor Lease shall not be considered to be in "full force and effect" if, as of the date of determination, the Single Investor Lease Amendment in respect thereof is not in full force and effect.

Required Persons — means, at any date, either or both Creditors and Single Investor Lessors which hold or are parties to, as the case may be, (a) Certificates of Interest Outstanding on such date, or (b) Single Investor Leases in full force and effect on such date, in respect of which this Agreement attributes Distribution Percentages aggregating not less than sixty-seven percent (67%) of all Distribution Percentages attributable by this Agreement to all Certificates of Interest Outstanding on such date and all Single Investor Leases then in full force and effect on such date. For purposes of this definition of "Required Persons", a Single Investor Lease shall not be considered to be "in full force and effect" if, as of the date of determination, the Single Investor Lease Amendment in respect thereof is not in full force and effect.

Restricted Investment — means any investment by any Person, made in cash or by delivery of Property, (x) in any other Person, whether by acquisition of stock, indebtedness or other obligation or Security, or by loan, advance, capital contribution, or otherwise, or (y) in any Property (items (x) and (y) herein called "Investments"), except the following:

(1) Investments in one or more Subsidiaries of such Person which are Wholly-Owned Subsidiaries as of the date hereof;

(2) Property to be owned and used, or acquired, in the ordinary course of business of such Person;

(3) current assets from the sale of goods and services in the ordinary course of business of such Person;

(4) Investments in direct obligations of the United States of America, or any agency thereof or obligations guarantied by the United States of America, provided, that such obligations mature within one (1) year from the date of acquisition thereof;

(5) Investments in certificates of deposit, maturing within one (1) year from the date of acquisition thereof, issued by a bank or trust company organized under the laws of the United States or any state thereof, having

capital, surplus and undivided profits aggregating at least One Hundred Million Dollars ($100,000,000);

(6) Investments in commercial paper (except commercial paper issued by PLECO, the Company, any of their respective Subsidiaries or any Affiliates of PLECO, the Company or their respective Subsidiaries) given the highest rating by a recognized national credit rating agency and maturing not more than two hundred seventy (270) days from the date of creation thereof;

(7) repurchase agreements, with respect to any of the Investments listed in clauses (4), (5) and (6) above, with corporations having capital and surplus aggregating at least Fifty Million Dollars ($50,000,000); and

(8) Investments in a money market manager or similar account offered by a bank or trust company of the type described in clause (5) above and which invests principally in investments listed in clauses (4), (5), (6) and (7) above.

Second Year -- Section 11.3(a).

Second Year Rent -- Section 11.3(a).

Security -- has the same meaning as in Section 2(1) of the Securities Act.

Securities Act -- Section 9.4(d)(ii).

Security Agreement -- Section 6.7(a).

Security Trustee -- means The Connecticut National Bank, a national banking association, as Security Trustee under this Agreement or any successor Security Trustee named in accordance with the provisions thereof.

Series of Related Transactions -- Section 11.4(g).

Significant Person Lease -- Section 11.3(a)(ii).

Similar Railcar -- Section 11.2(b)(i)(A).

Single Casualty Occurrence -- means physical injury to, destruction of, loss of, theft of, or disappearance of, Property resulting or emanating from (i) a single accident, event or occurrence or (ii) continuous or repeated exposure to the same conditions causing such injury, destruction or loss existing at or emanating from one single location.

Single Investor Claim -- means the amount set forth in Part II of Annex 2 to this Agreement under the heading "Single Investor Claim" opposite the name of each Single Investor Lessor, which amount shall not be reduced by any payment received by such Single Investor Lessor pursuant to the Single Investor Lease to which it is a party or this Agreement and shall not represent indebtedness of the Company except to the extent provided for in the Single Investor Lease Amendment to which such Single Investor Lessor is a party.

Single Investor Leases — means, in each case as amended or to be amended by a Single Investor Lease Amendment and as may be amended from time to time, the following:

Equipment Lease Agreement between Pittsburgh National Bank, a national banking association, and the Company, dated as of September 15, 1975;

Equipment Lease Agreement between American Fletcher Leasing Corporation, an Illinois corporation and the Company, dated as of September 15, 1975;

Lease Agreement between CI General Equipment Leasing Corporation, a Delaware corporation, and the Company, dated as of September 10, 1975; and

Equipment Lease Agreement between MFDC Equipment Leasing Corporation, a Delaware corporation, and the Company, dated as of September 15, 1975, as amended from time to time.

Single Investor Lease Amendments — Section 6.21.

Single Investor Lessors — each lessor under a Single Investor Lease.

Single Investor Term Rental Payment — means the product of (a) the sum of (i) the amount referred to in Section 7.13(b)(ii) plus (ii) the Quarterly CSA Payment (in each case, to the extent actually paid) times (b) the aggregate of the Distribution Percentages of the Single Investor Lessors whose Single Investor Lease Amendments are in full force and effect on September 30, 1989.

Subsidiary — with respect to any Person, means a corporation or partnership of which such Person owns, directly or indirectly, more than fifty percent (50%) (by number of votes) of the Voting Stock or more than fifty percent (50%) of the rights to receive Distributions (whether in liquidation or otherwise) from such corporation or partnership, as the case may be; provided, however, that the Company and its Subsidiaries shall be deemed not to be Subsidiaries of PLECO.

Supplemental Approved Expenditures — means either of the following items:

(i) any investment directly related to owning or operating a railroad as to which the estimated annual internal rate of return is twenty-five percent (25%), as determined by the Creditors' Consultant or, at the option of the Company, as determined pursuant to the procedure set forth in 49 C.F.R. § 260 (as such section or any successor provision may be amended from time to time; provided, however, if such section or successor provision shall be abrogated in toto by administrative, judicial, legislative or other action and not replaced by any substitute or further successor section or provision, 49 C.F.R. § 260 shall mean that section as in effect at the Closing Date); or

(ii) any expenditure which is necessary and appropriate to accomplish wage scale and work rule proposals which are substantially similar to those set forth in the Company's proposal to its unions, dated August, 1984.

Tangible Assets — Section 11.4(e).

Tax Sharing Agreement — Section 6.13.

The Mahoning State Line Railroad — means The Mahoning State Line Railroad, a Pennsylvania corporation.

The Montour Railroad Company — means The Montour Railroad Company, a Pennsylvania corporation.

The Youngstown and Southern Railroad Company — means The Youngstown and Southern Railroad Company, an Ohio and Pennsylvania corporation.

Three Year Treasury Rate — Section 7.13(a).

Total Loss Proceeds — means an amount actually paid to an insured by an insurer in respect of the destruction or loss of Property of the insured, or any part thereof, as compensation for (i) the actual cash value or (ii) the replacement cost value, as the case may be, of said Property; provided, however, that if such actual cash value or replacement cost value is greater than the policy limits of the insurance policy or policies of said insurer, "Total Loss Proceeds" shall mean the amount equal to the applicable policy limits of said insurance policy.

Transfer Opinion — means a written opinion of counsel to a holder of a Certificate of Interest desiring to transfer any of its Certificates of Interest and the Preferred Stock and Preferred Certificates issued in connection therewith (which counsel may be an employee of such holder of a Certificate of Interest) to the effect that the transfer of such Certificate of Interest, Preferred Stock and Preferred Certificates will not violate the registration or other transfer requirements of any of the Securities Act, the Trust Indenture Act of 1939, as amended, the Investment Company Act of 1940, as amended, and any other applicable federal or state law governing or affecting the issuance, registration or regulation of Securities, in form and substance reasonably satisfactory to the Security Trustee and its counsel.

Transaction Notice — Section 11.4(b)(i).

Transaction Price — Section 11.4(h).

Trust Estate — Article 2.

25% Date — Section 7.20.

Unpaid Interest — Section 7.11.

Vendee — means any Person which shall obtain an interest in Property in connection with the Disposition thereof.

Voting Stock — means capital stock of any class or classes of a corporation, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the directors (or Persons performing similar functions).

Wholly-Owned Subsidiary — with respect to any Person, means any Subsidiary of such Person (1) which is a corporation and one hundred percent (100%) of the equity Securities and Voting Stock of which are owned by such Person or another Wholly-Owned Subsidiary of such Person or (2) which is a partnership and one hundred percent (100%) of the rights to receive Distributions (whether in liquidation or otherwise) and one hundred percent (100%) of all right to control and manage the activities and affairs of which are held by such Person or another Wholly-Owned Subsidiary of such Person.

Written Request — *with respect to any Person,* means a written order or request signed in the name of such Person by the president or a vice-president of such Person (if a corporation) or a general or managing partner (if a partnership) or the individual (if an individual).

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY

Annex 2 - Part I

SCHEDULE OF CREDITORS, SINGLE INVESTOR LESSORS, AND CREDITORS' AGENTS UNDER OLD FINANCING AGREEMENTS, SINGLE INVESTOR LEASES, AND GECC FINANCING AGREEMENTS

CONTRACT NUMBER	TYPE OF AGREEMENT: OLD FINANCING AGREEMENT ("OFA"), SINGLE INVESTOR LEASE ("LEASE"), OR GECC FINANCING AGREEMENT ("GFA")	CREDITORS, (DENOTED BY "C"), SINGLE INVESTOR LESSORS (DENOTED BY "SIL"), AND CREDITORS' AGENTS (DENOTED BY "CA")
13546-OFA	Conditional Sale Agreement Dated as of May 1, 1985 Between Greyhound Leasing & Financial Corp. & The Pittsburgh and Lake Erie Railroad Company	Greyhound Leasing & Financial Corp.-C
13869-OFA	Conditional Sale Agreement Dated May 15, 1978 Between Project Finance Corporation and The Pittsburgh and Lake Erie Railroad Company Agreement and Assignment Dated May 15, 1978 Between Project Finance Corporation and Pittsburgh National Bank Agreement Dated May 11, 1979 Between The Pittsburgh and Lake Erie Railroad Company and Pittsburgh National Bank	Pittsburgh National Bank - C
14031-OFA	Conditional Sale Agreement Dated November 1, 1979 Between Greenville Steel Car Company and The Pittsburgh and Lake Erie Railroad Company	State Treasurer of the State of Michigan & Custodian of Michigan Retirement System - C Mercantile Safe Deposit & Trust Co., As Agent - CA

CONTRACT NUMBER	TYPE OF AGREEMENT	CREDITORS, SINGLE INVESTOR LESSORS AND CREDITORS' AGENTS
	Finance Agreement Dated November 1, 1979 Among Mercantile-Safe Deposit and Trust Co., As Agent, The State of Michigan Custodian of Michigan Retirement Systems, The Pittsburgh and Lake Erie Railroad Company	
	Agreement and Assignment Dated November 1, 1979 Between Greenville Steel Car Company and Mercantile-Safe Deposit and Trust Company	
14060-GFA	Participation Agreement Dated December 1, 1979 Among The Pittsburgh & Lake Erie Railroad Co., Lessee, First Security Bank of Utah, N.A., Agent, General Electric Credit Corp., Owner, J. P. Morgan Inter-funding Corp., Owner, The Connecticut Bank & Trust Co., Not in its Individual Capacity, But Solely As Trustee and The Parties Named in Appendix I thereto, Investors	Aetna Life Insurance and Annuity - C American Health Life Insurance - C Hanseco Insurance Co. - C The Lafayette Life Insurance Co. - C Presbyterian Ministers' Fund - C Standard Insurance Co. - C State Treasurer of the State of Michigan & Custodian of Michigan Retirement System - C Variable Annuity Life Insurance - C First Security Bank of Utah, N.A., As Agent - GECC CA
	Lease of Railroad Equipment Dated December 1, 1979 Between The Connecticut Bank and Trust Company, Not in its Individual Capacity, But Solely As Trustee, Lessor and The Pittsburgh and Lake Erie Rail-Road Company, Lessee	
	Conditional Sale Agreement Dated December 1, 1979 Between The Chessie Corporation, Builder and The Connecticut Bank and Trust Company, Not in its Individual Capacity, But Solely As Trustee	

