

15382-B

LAW OFFICES

ALVORD AND ALVORD

200 WORLD CENTER BUILDING  
918 SIXTEENTH STREET, N.W.  
WASHINGTON, D.C.  
20006-2973

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD\*  
CARL C. DAVIS\*  
CHARLES F. KAPPLER  
JOHN H. DOYLE\*  
GEORGE JOHN KETO\*  
MILTON C. GRACE\*  
JAMES C. MARTIN, JR.\*

\*NOT A MEMBER OF D.C. BAR  
\*ALSO ADMITTED IN NEW YORK  
\*ALSO ADMITTED IN OHIO  
\*ALSO ADMITTED IN MARYLAND

OF COUNSEL  
JESS LARSON  
JOHN L. INGOLDSBY  
URBAN A. LESTER

CABLE ADDRESS  
"ALVORD"

TELEPHONE  
AREA CODE 202  
393-2266

TELEX  
440367 A AND A

RECORDATION NO. 15382-B  
FILED 1425

JAN 11 1988 12:15 PM

INTERSTATE COMMERCE COMMISSION

January 11, 1988

Ms. Noretta R. McGee  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

No. 8-011A042

JAN 11 1988

Date.....

Fee \$.....

ICC Washington, D.C.

JAN 11 12 40 PM '88  
MOTOR OPERATING UNIT  
100 OFFICE OF  
THE CLERK

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are the original fully executed copy and one photocopy of a Purchase and Assignment Agreement dated January 7, 1988, a secondary document as defined in the Commission's Rules for the Recordation of Documents.

The enclosed document relates to the Conditional Sale Agreement dated as of October 1, 1987 between The Pittsburgh and Lake Erie Railroad Company, Seller, and CSX Transportation, Inc., Buyer, which was recorded on November 18, 1987 and assigned Recordation Number 15382.

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

Seller: The Pittsburgh and Lake Erie Railroad Company  
Commerce Court Building  
4 Station Square  
Pittsburgh, Pennsylvania 15219

Buyer: Irving Trust Company  
One Wall Street  
New York, New York 10015

A description of the railroad equipment covered by the enclosed document is set forth in Exhibit B attached hereto and made a part hereof.

Copy part - C.F. Kappler

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
January 11, 1988  
Page Two

Also enclosed is a check in the amount of \$10 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

A short summary of the enclosed secondary document to appear in the Commission's Index is:

Purchase and Assignment Agreement dated January 7, 1988 between The Pittsburgh and Lake Erie Railroad Company, Seller, and Irving Trust Company, Buyer, covering railroad freight equipment.

Very truly yours,

  
Charles T. Kappler

Enclosures

EXHIBIT B  
to  
Purchase and Assignment Agreement  
Dated as of January 7, 1988

Description of Cars

Attached.

19000 Series

Description of Rail Equipment: Gondolas  
AAR Car Type: G-517

P&LE Car Numbers set forth below.

19000	19089	19189	19305	19399	19500	19607	19697	19803	19893
19001	19091	19190	19308	19409	19506	19608	19699	19807	19894
19004	19093	19192	19309	19412	19509	19613	19700	19809	19895
19005	19096	19193	19312	19414	19511	19622	19702	19810	19896
19006	19098	19194	19314	19415	19513	19624	19703	19811	19900
19007	19099	19195	19318	19419	19514	19625	19709	19813	19902
19008	19106	19196	19319	19420	19515	19626	19710	19814	19903
19009	19107	19200	19320	19423	19520	19628	19711	19816	19904
19010	19108	19201	19321	19424	19521	19629	19712	19819	19908
19011	19110	19204	19323	19425	19523	19630	19713	19821	19911
19012	19112	19206	19325	19426	19525	19631	19714	19822	19913
19015	19113	19207	19327	19427	19526	19635	19716	19823	19914
19017	19114	19208	19329	19428	19528	19637	19719	19824	19922
19018	19118	19209	19330	19429	19529	19639	19722	19825	19923
19020	19120	19211	19333	19433	19530	19641	19723	19828	19926
19021	19121	19212	19337	19434	19532	19643	19724	19829	19930
19022	19123	19215	19338	19436	19533	19646	19726	19831	19931
19023	19125	19216	19341	19439	19534	19647	19727	19832	19932
19030	19128	19217	19343	19440	19535	19648	19728	19834	19933
19033	19130	19220	19346	19441	19536	19649	19729	19835	19934
19035	19131	19222	19348	19442	19537	19650	19731	19836	19935
19036	19134	19224	19349	19447	19541	19651	19733	19837	19936
19037	19135	19226	19352	19451	19546	19652	19734	19838	19937
19039	10137	19227	19354	19452	19556	19654	19736	19840	19938
19040	19140	19229	19356	19454	19557	19657	19737	19841	19939
19045	19144	19233	19357	19455	19560	19658	19742	19842	19941
19046	19145	19235	19359	19456	19564	19660	19744	19844	19943
19048	19148	19239	19360	19457	19565	19663	19748	19846	19944
19049	19149	19243	19363	19459	19571	19664	19749	19850	19945
19050	19150	19248	19367	19460	19572	19666	19752	19851	19946
19053	19154	19251	19370	19462	19574	19668	19754	19852	19947
19054	19155	19253	19271	19463	19577	19669	19761	19856	19948
19055	19158	19254	19373	19469	19578	19670	19762	19857	19950
19058	19159	19258	19375	19472	19579	19672	19763	19859	19951
19059	19160	19262	19376	19473	19581	19673	19764	19861	19953
19060	19161	19272	19377	19476	19582	19674	19765	19863	19958
19062	19166	19273	19378	19477	19584	19676	19770	19864	19959
19065	19168	19274	19380	19480	19585	19677	19771	19865	19961
19068	19169	19277	19382	19482	19589	19678	19775	19867	19963
19069	19170	19280	19383	19483	19590	19680	19780	19870	19964
19071	19171	19281	19386	19484	19592	19681	19782	19872	19965
19075	19172	19282	19387	19485	19593	19683	19784	19874	19966
19078	19173	19290	19388	19487	19598	19684	19785	19878	19967
19081	19174	19293	19389	19491	19599	19686	19789	19879	19969
19083	19180	19295	19390	19493	19600	19687	19791	19882	19971
19084	19182	19296	19392	19494	19602	19688	19794	19883	19970
19086	19183	19301	19394	19497	19603	19690	19797	19885	
19087	19185	19302	19395	19498	19604	19692	19798	19886	
19088	19188	19303	19396	19499	19605	19694	19800	19889	

19019  
19038  
19094  
19117  
19141  
19163  
19179  
19181  
19198  
19213  
19219  
19245  
19266  
19267  
19283  
19331  
19403  
19435  
19453  
19464  
19522  
19531  
19552  
19569  
19612  
19615  
19656  
19671  
19768  
19769  
19776  
19781  
19795  
19873  
19915  
19920

19912  
19070  
19595  
19862  
19890  
19351  
19772  
19942  
19957  
19405  
19568  
19778  
19956  
19252  
19596  
19397  
19527  
19361  
  
19449  
19410  
19555  
19906  
19580  
19917  
19072  
19739  
19871  
19369  
19407  
19431  
19755  
  
19468  
19512  
19488

19704  
19364  
19617  
19263  
19241  
19240  
  
19