CONTRACT NUMBER	TYPE OF AGREEMENT	CREDITORS, SINGLE INVESTOR LESSORS AND CREDITORS' AGENTS
	Assignment of Lease and Agreement Dated December 1, 1979 Between The Connecticut Bank and Trust Company Not in its Individual Capacity, But Solely As Trustee and First Security Bank of Utah, N.A., Agent	
	Consent and Agreement Dated January 15, 1980 Between The Pittsburgh and Lake Erie Railroad Company and First Security Bank of Utah, N.A., Agent	
	Agreement and Assignment Dated December 1, 1979 Between The Chessie Corporation, Builder and First Security Bank of Utah, N.A., Agent	
	Trust Agreement Dated December 1, 1979 Between General Electric Credit Corporation, Owner, JP Morgan Interfunding Corporation, Owner and The Connecticut Bank and Trust Company, Not in its Individual Capacity, But Solely As Trustee	
	Indemnity Agreement Dated December 1, 1979 Between General Electric Credit Corp., J. P. Morgan Interfunding Corp., As Owners, and The Pittsburgh and Lake Erie Railroad Company, Lessee	
14107-GFA	Participation Agreement Dated April 1, 1980 Between The Pittsburgh & Lake Erie Railroad Co., Lessee, First Security Bank of Utah, N.A., Agent, General Electric Credit Corp., As Owner,	Connecticut General Life Ins. Co. (CIGNA) - C State of Wisconsin Investment Board - C First Security Bank of Utah, N.A., As Agent - GECC CA

CONTRACT NUMBER	TYPE OF AGREEMENT	CREDITORS, SINGLE INVESTOR LESSORS AND CREDITORS' AGENTS
	The Connecticut Bank and Trust Company, Not in its Individual Capacity, But Solely As Trustee and The Parties Named in Appendix I, Investors	
	Lease of Railroad Equipment Dated April 1, 1980 Between The Connecticut Bank & Trust Company, Not in its Individual Capacity, But Solely As Trustee and The Pittsburgh and Lake Erie Railroad Company, Lessee	
	Conditional Sale Agreement Dated April 1, 1980 Between The Connecticut Bank and Trust Company, Not in its Individual Capacity But Solely As Trustee	
	Assignment of Lease and Agreement Dated April 1, 1980 Between The Connecticut Bank and Trust Company Not in its Individual Capacity, But Solely As Trustee and First Security Bank of Utah, N.A., Agent	
	Consent and Agreement Dated April 1, 1980 Between the Pittsburgh Lake Erie Railroad Company and First Security Bank of Utah, N.A., Agent	
	Agreement and Assignment Dated April 1, 1980 Between Trinity Industries, Inc. Builder and First Security Bank of Utah, N.A., Agent	

CONTRACT NUMBER	TYPE OF AGREEMENT	CREDITORS, SINGLE INVESTOR LESSORS AND CREDITORS' AGENTS
	Trust Ageeement Dated April 1, 1980 Between General Electric Credit Corporation, Owner and The Connecticut Bank and Trust Company, Not in its Individual Capacity, But Solely As Trustee	
	Indemnity Agreement Dated April 1, 1980 Between General Electric Credit Corp., Owner and The Pittsburgh and Lake Erie Railroad Company, Lessee	
14108-GFA	Participation Agreement Dated May 15, 1980 Among The Pittsburgh & Lake Erie Railroad Co., Lessee, First Security Bank of Utah, N.A., Agent, General Electric Credit Corp., Owner, The Connecticut Bank & Trust Co., Not in its Individual Capacity, But Solely As Trustee and The Parties Named In Appendix I, Investors	Maccabees Mutual Life Insurance Co. - C Mutual Service Life Insurance Co. - C National Investors Pension Insurance Co. - C State Treasurer of the State of Michigan & Custodian of Michigan Retirement System - C First Security Bank of Utah, N.A., As Agent - GECC CA
	Lease of Railroad Equipment Dated May 15, 1980 Between The Connecticut Bank and Trust Company, Not in its Individual Capacity, But Solely As Trustee, Lessor and The Pittsburgh and Lake Erie Railroad Company, Lessee	
	Conditional Sale Agreement Dated May 15, 1980 Between Greenville Steel Car Company, Builder/Vendor and The Connecticut Bank and Trust Company, Not in its Individual Capacity, But Solely As Trustee	

CONTRACT NUMBER	TYPE OF AGREEMENT	CREDITORS, SINGLE INVESTOR LESSORS AND CREDITORS' AGENTS
	Assignment of Lease and Agreement Dated May 15, 1980 Between The Connecticut Bank and Trust Company, Not in its Individual Capacity, But Solely As Trustee, and First Security Bank of Utah, N.A., Agent	
	Consent and Agreement Dated May 15, 1980 Between The Pittsburgh and Lake Erie Railroad Company and First Security Bank of Utah, N.A., Agent	
	Agreement and Assignment Dated May 15, 1980 Between Greenville Steel Car Company, Builder and First Security Bank of Utah, N.A., Agent	
	Trust Agreement Dated May 15, 1980 Between General Electric Credit Corporation, Owner and The Connecticut Bank and Trust Company, Not in its Individual Capacity, But Solely As Trustee	
	Indemnity Agreement Dated May 15, 1980 Between General Electric Credit Corp., Owner and The Pittsburgh and Lake Erie Railroad Company, Lessee	
14120-OFA	Secured Revolving Credit and Term Loan Agreement Dated July 31, 1980 Among The Pittsburgh and Lake Erie Railroad Company, The First National	Continental Illinois National Bank and Trust Company of Chicago - C The First National Bank of Boston - C Manufacturers Hanover Trust Company - C

CONTRACT NUMBER	TYPE OF AGREEMENT	CREDITORS, SINGLE INVESTOR LESSORS AND CREDITORS' AGENTS
	Bank of Boston, Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank, The First National Bank of Boston As Agent	Pittsburgh National Bank - C Equibank, N.A. - C The First National Bank of Boston As Agent - CA
	Security Agreement Dated July 31, 1980, by and between The Pittsburgh and Lake Erie, Railroad Company, The First National Bank Of Boston, As Agent for itself and for Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank	
	Guaranty Dated July 31, 1980 Between The Pittsburgh and Lake Erie Company, Guarantor and The First National Bank of Boston, for itself and as Agent for Continental Illinois National Bank and Trust Company of Chicago, Pittsburgh National Bank, Equibank and Manufacturers Hanover Trust Company	
	Modification of Secured Revolving Credit and Term Loan Agreement and Guaranty Dated October 9, 1980 Among PLECO, Inc. and The Pittsburgh and Lake Erie Railroad Company, and The First National Bank of Boston	

CONTRACT NUMBER	TYPE OF AGREEMENT	CREDITORS, SINGLE INVESTOR LESSORS AND CREDITORS' AGENTS
	as Agent, Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank	
	Amendment No. 2 to Secured Revolving Credit and Term Loan Agreement Dated December 15, 1980 by and among The Pittsburgh and Lake Erie Railroad Company and The First National Bank of Boston, Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank	
	Amendment No. 3 to Secured Revolving Credit and Term Loan Agreement Dated July 1, 1980 Among The Pittsburgh and Lake Erie Railroad Company and The First National Bank of Boston, Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank	
	Amendment No. 4 to Secured Revolving Credit and Term Loan Agreement Dated July 30, 1982 Among The Pittsburgh and Lake Erie Railroad Company and The First National Bank of Boston, Continental Illinois National Bank and Trust	

CONTRACT NUMBER	TYPE OF AGREEMENT	CREDITORS, SINGLE INVESTOR LESSORS AND CREDITORS' AGENTS
	Company, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank	
	Supplement to the Security Agreement, dated July 31, 1980, by and between The Pittsburgh and Lake Erie Railroad Company and The First National Bank of Boston, as Agent for itself and for Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank, recorded with the Interstate Commerce Commission August 15, 1983, Recordation No. 12128-A	
	Consent of Banks under Secured Revolving Credit and Term Loan Agreement, dated July 31, 1980, as amended as of September 16, 1983 between The Pittsburgh and Lake Erie Railroad Company and The First National Bank of Boston, for itself and as Agent, Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank	
	Release of Collateral Dated September 20, 1983 from the Security Agreement dated July 31, 1980, Between The Pittsburgh and Lake Erie Railroad Company and The First National Bank of	

CONTRACT NUMBER	TYPE OF AGREEMENT	CREDITORS, SINGLE INVESTOR LESSORS AND CREDITORS' AGENTS
	Boston, as Agent for itself and for Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank	
	Subordination Agreement Dated July 1, 1983 Between Beloit Corporation, PLECO, Inc., The Pittsburgh and Lake Erie Railroad Company and Manufacturers Hanover Trust Company	
14144-OFA	Conditional Sale Agreement Dated September 1, 1980 Between Montour Land Company and The Pittsburgh and Lake Erie Railroad Company	Morgan Guaranty Trust Co - C Presbyterian Ministers' Fund - C State of Wisconsin Investment Fund - C Manufacturers Hanover Trust Co. As Agent - CA
	Finance Agreement Dated September 1, 1980 Between The Pittsburgh and Lake Erie Railroad Company, Manufacturers Hanover Trust Company, as Agent and The Parties Named In Schedule A thereto, Investors	
	Agreement and Assignment Dated September 1, 1980 Between Montour Land Company and Manufacturers Hanover Trust Company, as Agent	
14147-OFA	Term Loan Agreement Dated October 15, 1980 Between The Pittsburgh and Lake Erie Railroad Company and Manufacturers Hanover Trust Company	Manufacturers Hanover Trust Co. - C

CONTRACT NUMBER	TYPE OF AGREEMENT	CREDITORS, SINGLE INVESTOR LESSORS AND CREDITORS' AGENTS
	Guaranty Dated October 15, 1980 By PLECO, Inc. (formerly Pittsburgh and Lake Erie Company) in favor of Manufacturers Hanover Trust Company	
	First Amendment Dated September 1, 1982, to the Term Loan Agreement, dated October 15, 1980, Between The Pittsburgh and Lake Erie Railroad Company and Manufacturers Hanover Trust Company	
	Amended and Restated Security Agreement Dated October 15, 1980 Made By The Pittsburgh and Lake Erie Railroad Company to Manufacturers Hanover Trust Company	
	First Amendment, dated September 1, 1982, to the Amended and Restated Security Agreement dated October 15, 1980, Made By The Pittsburgh and Lake Erie Railroad Company to Manufacturers Hanover Trust Company	
	Amendment of Term Loan Agreement and Existing Security Agreement Dated July 1, 1983 Made By The Pittsburgh and Lake Erie Railroad Company to Manufacturers Hanover Trust Company	
	Security Agreement Dated July 1, 1983 Made By The Pittsburgh and Lake Erie Railroad Company to Manufacturers Hanover Trust Company	

CONTRACT NUMBER	TYPE OF AGREEMENT	CREDITORS, SINGLE INVESTOR LESSORS AND CREDITORS' AGENTS
	Release of Collateral Dated August 22, 1983 Made By Manufacturers Hanover Trust Company and The Pittsburgh and Lake Erie Railroad Company	
14242-OFA	Line of Credit Confirmation Letter Dated July 13, 1981 From Manufacturers Hanover Trust Company to The Pittsburgh and Lake Erie Railroad Company	Manufacturers Hanover Trust Co. - C
	Reaffirmation Letter Dated August 11, 1982 from Manufacturers Hanover Trust Company to The Pittsburgh and Lake Erie Railroad Company	
14310-GFA	Participation Agreement Dated January 1, 1982 Among The Pittsburgh and Lake Erie Railroad Co., Lessee, Manufacturers Hanover Trust Co., Agent, General Electric Credit Corp., Owner, The Connecticut Bank & Trust Company, Not In Its Individual Capacity, But Solely as Trustee and State of Wisconsin Investment Board, Investor	State of Wisconsin Investment Board - C Manufacturers Hanover Trust Co., as Agent - GECC CA
	Conditional Sale Agreement Dated January 1, 1982 Among Greenville Steel Car Company, Builder and The Maxson Corporation, Builder and The Connecticut Bank and Trust Company, Not in its Individual Capacity, But Solely As Trustee	

CONTRACT NUMBER	TYPE OF AGREEMENT	CREDITORS, SINGLE INVESTOR LESSORS AND CREDITORS' AGENTS
	Lease of Railroad Equipment Dated January 1, 1982 Between The Pittsburgh and Lake Erie Railroad Company, Lessee and The Connecticut Bank & Trust Co., Not In Its Individual Capacity, But Solely As Trustee, Lessor	
	Assignment of Lease and Agreement Dated January 1, 1982 Among The Connecticut Bank and Trust Company, Not in its Individual Capacity, But Solely As Trustee and Manufacturers Hanover Trust Company, as Agent	
	Consent and Agreement Dated January 1, 1982 By The Pittsburgh and Lake Erie Railroad Company, Lessee and Manufacturers Hanover Trust Company, as Agent	
	Agreement and Assignment Dated January 1, 1982 Among Greenville Steel Car Company, Builder and The Maxson Corporation, Builder and Manufacturers Hanover Trust Company, as Agent	
	Trust Agreement Dated January 1, 1982 Between General Electric Credit Corporation, Owner and The Connecticut Bank and Trust Company, Not in its Individual Capacity, But Solely as Trustee	

CONTRACT NUMBER	TYPE OF AGREEMENT	CREDITORS, SINGLE INVESTOR LESSORS AND CREDITORS' AGENTS
	Indemnity Agreement Dated January 1, 1982 Between The Pittsburgh and Lake Erie Railroad Company, Lessee and General Electric Credit Corporation, Owner.	
14341-OFA	Conditional Sale Agreement Dated April 1, 1982 Between Montour Land Company and The Pittsburgh and Lake Erie Railroad Company	Aetna Life Insurance Co. - C Manufacturers Hanover Trust Co., as Agent - CA
	Finance Agreement Dated April 1, 1982 Between The Pittsburgh and Lake Erie Railroad Company, Manufacturers Hanover Trust Company, as Agent and Aetna Life Insurance Company, Investor	
	Agreement and Assignment Dated April 1, 1982 Between Montour Land Company and Manufacturers Hanover Trust Company, as Agent	
Unassigned-OFA	Revolving Credit Agreement Letter Dated December 24, 1982 From Manufacturers Hanover Trust Co. to The Pittsburgh and Lake Erie Railroad Company	Manufacturers Hanover Trust Co. - C
13580-Lease	Equipment Lease Agreement, Dated September 15, 1975, Between American Fletcher Leasing Corporation and The	American Fletcher Leasing - SIL

CONTRACT NUMBER	TYPE OF AGREEMENT	CREDITORS, SINGLE INVESTOR LESSORS AND CREDITORS' AGENTS
	Pittsburgh and Lake Erie Railroad Company	
13580-Lease	Equipment Lease Agreement, Dated September 15, 1975 Between Pittsburgh National Bank and The Pittsburgh and Lake Erie Railroad Company	Pittsburgh National Bank - SIL
13591	Lease of Railroad Equipment Dated September 15, 1975 Between M.D.F.C. Equipment Leasing Corp. and the Pittsburgh and Lake Erie Railroad Company	M.D.F.C. Leasing Corp. - SIL
13577-Lease	Lease of Railroad Equipment Dated September 10, 1975 Between CI General Equipment Leasing Corporation and The Pittsburgh and Lake Erie Railroad Company	CI General Equipment Leasing Company - SIL
	Certificate of Acceptance Between The Pittsburgh and Lake Erie Railroad Company, Lessee and CI General Equipment Leasing Corporation, Lessor	
	Amendment Number 1 Dated September 10, 1975 Between CI General Equipment Leasing Corporation, Lessor and The Pittsburgh and Lake Erie Railroad Company, Lessee	

CONTRACT NUMBER	TYPE OF AGREEMENT	CREDITORS, SINGLE INVESTOR LESSORS AND CREDITORS' AGENTS
	Amendment Number 2 Dated January 25, 1977 Between CI General Equipment Leasing Corporation, Lessor and The Pittsburgh and Lake Erie Railroad Company, Lessee	
	Agreement Dated May 14, 1979 Between The Pittsburgh and Lake Erie Railroad Company, Lessee and CI General Equipment Leasing Corporation, Lessor	

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY

ANNEX 2 - PART II

SCHEDULE OF EXISTING OBLIGATIONS AND
SINGLE INVESTOR CLAIMS

Creditors and Single Investor Lessors	Contract No.	Principal at 6/30/83	Unpaid Accrued Interest at 6/30/83	Total Outstanding at 6/30/83	Aggregate Single Investor Lease Investment at 6/30/83	Section 6.19(a) Payments	Section 11.8 Payments
1. Manufacturers Hanover Trust Company - C	OFA-14147	$30,000,000.00	$ 639,246.58	$30,639,246.58	N/A		(1,410,143.00)
	OFA-14120	3,000,000.00	0.00	3,000,000.00	N/A		(125,128.00)
	OFA-14242	10,000,000.00	22,477.17	10,022,477.17	N/A		(192,600.00)
	OFA-Unassg.	1,000,000.00	8,428.76	1,008,428.76	N/A		(4,000.00)
	Sub-Total	$44,000,000.00	$ 670,152.51	$44,670,152.51		(2,001,390.23)	(1,731,871.00)
2. State Treasurer of the State of Michigan & Custodian of Michigan Retirement System - C	OFA-14060	$ 4,591,028.92	$ 252,506.60	$ 4,843,535.52	N/A		
	OFA-14031	8,064,000.00	386,400.00	8,450,400.00	N/A		
	GFA-14108	14,078,634.72	967,906.17	15,046,540.89	N/A		
	Sub-Total	$26,733,663.64	$1,606,812.77	$28,340,476.41		(1,087,253.59)	(0)
3. State of Wisconsin Investment Board - C	GFA-14107	$10,582,443.05	$ 727,540.89	$11,309,983.94	N/A		
	OFA-14144	4,444,500.00	118,057.03	4,562,557.03	N/A		(342,186.36)
	GFA-14310	8,047,839.73	106,466.21	8,154,305.94	N/A		
	Sub-Total	$23,074,782.78	$ 952,064.13	$24,026,846.91		(984,911.02)	(342,186.36)

Creditors and Single Investor Lessors	Aggregate Amount of Obligations	Single Investor Claim	Distribution Percentage %	Rate of Interest %
1. Manufacturers Hanover Trust Company - C	$40,936,891.28	N/A	30.7906192	10
2. State Truasurer of the State of Michigan & Custodian of Michican Retirement System - C	$27,253,222.82	N/A	16.7269783	10
3. State of Wisconsin Investment Board - C	$22,699,749.53	N/A	15.1524773	10

	Creditors and Single Investor Lessors	Contract No.	Principal at 6/30/83	Unpaid Accrued Interest at 6/30/83	Total Outstanding at 6/30/83	Aggregate Single Investor Lease Investment at 6/30/83	Section 6.19(a) Payments	Section 11.8 Payments
4.	Aetna Life Insurance & Annuity - C	GFA-14060	$ 8,263,852.04	$ 454,511.86	$ 8,718,363.90	N/A	(307,426.97)	(0)
5.	Aetna Life Insurance Co. - C	OFA-14341	$ 4,264,400.00	$ 57,302.87	$ 4,321,702.87	N/A	(163,992.73)	(0)
6.	Connecticut General Life Insurance Co. (CIGNA) - C	GFA-14107	$ 6,512,988.92	$ 447,767.98	$ 6,960,756.90	N/A	(273,022.22)	(0)
7.	Pittsburgh National Bank - C	OFA-13869	$ 3,092,308.00	$ 39,903.48	$ 3,132,211.48	N/A		
		OFA-14120	2,000,000.00	0.00	2,000,000.00	N/A		(83,430.10)
		Sub-Total	$ 5,092,308.00	$ 39,903.48	$ 5,132,211.48		(237,883.77)	(83,430.10)
8.	Pittsburgh National Bank - SIL	Lease-13580	N/A	N/A	N/A	$ 875,525.00	(33,006.04)	(0)
9.	Greyhound Leasing & Financial Corp. - C	OFA-13546	$ 5,715,141.21	N/A	$ 5,715,141.21	N/A	(172,683.93)	(0)
10.	National Investors Pension Insurance Co. - C	GFA-14108	$ 5,162,160.97	$ 354,898.57	$ 5,517,059.54	N/A	(225,947.16)	(0)

Creditors and Single Investor Lessors	Aggregate Amount of Obligations	Single Investor Claim	Distribution Percentage %	Rate of Interest %
4. Aetna Life Insurance & Annuity - C	$ 8,410,936.93	N/A	4.7296458	10
5. Aenta Life Insurance Co. - C	$ 4,157,710.14	N/A	2.5229651	10
6. Connecticut General Life Insurance Co. (CIGNA) - C	$ 6,687,734.68	N/A	4.2003420	10
7. Pittsburgh National Bank - C	$ 4,810,897.61	N/A	3.6597505	10
8. Pittsburgh National Bank - SIL	N/A	$842,518.96	0.5077853	N/A
9. Greyhound Leasing & Financial Corp. - C	$5,542,457.28	N/A	2.6566757	10
10. National Investors Pension Insurance Co. - C	$ 5,291,112.38	N/A	3.4761101	10

	Creditors and Single Investor Lessors	Contract No.	Principal at 6/30/83	Unpaid Accrued Interest at 6/30/83	Total Outstanding at 6/30/83	Aggregate Single Investor Lease Investment at 6/30/83	Section 6.19(a) Payments	Section 11.8 Payments
11.	CI General Equipment Leasing - SIL	Lease-13577	N/A	N/A	N/A	$1,585,000.00	(67,757.34)	(0)
12.	Continental Illinois National Bank and Trust Co. of Chicago - C	OFA-14120	$ 3,000,000.00	0.00	$3,000,000.00	N/A	(124,338.20)	(125,128.00)
13.	Morgan Guaranty Trust - C	OFA-14144	$ 4,444,500.00	$ 118,057.03	$ 4,562,557.03	N/A	(205,302.87)	(342,186.36)
14.	The First National Bank of Boston - C	OFA-14120	$ 3,000,000.00	0.00	$ 3,000,000.00	N/A	(124,338.20)	(125,128.00)
15.	Hanseco Insurance Co. - C	GFA-14060	$ 2,754,617.35	$ 151,503.95	$ 2,906,121.30	N/A	(102,475.66)	(0)
16.	Variable Annuity Life Insurance Co. - C	GFA-14060	$ 1,878,185.00	$ 103,300.18	$ 1,981,485.18	N/A	(69,871.14)	(0)
17.	Presbyterian Ministers' Fund - C	GFA-14060	$ 918,205.78	$ 50,501.32	$ 968,707.10	N/A		(0)
		OFA-14144	888,900.00	23,611.41	912,511.41	N/A		(68,437.28)
		Sub-Total	$ 1,807,105.78	$ 74,112.73	$ 1,881,218.51	N/A	(75,219.12)	(68,437.28)

Creditors and Single Investor Lessors	Aggregate Amount of Obligations	Single Investor Claim	Distribution Percentage %	Rate of Interest %
11. CI General Equipment Leasing - SIL	N/A	$1,517,242.66	1.0424206	N/A
12. Continental Illinois National Bank and Trust Co. of Chicago - C	$ 2,750,533.80	N/A	1.9128953	10
13. Morgan Guaranty Trust - C	$ 4,015,067.80	N/A	3.1585056	10
14. The First National Bank of Boston - C	$ 2,750,533.80	N/A	1.9128953	10
15. Hanseco Insurance Co. - C	$ 2,803,645.64	N/A	1.5765486	10
16. Variable Annuity Life Insurance CO. - C	$ 1,911,614.04	N/A	1.0749406	10
17. Presbyterian Ministers' Fund - C		N/A	1.1572173	10
	$ 1,737,562.11			

	Creditors and Single Investor Lessors	Contract No.	Principal at 6/30/83	Unpaid Accrued Interest at 6/30/83	Total Outstanding at 6/30/83	Aggregate Single Investor Lease Investment at 6/30/83	Section 6.19(a) Payments	Section 11.8 Payments
18.	Maccabees Mutual Life Insurance Co. - C	GFA-14108	$ 938,542.36	$ 64,524.79	$ 1,003,067.15	N/A	(41,079.89)	(0)
19.	Equibank - C	OFA-14120	$ 1,000,000.00	0.00	$ 1,000,000.00	N/A	(41,446.33)	(41,697.90)
20.	American Health Life Insurance Co. - C	GFA-14060	$ 918,205.78	$ 50,501.32	$ 968,707.10	N/A	(34,158.55)	(0)
21.	American Fletcher Leasing - SIL	Lease-13580	N/A	N/A	N/A	$957,130.70	(36,082.46)	(0)
22.	M.D.F.C. Leasing Corp. - SIL	Lease-13591	N/A	N/A	N/A	$639,000.00	(30,833.18)	(0)
23.	Standard Insurance Co. - C	GFA-14060	$ 579,819.27	$ 31,890.06	$ 611,709.33	N/A	(21,570.09)	(0)
24.	Mutual Service Life Insurance Co. - C	GFA-14108	$ 469,306.86	$ 32,264.85	$ 501,571.71	N/A	(20,541.51)	(0)

Creditors and Single Investor Lessors	Aggregate Amount of Obligations	Single Investor Claim	Distribution Percentage %	Rate of Interest %
18. Maccabbes Mutual Life Insurance Co. - C	$ 961,987.26	N/A	0.6319982	10
19. Equibank - C	$ 916,855.77	N/A	0.6376357	10
20. American Health Life Insurance Co. - C	$ 934,548.55	N/A	0.5255162	10
21. American Fletcher Leasing - SIL	N/A	$921,048.24	0.5551148	N/A
22. M.D.F.C. Leasing Corp. - SIL	N/A	$608,166.82	0.4743566	N/A
23. Standard Insurance Co. - C	$ 590,139.24	N/A	0.3318476	10
24. Mutual Service Life Insurance Co. - C	$ 481,030.20	N/A	0.3160231	10

Creditors and Single Investor Lessors	Contract No.	Principal at 6/30/83	Unpaid Accrued Interest at 6/30/83	Total Outstanding at 6/30/83	Aggregate Single Investor Lease Investment at 6/30/83	Section 6.19(a) Payments	Section 11.8 Payments
25. The Lafayette Life Insurance Co. - C	OFA-14060	$ 469,546.32	$ 25,825.05	$ 495,371.37	N/A	(17,467.80)	(0)
	Total*	$150,079,125.64	$5,235,394.13	$155,314,519.77	$4,056,655.70	($6,500,000)	($2,860,065)

*Except for Distribution Percentages, totals may not foot due to slight rounding errors.

Creditors and Single Investor Lessors	Aggregate Amount of Obligations	Single Investor Claim	Distribution Percentage %	Rate of Interest %
25. The Lafayette Life Insurance Co. - C	$ 477,903.57	N/A	0.2687352	10
Total*	$146,122,133.79	$3,888,976.68	100%	N/A

*Except for Distribution Percentages, totals may not foot due to slight rounding errors

ANNEX 2 - PART III

ORIGINAL GECC CONDITIONAL SALE INDEBTEDNESS

Obligor	Contract No.	Original GECC Conditional Sale Indebtedness at 6/30/83	Unpaid Accrued Interest at 6/30/83
CBT	GFA-14060	$20,373,460.46	$1,120,540.34
CBT	GFA-14107	17,095,431.97	1,175,308.87
CBT	GFA-14108	20,648,644.91	1,419,594.38
CBT	GFA-14310	8,047,839.73	106,466.21

PART IV TO ANNEX 2

[Letterhead of Arthur Andersen & Co]

May ___, 1985

To the Shareholder and the
Board of Directors of
The Pittsburgh and Lake Erie
Railroad Company:

We have examined the consolidated balance sheet of **THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY** (the "Company") and subsidiaries as of September 30, 1984, and the related consolidated statements of income, retained earnings and changes in financial position for the year then ended, and have issued our report thereon dated November 15, 1984, in which our opinion was qualified with respect to the Company's ability to continue as an operating entity being dependent on the successful restructuring or renegotiation of its debt and lease agreements. Our examination was made in accordance with generally accepted auditing standards, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have not examined any financial statements of the Company subsequent to September 30, 1984 or performed any audit procedures subsequent to the date of our report on those statements.

The undersigned certified public accountants of the Company, have examined Attachment A attached hereto and the definition of "Adjusted Cash Flow" and "Cash Flow" as set forth in Annex 1 to the Master Agreement, dated as of May 1, 1985, by and among the Company and other parties thereto (such definitions have also been included as part of Attachment A). In our opinion, the calculations set forth in Attachment A conform to the calculations required by the definition of "Adjusted Cash Flow." The calculation of "Cash Flow" as used in the definition of "Adjusted Cash Flow" conforms to the requirements of the definition of "Cash Flow." The calculation of "Cash Flow" is based upon, and correctly utilizes figures derived from, the Company's consolidated financial statements as of September 30, 1984, certified by us. We have made no independent examination of the calculation of "Approved Capital Expenditures," "Minimum Required Payments" and "Asset Disposition Payments," all as defined in the Master Agreement, but have relied upon figures supplied to us by the Company in respect of such definitions.

_____
Arthur Andersen & Co.

The Pittsburgh and Lake Erie Railroad Company
and Subsidiaries

Cash Flow and Adjusted Cash Flow
For the Year Ended September 30, 1984

Cash Flow

Net Income (Loss)			($ 13,487,643)
Plus:	Loss on sale of capital assets - net	$ 122,055	
	Amortization	577,084	
	Provision for contingency, valuation and other reserves	932,134	
	Depreciation	2,596,807	
	Dividends from affiliated companies	700,000	
	Interest expense	12,700,666	17,628,746
			4,141,103
Minus:	Gain on sale of capital assets		(251,333)
Plus or (Minus):			
	Operating lease expense		11,871,882
	Equity in net income of affiliates		(1,807,189)
	Payments for contingency, valuation, and other reserves		(1,740,937)
	Acquisition of property and equipment		(1,693,167)
	Deferred income taxes		(451,700)
	Interim distribution		(2,694,495)
	Decrease in properties		3,696,397
	Decrease in current assets other than cash		1,637,820
	Decrease in accounts payable		(2,772,474)
	Increase in other current liabilities		1,087,626
	Other - net		(47,911)
Cash Flow			$ 10,975,622

Adjusted Cash Flow

Cash Flow		$ 10,975,622
Minus:	Approved Capital Expenditures	-
	Minimum Required Payments	-
	Asset Disposition Payments	(2,860,065)
Adjusted Cash Flow		$ 8,115,557

ANNEX 1

DEFINITIONS

Set forth below are the definitions of terms used in the Master Agreement Regarding the Restructuring of Obligations of The Pittsburgh and Lake Erie Railroad Company, dated as of May 1, 1985 (including the Annexes and Exhibits thereto, as amended from time to time, this "Agreement"), except that certain terms used in Exhibit E through Exhibit I-2, inclusive, and Exhibit K-1 through Exhibit T, inclusive, of the Agreement have the respective meanings set forth in each such Exhibit. Section references following any of the terms set forth below indicate that the term has the definition set forth in the section of the Agreement so referenced. All accounting terms used herein and not expressly defined shall have the meanings given to them in accordance with generally accepted accounting principles.

Acceleration Remainder — Section 7.7(b)(i).

Account — has the collective meaning ascribed to it in paragraph 1 of the Security Agreement and each Guaranty Security Agreement.

Additional Trustee -- Section 13.9(a).

Adjusted Cash Flow — with respect to any period means the remainder of Cash Flow for such period minus the sum of the aggregate amount of the following items, but only to the extent that payment of such items is actually made during such period: (i) Approved Capital Expenditures (to the extent not deducted in the calculation of Net Income of the Company and its Consolidated Subsidiaries), plus (ii) Minimum Required Payments, plus (iii) Asset Disposition Payments (or portions thereof) consisting of Rental Payments to the Company and any other Asset Disposition Payment to the extent it would be included in Cash Flow for such period.

Adjusted Funded Debt -- with respect to any Person, means, without duplication,

(1) its liabilities for borrowed money, other than Current Debt;

(2) liabilities secured by any Lien existing on Property owned by such Person (whether or not such liabilities have been assumed) other than Current Debt;

(3) the present value of all payments due under any lease or under any other arrangement for retention of title (discounted at the implicit rate if known or eight percent (8%) per annum otherwise) if such lease or other arrangement is in substance (a) a financing lease (including, without limitation, any lease (i) under which the lessee has or will have an option to purchase the Property subject thereto at a nominal amount or an amount substantially less than a reasonable estimate of the Fair Market Value of such Property at the date of such purchase, (ii) if the present value of all

Closing Date shall be deemed to be the Cash Balance as at a date five (5) days prior thereto.

Cash Collateral Account — means that certain account opened on the Closing Date (and maintained thereafter for so long as the Trust Estate shall exist) by the Security Trustee with itself and entitled "The Pittsburgh and Lake Erie Railroad Company Cash Collateral Account" into which shall be deposited by the Security Trustee only the Excess Cash Payments required to be paid to the Security Trustee by the Company pursuant to Section 7.8 of this Agreement.

Cash Collateral Account Investments -- means, at any date, the face amount of investments (together with interest accrued thereon to such date) then held in the Cash Collateral Account by the Security Trustee, which investments were originally made pursuant to Section 13.3 with moneys deposited into the Cash Collateral Account.

Cash Flow — means, for any period,

(a) Net Income of the Company and its Subsidiaries for such period; plus

(b) the sum of the following items of the Company and its Subsidiaries for such period, but only to the extent that each of such items was reflected in the computation of Net Income of the Company and its Subsidiaries for such period:

(i) any loss arising from any sale of capital assets or the write-down of any assets, together with any reduction in taxes attributable to such loss, plus

(ii) amortization of debt discount and expenses of issuance, and amortization of all other deferred charges properly subject to amortization, plus

(iii) provisions for contingency, valuation and other proper reserves and other non-cash expenses, plus

(iv) provisions for depreciation, depletion, obsolescence and amortization of Property of the Company and its Subsidiaries, plus

(v) all interest on Debt of the Company and its Subsidiaries to the extent not paid as of the last day of such period together with, in the case of Cash Flow as such term is used in Section 7.12(b), all interest on Debt of the Company and its Subsidiaries paid as of the last day of such period; minus

(c) any gain of the Company and its Subsidiaries for such period arising from any sale of capital assets or the write-up of any assets or any other non-cash revenue items, together with any increase in taxes attributable to such gain, but only to the extent that such gain and increase were reflected in the computation of Net Income of the Company and its Subsidiaries for such period; plus or minus, as the case may be

(d) any other items, whether debits or credits which, in accordance with customary accounting procedures consistently applied by the Company, should be included in determining cash flow for such period.

Casualty Occurrence — means, with respect to any Railcar other than a Railcar listed on Annex 6 to this Agreements as scrap, any of the following events:

(a) loss of such Railcar or the use thereof due to theft or disappearance of such Railcar for a period in excess of forty-five (45) days (or for such shorter period ending on the date on which there shall occur an insurance settlement with respect to any such theft or disappearance on the basis of a total loss) or due to destruction, damage beyond repair or rendition of such Railcar permanently unfit for normal use for any reason whatsoever;

(b) any damage to such Railcar which results in an insurance settlement with respect to such Railcar on the basis of a total loss;

(c) the condemnation, confiscation or seizure of, or requisition of title to, such Railcar, or the use thereof for a period in excess of ninety (90) days (or for such shorter period ending on the date on which there shall occur an insurance settlement with respect to such Railcar on the basis of a total loss); or

(d) as a result of any rule, regulation, order or other action by the ICC or other state, federal or foreign governmental body having jurisdiction, the use of such Railcar in the normal course of interstate commerce shall have been prohibited or interrupted for a period of six (6) consecutive months.

CBT — The Connecticut Bank and Trust Company, N.A., as Trustee for GECC and J. P. Morgan under the GECC Financing Agreements.

Certificate of Interest — Section 3.1(a).

Certificate of Interest Transfer Conditions — means in connection with the transfer of any Certificate of Interest and the Preferred Certificates and Preferred Stock in connection therewith compliance with the registration or other transfer requirements, if any, of any of the Securities Act, the Trust Indenture Act of 1939, as amended, the Investment Company Act of 1940, as amended, and any other applicable federal or state law governing or affecting the issuance, registration or regulation of securities. Delivery to the Security Trustee of a Transfer Opinion shall evidence such compliance.

Closing — has the meaning set forth in the first paragraph of Article 6.

Closing Date — has the meaning set forth in the first paragraph of Article 6.

Closing Representatives -- means Simpson Thacher & Bartlett and Wachtell, Lipton, Rosen & Katz for the Creditors which are banks, Hebb & Gitlin for the

FIRST AMENDMENT TO MASTER AGREEMENT REGARDING THE RESTRUCTURING OF OBLIGATIONS OF THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY

FIRST AMENDMENT (herein referred to as this "First Amendment") dated as of May 1, 1985, among **THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY**, a Delaware corporation (the "Company"), **PLECO, INC.**, a Delaware corporation ("PLECO"), **THE CONNECTICUT NATIONAL BANK**, a national banking association, as security trustee (the "Security Trustee"), **GENERAL ELECTRIC CREDIT CORPORATION**, a New York corporation ("GECC"), **THE CONNECTICUT BANK AND TRUST COMPANY, N.A.**, a national banking association, not in its individual capacity but as trustee ("CBT"), **J. P. MORGAN INTERFUNDING CORP.**, a Delaware corporation ("J. P. Morgan"), and **EACH OTHER PARTY LISTED ON THE SIGNATURE PAGES OF THIS FIRST AMENDMENT.**

BACKGROUND

A. PLECO, the Company, the Wholly-Owned Subsidiaries (as hereinafter defined) of the Company, the Creditors (as hereinafter defined) which are signatories hereto (the "Participating Creditors"), the Creditors' Agents (as hereinafter defined) which are signatories hereto (the "Participating Creditors' Agents"), the Single Investor Lessors (as hereinafter defined) which are signatories hereto (the "Participating Single Investor Lessors"), GECC, CBT, J. P. Morgan, and the Security Trustee entered into and executed on the Closing Date (as hereinafter defined) the Master Agreement Regarding the Restructuring of Obligations of The Pittsburgh and Lake Erie Railroad Company, dated as of May 1, 1985 (the "Master Agreement").

B. Certain other Creditors (which are not signatories hereto) set forth on Exhibit A attached hereto (the "Non-Participating Creditors"), certain other Creditors' Agents (which are not signatories hereto) set forth on Exhibit B hereto (the "Non-Participating Creditors' Agents") and certain other Single Investor Lessors (which are not signatories hereto) set forth on Exhibit C attached hereto (the "Non-Participating Single

Investor Lessors") have not, as of the Closing Date, entered into and executed the Master Agreement.

C. PLECO, the Company, the Wholly-Owned Subsidiaries of the Company, GECC, CBT, J. P. Morgan, the Participating Creditors, the Participating Creditors' Agents, the Participating Single Investor Lessors and the Security Trustee desire the Master Agreement, the other New Financing Agreements (as defined in the Master Agreement), the Assignment Agreements (as defined in the Master Agreement), the Single Investor Lease Amendments (as defined in the Master Agreement) to which any Participating Single Investor Lessor is a party, and the GECC Amendments (as defined in the Master Agreement) to become effective, as of the Closing Date, notwithstanding the failure of certain Non-Participating Creditors, Non-Participating Creditors' Agents and Non-Participating Single Investor Lessors to execute any or all of said instruments.

D. To cause each of the Master Agreement, the other New Financing Agreements, the Assignment Agreements, the Single Investor Lease Amendments to which any Participating Single Investor Lessor is a party, and the GECC Amendments to become effective as of the Closing Date, the parties hereto desire to amend and modify the aforesaid instruments in accordance with the terms and provisions hereinafter set forth in this First Amendment.

NOW THEREFORE, in consideration of the premises and subject to the satisfaction of the terms and conditions hereinafter set forth, the parties hereto agree as follows:

1. **Definitions.** Unless otherwise specifically defined herein, the capitalized terms used herein (including the capitalized terms used in the foregoing recitals) shall have the meanings ascribed thereto in Annex 1 to the Master Agreement.

2. **Master Agreement Effective.** Any condition, condition precedent, term or provision of any of the Master Agreement, the other New Financing Agreements, the Assignment Agreements, the GECC Amendments or the Single Investor Lease

Amendments to the contrary notwithstanding, all parties to this First Amendment agree that the Master Agreement, the other New Financing Agreements, the Assignment Agreements, the GECC Amendments, and the Single Investor Lease Amendments to which the Participating Single Investor Lessors are parties shall be and are effective as of the Closing Date notwithstanding the failure of any Non-Participating Creditor, Non-Participating Creditors' Agent, or Non-Participating Single Investor Lessor to become a signatory thereto.

3. Deletion of Non-Participating Creditors and Non-Participating Creditors' Agents. Subject to Section 5(a) and Section 5(b) hereof, the name of, and any reference in any of the Master Agreement, the other New Financing Agreements, the Assignment Agreements, the GECC Amendments or the Single Investor Lease Amendments to, any of the Non-Participating Creditors and the Non-Participating Creditors' Agents shall be and is hereby deleted from each such document. Subject to Section 5(a) and Section 5(b) hereof, such Non-Participating Creditors and Non-Participating Creditors' Agents shall have no rights under any of the Master Agreement, the other New Financing Agreements, the Assignment Agreements, the GECC Amendments or the Single Investor Lease Amendments except as hereinafter set forth. Notwithstanding the foregoing provisions of this Section 3, the Security Trustee shall issue Certificates of Interest and Preferred Certificates in the names of the Non-Participating Creditors and shall hold such instruments in escrow pursuant to Section 5(b) hereof.

4. Deletion of Non-Participating Single Investor Lessors. Subject to Section 5(a) and Section 5(c) hereof, the name of, and any reference in any of the Master Agreement, the other New Financing Agreements, the GECC Amendments or the Single Investor Lease Amendments to, any of the Non-Participating Single Investor Lessors shall be and is hereby deleted from each such document. Subject to Section 5(a) and Section 5(c) hereof, any Single Investor Lease Amendments set forth as Exhibits to the Master

Agreement which were to be executed by any one or more of such Non-Participating Single Investor Lessors shall be and are hereby deleted from the Master Agreement and any reference thereto in said Master Agreement, any other New Financing Agreement or any other instrument or document executed in connection therewith shall likewise be deleted. Such Non-Participating Single Investor Lessors shall have no rights under any of the Master Agreement, the other New Financing Agreements, the GECC Amendments or the Single Investor Lease Amendments except as hereinafter set forth. Notwithstanding the foregoing provisions of this Section 4, the Security Trustee shall issue Preferred Certificates in the names of the Non-Participating Single Investor Lessors and shall hold such instruments in escrow pursuant to Section 5(c) hereof. In addition, the Single Investor Lease Amendments to which any Non-Participating Single Investor Lessor would have been a party had it been a Participating Single Investor Lessor shall be deemed to be in full force and effect solely for the purpose of payment of rent thereunder which rent shall be paid to the Security Trustee for deposit into the Single Investor Lessors' Special Escrow Account (as hereinafter defined).

5. Open Participation.

(a) Participation Deadline. Any Non-Participating Creditor, any Non-Participating Creditors' Agent or, with the consent of the Company, any Non-Participating Single Investor Lessor may, prior to the Deadline Date (as hereinafter defined), execute and deliver the Master Agreement and this First Amendment and, if applicable, the other New Financing Agreements, an Assignment Agreement, any Single Investor Lease Amendment to which it is a party and any other appropriate documents and thereby become a Participating Creditor, Participating Creditors' Agent, or Participating Single Investor Lessor, as the case may be, under each of the aforesaid instruments with all rights and privileges provided therein as though such Person had entered into and executed said instruments contemporaneously with the other Participating Creditors,

Participating Creditors' Agents, and Participating Single Investor Lessors on the Closing Date.

(b) Escrow for Non-Participating Creditors. Until the close of business on the date preceding the Deadline Date, the Security Trustee shall hold in escrow for the benefit of each Non-Participating Creditor such Non-Participating Creditor's Certificate of Interest and Preferred Certificate. Such Certificate of Interest shall be deemed not to be Outstanding except for the purpose of allocating payments thereto. Any moneys received by the Security Trustee prior to the Deadline Date in respect of such Certificate of Interest or Preferred Certificate shall, as provided in Section 7(a) hereof, be deposited into the Creditors' Special Escrow Account (as hereinafter defined). Upon the execution and delivery of the Master Agreement, this First Amendment and the other New Financing Agreements to which such Non-Participating Creditor is a party, an Assignment Agreement, and any other appropriate documents prior to the Deadline Date, the Security Trustee shall deliver to such Non-Participating Creditor the aforesaid Certificate of Interest and Preferred Certificate together with any moneys in the Creditors' Special Escrow Account theretofore received by the Security Trustee in respect of such Certificate of Interest or Preferred Certificate and not theretofore paid to such Non-Participating Creditor pursuant to Section 7(c) hereof.

(c) Escrow for Non-Participating Single Investor Lessors. Until the close of business on the date preceding the Deadline Date, the Security Trustee shall hold in escrow for the benefit of each Non-Participating Single Investor Lessor such Non-Participating Single Investor Lessor's Preferred Certificate. Any moneys received by the Security Trustee prior to the Deadline Date in respect of such Preferred Certificate or in respect of rent payable under the Single Investor Lease Amendment of such Non-Participating Single Investor Lessor as provided in Section 4 hereof shall be deposited into the Single Investor Lessors' Special Escrow Account. Upon the execution and delivery of

the Master Agreement, this First Amendment, the other New Financing Agreements to which such Non-Participating Single Investor Lessor is a party, the Single Investor Lease Amendment to which such Non-Participating Single Investor Lessor is a party, and any other appropriate documents prior to the Deadline Date, the Security Trustee shall, upon receipt of the written consent of the Company thereto, deliver to such Non-Participating Single Investor Lessor the aforesaid Preferred Certificate together with any moneys in the Single Investor Lessors' Special Escrow Account received by the Security Trustee in respect of such Preferred Certificate and in respect of rent payable under the Single Investor Lease Amendment of such Non-Participating Single Investor Lessor as provided in Section 4 hereof.

(d) Termination of Escrow. Any moneys held in the Creditors' Special Escrow Account by the Security Trustee under this Section 5 on behalf of any Non-Participating Creditor and not distributed by the Security Trustee prior to the Deadline Date as provided in this Section 5 shall be disposed of as provided for in Section 7(a) hereof. Any moneys held in the Single Investor Lessors' Special Escrow Account by the Security Trustee on behalf of any Non-Participating Single Investor Lessor and not distributed by the Security Trustee prior to the Deadline Date as provided in this Section 5 shall be disposed of as provided for in Section 7(b) hereof.

(e) Required Persons' Consent. After the Deadline Date, any one or more Non-Participating Creditors, Non-Participating Creditors' Agents, or Non-Participating Single Investor Lessors may execute and deliver the Master Agreement, this First Amendment, the other New Financing Agreements and Assignment Agreements to which they are parties, and the Single Investor Lease Amendments to which they are parties, only upon the written consent of, and on terms and conditions determined by, the Required Persons.

(f) Company Authorization. The Company is hereby authorized to enter into any one or more Single Investor Lease Amendments and New Financing Agreements with any

one or more Non-Participating Creditors, Non-Participating Creditors' Agents or Non-Participating Single Investor Lessors which have elected to exercise their respective rights under Section 5(a) hereof, provided that such Single Investor Lease Amendments and New Financing Agreements are substantially in the forms provided for in the Master Agreement or are in such other forms as may be approved by the Required Persons.

(g) Definitions.

(i) Creditors' Special Escrow Account. "Creditors' Special Escrow Account" means that certain account opened on the Closing Date (and maintained until such time as there are no Non-Participating Creditors or until the Trust Estate shall cease to exist, whichever shall first occur) by the Security Trustee with itself and entitled "First Amendment Creditors' Special Escrow Account" into which shall be deposited only the moneys referred to in the third sentence of Section 5(b) and Section 7(a) of this First Amendment. The Company acknowledges that it has no right, title or interest in or to the Creditors' Special Escrow Account.

(ii) Single Investor Lessors' Special Escrow Account. "Single Investor Lessors' Special Escrow Account" means that certain account opened on the Closing Date (and maintained until such time as there are no Non-Participating Single Investor Lessors or for a period after the Deadline Date sufficient to permit the distribution of the moneys in said account pursuant to the terms and provisions hereof) by the Security Trustee with itself and entitled "First Amendment Single Investor Lessors' Special Escrow Account" into which shall be deposited only the moneys referred to in the second sentence of Section 5(c) and Section 7(b) of this First Amendment. The Company acknowledges that it has no right, title or interest in or to the Single Investor Lessors' Special Escrow Account.

(iii) Deadline Date. "Deadline Date" shall mean the date on which a Payment Order is delivered to the Company pursuant to Section 9.2 of the Master Agreement.

6. Assignment Agreement.

(a) Certain Participating Creditors. Any condition, condition precedent, term or provision of any of the Master Agreement, the other New Financing Agreements, the GECC Amendments, or the Single Investor Lease Amendments to which any Participating Single Investor Lessor is a party to the contrary notwithstanding, each Participating Creditor set forth on Exhibit D attached hereto (individually, a "Bank Creditor" and, collectively, the "Bank Creditors") shall execute and deliver to the Security Trustee an Assignment Agreement substantially in the form of Exhibit E attached hereto in respect of its interest in the Old Financing Agreements listed on Schedule 2 to such Assignment Agreement (individually, a "Bank Old Financing Agreement" and, collectively, the "Bank Old Financing Agreements"). In exchange and consideration therefor, the Security Trustee shall deliver to such Bank Creditor a Certificate of Interest (a "Special Certificate of Interest") with a principal amount and Distribution Percentage, and a Preferred Certificate (a "Special Preferred Certificate") with a Preferred Certificate Par Value Amount, in each case as set forth on Exhibit F and Exhibit G, respectively, attached hereto opposite such Bank Creditor's name. Each Special Certificate of Interest and each Special Preferred Certificate of a Bank Creditor shall represent such Bank Creditor's right arising out of the Bank Old Financing Agreements to receive moneys by way of distributions or otherwise from either or both the Security Trustee and the Company under the Master Agreement and the other New Financing Agreements (as amended hereby). Any reference to "Certificates of Interest" or "Preferred Certificates" in the Master Agreement, the other New Financing Agreements, the GECC Amendments, and the Single Investor Lease Amendments shall be deemed to include a reference to the

Special Certificates of Interest and the Special Preferred Certificates, respectively. The Special Certificates of Interest shall have all the rights and privileges attributed to the Certificates of Interest under the Master Agreement. The Special Preferred Certificates shall have all the rights and privileges attributed to the Preferred Certificates under the Master Agreement.

(b) Certificates of Interest and Preferred Certificates. Each Bank Creditor which is a party to any Old Financing Agreement other than a Bank Old Financing Agreement shall receive:

(i) an additional Certificate of Interest with an aggregate principal amount equal to the difference between the amount referred to in Section 3.1(b)(ii)(A) of the Master Agreement and the principal amount of the Special Certificate of Interest and a Distribution Percentage equal to the difference between the percentage referred to in Section 3.1(b)(i) of the Master Agreement and the Distribution Percentage set forth in the Special Certificate of Interest; and

(ii) an additional Preferred Certificate with a Preferred Certificate Par Value Amount equal to the difference between the amount referred to in Section 7.5 of the Master Agreement and the amount set forth in the Special Preferred Certificate.

(c) Certain Creditors' Agent. Any condition, condition precedent, term or provision of any of the Master Agreement, the other New Financing Agreements, the GECC Amendments, or the Single Investor Lease Amendments to which any Participating Single Investor Lessor is a party to the contrary notwithstanding, the Creditors' Agent of the Bank Creditors (the "Bank Creditors' Agent") shall not assign or transfer any of its rights, duties, or obligations to the Security Trustee and shall not deliver an Assignment Agreement to the Security Trustee. The Bank Creditors' Agent shall continue to perform all of its obligations and duties as agent under the Bank Old Financing Agreements and hereby recognizes the Security Trustee as (i) the assignee of all proceeds and payments

due to each Bank Creditor under the Bank Old Financing Agreements and (ii) the exclusive holder of the right to vote each Bank Creditor's interests under the Bank Old Financing Agreements. The Bank Creditors' Agent agrees not to resign its position as agent under such Bank Old Financing Agreements without the written consent of the Security Trustee. The Bank Creditors' Agent acknowledges that, in its capacity as agent, it is not a party to the Master Agreement, any other New Financing Agreement (other than agreeing and consenting to this First Amendment), the GECC Amendments or any of the Single Investor Lease Amendments to which any Participating Single Investor Lessor is a party and is entitled to none of the rights, title or privileges provided for therein.

(d) Payments. Each Bank Creditor hereby agrees to pay and deliver, or to cause the Bank Creditors' Agent to pay and deliver, to the Security Trustee (for distribution to the Participating Creditors and the Participating Single Investor Lessors pursuant to the Master Agreement) such Bank Creditor's share of any and all payments made to or received by such Bank Creditor or Bank Creditors' Agent in respect of the Existing Obligations and other indebtedness outstanding under the Bank Old Financing Agreements other than distributions or payments under the Master Agreement.

(e) Bank Old Financing Agreements.

(i) Rights and Remedies. The Bank Creditors' Agent and the Bank Creditors agree that it is their intention to preserve the rights and remedies granted to any Non-Participating Creditor and the Bank Creditors (to the extent such rights and remedies are not assigned to the Security Trustee) under the Bank Old Financing Agreements irrespective of the execution and delivery of the Master Agreement, this First Amendment, the other New Financing Agreements, the GECC Amendments, the Assignment Agreements or the Single Investor Lease Amendments; provided, however, that such rights and remedies may be exercised from time to time by any Non-Participating Creditor, the Bank Creditors or the Security Trustee (as assignee of certain

rights of the Bank Creditors) in accordance with the terms and provisions hereof and of the Bank Old Financing Agreements.

(ii) Releases. The Security Trustee hereby instructs the Bank Creditors' Agent not to release any Railcars or other collateral under the Bank Old Financing Agreements from the lien of any of the Bank Old Financing Agreements unless the terms and conditions applicable thereto in such Bank Old Financing Agreement are fulfilled.

(iii) MHT Escrow. The Participating Creditors and Participating Single Investor Lessors agree that eight and 33/100 percent (8.33%) of the net proceeds from the Disposition of Railcars subject to the Bank Old Financing Agreements as set forth on Schedule 1 to that certain Escrow Agreement, dated as of January 23, 1985, by and among the Company, MHT and the Creditors signatories thereto (as amended from time to time, the "Escrow Agreement"), together with all interest and income earned thereon shall be designated as moneys due to the Non-Participating Creditor set forth on Exhibit A attached hereto and shall not be distributed to the Participating Creditors and Participating Single Investor Lessors but instead shall be paid by MHT to the Bank Creditors' Agent in behalf of said Non-Participating Creditor.

7. Special Escrow.

(a) Creditors' Special Escrow Account. Subject to Section 5(b) hereof, the Security Trustee shall hold each Certificate of Interest and each Preferred Certificate of each Non-Participating Creditor in escrow for the benefit of all of the Participating Creditors and the Participating Single Investor Lessors subject to the terms and conditions hereinafter set forth. Each such Certificate of Interest shall be deemed not to be Outstanding except for the purpose of allocating payments thereto. Any distribution in respect of said Certificate of Interest or Preferred Certificate shall be made by the Security Trustee to itself and deposited into the Creditors' Special Escrow Account. The Creditors' Special Escrow Account shall be accorded the same status as, and the Security

Trustee shall have the same rights of investment in respect of funds deposited therein as it has with respect to, the Creditors' Trust Account as provided in Article 5 of the Intercreditor Agreement; provided, however, that, subject to Section 5(b) hereof, the Security Trustee shall make no distribution from any of the proceeds deposited into the Creditors' Special Escrow Account to the Participating Creditors and the Participating Single Investor Lessors until all Non-Participating Creditors shall have elected to exercise, and shall have exercised, their respective rights under Section 5(a) hereof, all of the indebtedness owed by the Company to each Non-Participating Creditor under its respective Old Financing Agreements shall have been paid in full or the Security Trustee shall have been otherwise directed by the Required Persons, whichever shall occur first. After all Non-Participating Creditors shall have elected to exercise, and shall have exercised, their respective rights under Section 5(a) hereof, all indebtedness owed to such Non-Participating Creditors under their respective Old Financing Agreements shall have been paid in full, or the Security Trustee shall have been directed to make a distribution by the Required Persons, whichever shall occur first, the Security Trustee shall distribute all of the remaining moneys deposited in said Creditors' Special Escrow Account, together with all interest and income thereon, to the Participating Creditors and the Participating Single Investor Lessors then entitled to such distributions under the Master Agreement (as amended hereby) and such Participating Creditors and Participating Single Investor Lessors shall apply such distributions in accordance with the terms and provisions of the Master Agreement (as amended hereby).

(b) Single Investor Lessors' Special Escrow Account. Subject to Section 5(c) hereof, the Security Trustee shall hold each Preferred Certificate of each Non-Participating Single Investor Lessor in escrow for the benefit of all of the Participating Creditors and the Participating Single Investor Lessors subject to the terms and conditions hereinafter set forth. Any distribution in respect of said Preferred Certificate or in

respect of rent payable under the Single Investor Lease Amendment of such Non-Participating Single Investor Lessor as provided in Section 4 hereof shall be made by the Security Trustee to itself and deposited into the Single Investor Lessors' Special Escrow Account. The Single Investor Lessors' Special Escrow Account shall be accorded the same status as, and the Security Trustee shall have the same rights of investment in respect of funds deposited therein as it has with respect to, the Creditors' Trust Account as provided in Article 5 of the Intercreditor Agreement; provided, however, that, subject to Section 5(c) hereof, the Security Trustee shall make no distribution from any of the proceeds deposited into the Single Investor Lessors' Special Escrow Account to the Participating Creditors and Participating Single Investor Lessors until all Non-Participating Single Investor Lessors shall have elected to exercise, and shall have exercised, their respective rights under Section 5(a) hereof, the Deadline Date shall have occurred or the Security Trustee shall have been otherwise directed by the Required Persons, whichever shall occur first. After all Non-Participating Single Investor Lessors shall have elected to exercise, and shall have exercised, their respective rights under Section 5(a) hereof, the Deadline Date shall have occurred, or the Security Trustee shall have been directed to make a distribution by the Required Persons, whichever shall occur first, the Security Trustee shall distribute all of the remaining moneys deposited in said Single Investor Lessors' Special Escrow Account, together with all interest and income thereon, to the Participating Creditors and the Participating Single Investor Lessors then entitled to such distributions under the Master Agreement (as amended hereby) and such Participating Creditors and Participating Single Investor Lessors shall apply such distributions in accordance with the terms and provisions of the Master Agreement (as amended hereby).

(c) Claims. If any claim shall be made on the Security Trustee or on any one or more Bank Creditors by any Non-Participating Creditor in respect of any amounts due to

such Non-Participating Creditor under any sharing or other similar provision of any Bank Old Financing Agreement in respect of moneys paid to any one or more of such Bank Creditors (as holders of Special Certificates of Interest), the Security Trustee or such Bank Creditor (after promptly informing the Security Trustee of such claim) shall inform, in writing, the Bank Creditors' Agent of such claim and shall request written verification that the amount of such claim is due and owing to such Non-Participating Creditor. If any such claim is made directly against the Bank Creditors' Agent, the Bank Creditors' Agent shall promptly deliver a written verification of the amount of such claim to the Security Trustee and to each Bank Creditor. The Security Trustee shall, upon receipt of written confirmation from the Bank Creditors' Agent of the amount of the claim of such Non-Participating Creditor (or, if no such written confirmation is received, upon the written instructions from Participating Creditors and Participating Single Investor Lessors holding Distribution Percentages aggregating not less than thirty-three and one-third percent (33 1/3%)), pay to such Non-Participating Creditor from moneys in the Creditors' Special Escrow Account the amount of its asserted claim or so much thereof as equals the amount in such Creditors' Special Escrow Account.

(d) Indemnification. The Participating Creditors and the Participating Single Investor Lessors reaffirm their respective indemnification obligations to the Security Trustee provided for in Article 6 of the Intercreditor Agreement. Such indemnification provisions shall apply to any claim or liability of the Security Trustee arising out of or connected with any claim or demand alleged or asserted by any Non-Participating Creditor or Non-Participating Single Investor Lessor.

8. Defaults.

(a) Security Trustee Agreement. The Security Trustee, as holder of the right to vote 91.67% of the aggregate unpaid principal amount outstanding under the Bank Old Financing Agreements, agrees with the Company that, until delivery of a Payment Order

to the Company pursuant to Section 9.2(a) of the Master Agreement, it shall vote all of its interests in such Bank Old Financing Agreements in favor of (i) instructing the Bank Creditors' Agent to exercise its remedies under the Bank Old Financing Agreements in respect of the Railcar and non-Railcar collateral thereunder only after obtaining the written consent thereto of Participating Creditors and Participating Single Investor Lessors holding Distribution Percentages aggregating not less than thirty-three and one-third percent (331/3%) and (ii) not accelerating all or any part of the indebtedness outstanding thereunder.

(b) Direction to Bank Creditors' Agent. The Security Trustee, as holder of the right to vote 91.67% of the aggregate unpaid principal amount outstanding under the Bank Old Financing Agreements, hereby notifies and instructs the Bank Creditors' Agent that, until delivery of a Payment Order to the Company pursuant to Section 9.2(a) of the Master Agreement, the Bank Creditors' Agent is to (i) exercise its remedies under the Bank Old Financing Agreements in respect of the Railcar and non-Railcar collateral thereunder only upon receiving the written consent thereto from the Security Trustee and (ii) not accelerate all or any part of the indebtedness outstanding under the Bank Old Financing Agreements. The Bank Creditors' Agent agrees not to accelerate all or any part of the indebtedness under the Bank Old Financing Agreements or exercise any of the remedies available to it at law, in equity or in any of the Bank Old Financing Agreements (or any document contemplated thereby) in respect of any or all of the Railcar collateral except as instructed by the Security Trustee.

(c) Instructions to Security Trustee. The Participating Creditors and Participating Single Investor Lessors hereby instruct the Security Trustee, as holder of the right to vote 91.67% of the aggregate unpaid amounts outstanding under the Bank Old Financing Agreements, to consent to the exercise, from time to time, of the remedies of the Bank Creditors' Agent under the Bank Old Financing Agreements in respect of the Railcar and non-Railcar collateral thereunder upon receipt from the Company, with respect to each exercise of such remedies, of a certificate contemplated by the last

sentence of Section 11.1 of the Master Agreement and for so long as no Payment Order has been delivered to the Company pursuant to Section 9.2 of the Master Agreement.

(d) Defaults. The Company agrees that, upon delivery of a Payment Order to the Company pursuant to Section 9.2(a) of the Master Agreement, any default or event of default under any of the Bank Old Financing Agreements continuing on the date thereof or occurring thereafter shall be a default or event of default for purposes of acceleration of the indebtedness, and the exercise of rights and remedies, under such Bank Old Financing Agreements.

9. Other Changes and Provisions.

(a) Annex 4. The last sentence of each of the last two paragraphs of Annex 4 to the Master Agreement shall be, and is hereby, deleted in its entirety.

(b) CI General Equipment Leasing. The reference in Part 1 in Annex 6 of the Master Agreement to "230" under "Number of Cars in Series as of 12/31/84" under Contract Number 13577 (CI General Equipment Leasing Company) is hereby deleted and the number "231" is substituted in place thereof.

(c) Single Investor Leases. Any Single Investor Lessor, whose Single Investor Lease Amendment is in full force and effect on any Quarterly Payment Date or any other date with respect to which any payment under the Master Agreement or any other New Financing Agreement is calculated, shall be entitled to receive, whenever such payment is actually made, whatever portion of such payment the Master Agreement or such other New Financing Agreement allocates to it as of such Quarterly Payment Date or other date in accordance with its Distribution Percentage, notwithstanding the status or the effectiveness of its Single Investor Lease Amendment on the date of such actual payment.

(d) Single Investor Lessor.

(i) Status. American Fletcher Leasing Corporation, an Illinois Corporation ("AFLC"), has requested that its status as a "Single Investor Lessor" under the Master Agreement be changed to that of a "Creditor" under the Master Agreement. Upon

the execution and delivery by AFLC of the appropriate documentation therefor, AFLC shall not be a Single Investor Lessor but shall be a Creditor for all purposes under the Master Agreement, the other New Financing Agreements, and any other documents executed in connection therewith. Upon the execution and delivery by AFLC of the aforesaid documentation, any reference to AFLC or to any equipment lease agreement to which AFLC is a party in the definition of "Single Investor Lessors," "Single Investor Leases" or "Single Investor Lease Amendments" in the Master Agreement shall be deleted.

(ii) Master Agreement References. Upon the execution and delivery by AFLC of the aforesaid documentation, each reference to AFLC in Annex 2 of the Master Agreement shall be deleted and the references set forth on Exhibit H attached to this First Amendment shall be substituted therefor. Upon the execution and delivery of the aforesaid documentation, Exhibit T-1 to the Master Agreement shall be deleted in its entirety. Upon the execution and delivery of the aforesaid documentation, any reference in the Master Agreement, any other New Financing Agreements, Annex 6 to the Master Agreement, or any other document executed in connection with any of the foregoing to the "Equipment Lease Agreement between AFLC and the Company, dated as of September 15, 1975," and any Railcars referred to therein shall be deemed to be a reference to the conditional sale agreement referred to in paragraph A of Exhibit H hereto and the Railcars listed in such conditional sale agreement.

(iii) Conditional Sale Agreement. Upon the execution and delivery of the aforesaid documentation, AFLC and the Company shall agree to cancel that certain Equipment Lease Agreement between AFLC and the Company, dated as of September 15, 1975, and to replace it with the Old Financing Agreement referred to in paragraph A of Exhibit H hereto.

(e) Effectiveness of this First Amendment. If any Non-Participating Creditor listed on Exhibit A attached hereto or the Bank Creditors' Agent executes and delivers the Master Agreement, the other New Financing Agreements, and any other documents executed in connection therewith on the Closing Date or exercises its rights under Section 5(a) hereof to become a Participating Creditor or Participating Creditors' Agent, as the case may be, after the Closing Date, the terms and provisions of Section 6, Section 7(c) and Section 8 hereof shall be without further force and effect as to such Non-Participating Creditor or Bank Creditors' Agent, as the case may be, and such Non-Participating Creditor, Bank Creditors' Agent, and the Bank Creditors shall execute and deliver such additional documents and instruments, including, without limitation, new Assignment Agreements, as may be necessary to cause all of the Bank Old Financing Agreements, as Old Financing Agreements under the Master Agreement, to be subject to the terms and conditions of the Master Agreement and the other New Financing Agreements, including, without limitation, Article 4 of the Master Agreement.

10. Tax Sharing Agreement. Any reference in the Master Agreement, any other New Financing Agreement, the Assignment Agreements, the GECC Amendments or the Single Investor Lease Amendments to the "Tax Sharing Agreement" shall be deemed to be a reference to the "Agreement Regarding Beloit Corporation Tax Sharing Election," which agreement is set forth in its entirety in Exhibit Q to the Master Agreement.

11. Representations. Each representation and warranty made by any signatory hereto in any of the Master Agreement, the other New Financing Agreements, the Assignment Agreements, the GECC Amendments or the Single Investor Lease Amendments shall be and is hereby modified and conformed to be consistent with the terms and provisions of this First Amendment.

12. Full Force and Effect. Except as specifically amended by this First Amendment, the Master Agreement, the other New Financing Agreements, the

Assignment Agreements, the GECC Amendments, and the Single Investor Lease Amendments to which any Participating Single Investor Lessor is a party shall remain in full force and effect and are hereby ratified and confirmed.

13. No Waiver. The execution, delivery and effectiveness of this First Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any signatory hereto under the Master Agreement, any other New Financing Agreement, the Assignment Agreements, the GECC Financing Agreements and the Single Investor Leases to which any Participating Single Investor Lessor is a party.

14. Security Trustee Direction. Each signatory hereto, by its execution hereof, authorizes and directs the Security Trustee to enter into this First Amendment and perform all the duties required of it herein.

15. Direction to Creditors' Agents. Each of the Participating Creditors, by its execution hereof, authorizes and directs its respective Participating Creditors' Agents to enter into, or agree and consent to, as the case may be, this First Amendment and perform all duties required of each of them herein.

16. Effectiveness. For all purposes, this First Amendment shall be deemed to have been executed, delivered and given effect contemporaneously with the execution and delivery of the Master Agreement, the other New Financing Agreements executed in connection therewith, the Assignment Agreements, the GECC Amendments and the Single Investor Lease Amendments to which any Participating Single Investor Lessor is a party.

17. Counterparts. This First Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Any Participating Creditor, any Participating Creditors' Agent, any Participating Single Investor Lessor, GECC, CBT, J. P. Morgan or the Security Trustee may, at its option, indicate that it has become a

party to this First Amendment by sending to any Closing Representative (i) a facsimile signature page hereof or (ii) a telex substantially to the effect that such Person has become a party to this First Amendment in the form distributed to such Person for execution, the exercise of such option by such Person constituting an agreement to deliver, within three Business Days after such exercise, the executed signature pages of this First Amendment.

18. Modifications. This First Amendment may be amended, modified or supplemented, and waivers of or consents to departures from the provisions hereof may be given, only in the manner provided for in the Master Agreement.

19. Excess Cash Payments. Section 6.19(c)(i) and Section 7.8(b) of the Master Agreement notwithstanding, no Excess Cash Payment shall be due on the Closing Date or within fifteen (15) days after the first Quarterly Payment Date following the Closing Date. In lieu thereof, the Company agrees to pay to the Security Trustee, and there shall be due, within fifteen (15) days after the first Quarterly Payment Date following the Closing Date an amount equal to the remainder, if positive, of (i) the Cash Balance as of such Quarterly Payment Date minus (ii) Five Million Dollars ($5,000,000). Upon receipt of such amount, the Security Trustee shall distribute the same in accordance with the terms and provisions of the Master Agreement, as amended hereby. Commencing with the second Quarterly Payment Date following the Closing Date, the Company shall make all of the payments required to be made by it under Section 7.8 of the Master Agreement. The Participating Creditors and Participating Single Investor Lessors which receive any moneys under this Section 19 shall apply such moneys pursuant to Section 7.8(c) of the Master Agreement.

20. Governing Law. This First Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

21. Further Assurances. All of the parties which are signatories hereto agree, at any time and from time to time, upon the written request of any one or more of the

Security Trustee, the Company or the Required Persons, to execute and deliver any and all further instruments and documents and to take such further reasonable action as is reasonably necessary to conform the terms and provisions of any of the Master Agreement, the other New Financing Agreements, the Assignment Agreements, the Single Investor Lease Amendments and the GECC Amendments to the terms and provisions of this First Amendment.

22. Headings. Section headings in this First Amendment are included herein for convenience of reference only and shall not constitute a part of this First Amendment for any purpose.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment or caused this First Amendment to be executed by their duly authorized representatives, all as of the day and year first above written.

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY

By_____
Title:

PLECO, INC.

By_____
Title:

THE MONTOUR RAILROAD COMPANY

By_____
Title:

THE YOUNGSTOWN AND SOUTHERN RAILWAY COMPANY

By_____
Title:

GENERAL ELECTRIC CREDIT
CORPORATION

By_____
Title

J. P. MORGAN INTERFUNDING CORP.

By_____

Title:

THE CONNECTICUT BANK AND TRUST COMPANY, N.A., as Trustee

By_____

Title:

THE CONNECTICUT NATIONAL BANK,
As Security Trustee

By_____
Title:

FIRST SECURITY BANK OF UTAH,
N.A., as Agent

By_____
Title:

MANUFACTURERS HANOVER TRUST COMPANY, as Lender

By_____

Title:

ATTEST:

By_____
Corporate Trust Officer

MERCANTILE SAFE DEPOSIT & TRUST CO., as Agent

By_____
Title:

AETNA LIFE INSURANCE AND ANNUITY COMPANY

By_____

Title:

AETNA LIFE INSURANCE COMPANY

By_____

Title:

AMERICAN HEALTH LIFE INSURANCE COMPANY OF MARYLAND

By Commercial Credit Management Corporation

By_____

Title:

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

By CIGNA Capital Advisers, Inc.

By_____
Title:

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

By_____

Title:

FIRST NATIONAL BANK OF BOSTON, as Lender

By_____

Title:

GREYHOUND LEASING & FINANCIAL CORPORATION

By_____

Title:

HANSECO INSURANCE COMPANY

By_____

Title:

THE LAFAYETTE LIFE INSURANCE COMPANY

By_____

Title:

MACCABEES MUTUAL LIFE INSURANCE COMPANY

By_____

Title:

STATE TREASURER OF THE STATE OF MICHIGAN, CUSTODIAN OF PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM; STATE EMPLOYEES' RETIREMENT SYSTEM; STATE POLICE PENSION, ACCIDENT, AND DISABILITY FUND; JUDGES' RETIREMENT SYSTEM; AND PROBATE JUDGES' RETIREMENT SYSTEM

By_____

Title:

MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Trustee of a Commingled Pension Trust

By_____

Title:

MUTUAL SERVICE LIFE INSURANCE COMPANY

By_____

Title:

NATIONAL INVESTORS PENSION INSURANCE COMPANY

By_____

Title:

PITTSBURGH NATIONAL BANK, as Participant in Conditional Sale Agreement dated May 15, 1978

By_____

Title:

PITTSBURGH NATIONAL BANK, as Participant in Revolving Credit Agreement

By_____

Title:

PRESBYTERIAN MINISTERS' FUND

By_____

Title:

STANDARD INSURANCE COMPANY

By_____

Title:

VARIABLE ANNUITY LIFE INSURANCE COMPANY

By _____

Title: _____

STATE OF WISCONSIN INVESTMENT BOARD

By_____

Title:

AMERICAN FLETCHER LEASING CORPORATION

By_____

Title:

MANUFACTURERS HANOVER TRUST COMPANY, as Agent

By_____

Title:

SANWA GENERAL EQUIPMENT LEASING, INCORPORATED,
formerly known as CI GENERAL EQUIPMENT LEASING
CORPORATION

By_____
Title:

Agreed and consented to but only to the extent that this First Amendment affects any one or more of the Beloit/PLECO Subordination Agreements or the Tax Sharing Agreement to which Beloit Corporation is a signatory

BELOIT CORPORATION

By_____

Title:

Agreed and consented to:

THE FIRST NATIONAL BANK OF
BOSTON, as Agent

By_____
Title

EXHIBIT A

Non-Participating Creditors

Equibank

EXHIBIT B

Non-Participating Creditors' Agents

First National Bank of Boston, as Agent

EXHIBIT C

Non-Participating Single Investor Lessors

MDFC Equipment Leasing Corporation
Pittsburgh National Bank, as Lessor

EXHIBIT D

1. Continental Illinois National Bank and Trust Company of Chicago
2. The First National Bank of Boston
3. Manufacturers Hanover Trust Company
4. Pittsburgh National Bank

EXHIBIT E

ASSIGNMENT OF PROCEEDS AND VOTING RIGHTS

ASSIGNMENT OF PROCEEDS AND VOTING RIGHTS (this "Assignment"), dated as of May 1, 1985, by and among the banks set forth in Schedule 1 attached hereto (individually, a "Bank" and, collectively, the "Banks") and The Connecticut National Bank, a national banking association, as security trustee (the "Security Trustee") under that certain Master Agreement Regarding The Restructuring of Obligations of The Pittsburgh and Lake Erie Railroad Company dated as of May 1, 1985, among the Security Trustee, The Pittsburgh and Lake Erie Railroad Company, a Delaware corporation (the "Borrower"), the Creditors named therein, and the other parties thereto (as amended from time to time, the "Master Agreement").

Each Bank is a party to, is secured by, and/or is a beneficiary of, each of the documents set forth on Schedule 2 attached hereto (individually an "Old Financing Document" and, collectively, the "Old Financing Documents").

NOW, THEREFORE, to induce the execution of the Master Agreement by the parties thereto, and in consideration for the delivery of a Special Certificate of Interest and a Special Preferred Certificate to each Bank by the Security Trustee pursuant to Section 6 of the First Amendment to the Master Agreement Regarding the Restructuring of Obligations of The Pittsburgh and Lake Erie Railroad Company, dated as of May 1, 1985 (the "First Amendment"), each Bank and the Security Trustee agree as follows:

1. Each Bank hereby irrevocably and absolutely assigns and transfers to the Security Trustee all of its rights and interests in and to any and all present or future payments in respect of such Bank's interest in the Old Financing Documents and the payment obligations arising thereunder, including, without limitation, the Existing Obligations arising thereunder. Each Bank further irrevocably and absolutely assigns to the Security Trustee all of its respective rights and powers under the Old Financing Documents to vote such Bank's interests under the Old Financing Documents, including, without limitation, to accelerate all amounts owing under the Old Financing Documents, to consent to waivers and modifications of the Old Financing Documents, and generally to instruct the Agent (as defined in the Old Financing Documents) in accordance with the terms thereof.

2. Each Bank shall hold in trust on behalf of, and promptly deliver to, the Security Trustee any payments under, or in respect of, the Old Financing Documents.

3. This Assignment shall not subject the Security Trustee to any liability of any one or more of the Banks under any Old Financing Document. This Assignment shall be construed as an assignment of rights and benefits only and not as a delegation of obligations or duties. The Security Trustee shall be under no duty to perform any obligation of any Bank arising under any of the Old Financing Documents.

4. The Security Trustee shall have no recourse to any one or more of the Banks for or on account of the failure of the Borrower, Beloit or PLECO, as the case may be, to

make any of the payments due in respect of, or otherwise to comply with any of the provisions of, the Old Financing Documents.

5. The Security Trustee may further assign all or any of the rights assigned hereunder to it. In the event of any such assignment, any such assignee or subsequent assignee shall, to the extent of such assignment, enjoy all the rights, title, interest, powers, privileges and other benefits and be subject to all the obligations of the Security Trustee hereunder.

6. Except where otherwise defined herein, terms defined in the Master Agreement or First Amendment are used in this Assignment with the meanings ascribed to them in the Master Agreement and First Amendment, respectively.

7. This Assignment shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania.

8. This Assignment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment or caused this Assignment to be executed by their duly authorized representatives, all as of the day and year first above written.

THE FIRST NATIONAL BANK OF BOSTON, as a Bank (and not as Agent)

By_____

Title:

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

By_____

Title:

MANUFACTURERS HANOVER TRUST COMPANY

BY_____

Title:

PITTSBURGH NATIONAL BANK

BY_____

Title:

THE CONNECTICUT NATIONAL BANK, as Security Trustee

BY_____

Title:

Schedule 1

1. Continental Illinois National Bank and Trust Company of Chicago
2. The First National Bank of Boston
3. Manufacturers Hanover Trust Company
4. Pittsburgh National Bank

Schedule 2

1. Secured Revolving Credit and Term Loan Agreement Dated July 31, 1980, Among The Pittsburgh and Lake Erie Railroad Company, The First National Bank of Boston, Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank, and The First National Bank of Boston as Agent

2. Security Agreement Dated July 31, 1980, by and Between The Pittsburgh and Lake Erie Railroad Company, The First National Bank of Boston, as Agent for itself and for Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank

3. Guaranty Dated July 31, 1980, Between The Pittsburgh and Lake Erie Company, Guarantor and The First National Bank of Boston, for itself and as Agent for Continental Illinois National Bank and Trust Company of Chicago, Pittsburgh National Bank, Equibank and Manufacturers Hanover Trust Company

4. Modification of Secured Revolving Credit and Term Loan Agreement and Guaranty Dated October 9, 1980, Among PLECO, Inc. and The Pittsburgh and Lake Erie Railroad Company, and The First National Bank of Boston as Agent, Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank

5. Amendment No. 2 to Secured Revolving Credit and Term Loan Agreement Dated December 15, 1980, by and Among The Pittsburgh and Lake Erie Railroad Company and The First National Bank of Boston, Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank

6. Amendment No. 3 to Secured Revolving Credit and Term Loan Agreement Dated July 1, 1980, Among The Pittsburgh and Lake Erie Railroad Company and The First National Bank of Boston, Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank

7. Amendment No. 4 to Secured Revolving Credit and Term Loan Agreement Dated July 30, 1982, Among The Pittsburgh and Lake Erie Railroad Company and The First National Bank of Boston, Continental Illinois National Bank and Trust Company, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank

8. Supplement to the Security Agreement, dated July 31, 1980, by and between The Pittsburgh and Lake Erie Railroad Company and The First National Bank of Boston, as Agent for itself and for Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank

9. Consent of Banks under Secured Revolving Credit and Term Loan Agreement, dated July 31, 1980, as amended as of September 16, 1983 between The Pittsburgh and Lake Erie Railroad Company and The First National Bank of Boston, for itself and as Agent, Continental Illinois National Bank and Trust Company of Chicago, Pittsburgh National Bank and Equibank

10. Release of Collateral Dated September 20, 1983 from the Security Agreement dated July 31, 1980, Between The Pittsburgh and Lake Erie Railroad Company and The First National Bank of Boston, as Agent for itself and for Continental Illinois National Bank and Trust Company of Chicago, Manufacturers Hanover Trust Company, Pittsburgh National Bank and Equibank

11. Subordination Agreement Dated July 1, 1983 Between Beloit Corporation, PLECO, Inc., The Pittsburgh and Lake Erie Railroad Company and Manufacturers Hanover Trust Company

EXHIBIT F

Special Certificates of Interest

Participating Creditor	Registration Number of Certificate of Interest	Principal Amount of Certificate of Interest	Distribution Percentage
Manufacturers Hanover Trust Company	23-S	$2,750,533.80	1.9128953%
Continental Illinois National Bank and Trust Co. of Chicago	8-S	$2,750,533.80	1.9128953%
First National Bank of Boston	10-S	$2,750,533.80	1.9128953%
Pittsburgh National Bank	22-S	$1,833,689.20	1.2752635%

EXHIBIT G

Special Preferred Certificates

Participating Creditor	Registration Number of Preferred Certificates	Preferred Certificate Par Value Amount
Manufacturers Hanover Trust Company	23-S	$568,221.37
Continental Illinois National Bank and Trust Co. of Chicago	8-S	$568,221.37
First National Bank of Boston	10-S	$568,221.37
Pittsburgh National Bank	22-S	$379,905.75

EXHIBIT H

A. The references to "Contract Number 13580-Lease," "Equipment Lease Agreement, Dated September 15, 1975, Between American Fletcher Leasing Corporation and The Pittsburgh and Lake Erie Railroad Company," and "American Fletcher Leasing-SIL" shall be, and are hereby, deleted from Part I to Annex 2 of the Master Agreement and the following is substituted therefor:

Contract Number: 13580-0FA

Type of Agreement: Conditional Sale Agreement dated as of May 1, 1985, between American Fletcher Leasing Corporation and The Pittsburgh and Lake Erie Railroad Company.

Creditor: American Fletcher Leasing Corporation-C

B. Line 21 in Part II to Annex 2 of the Master Agreement is deleted in its entirety and the following is substituted therefor:

Creditors and Single Investor Lessors: American Fletcher Leasing-C

Contract Number: OFA-13580

Principal at 6/30/83: $957,130.70

Unpaid Accrued Interest at 6/3/83: N/A

Total Outstanding at 6/30/83: $957,130.70

Aggregate Single Investor Lease Investment at 6/30/83: N/A

Section 6.19(a) Payments: ($36,082.46)

Section 11.8 Payments: ($0)

Aggregate Amount of Obligations: $921,048.24

Single Investor Claim: N/A

Distribution Percentage: 0.5551148%

Rate of Interest: 10%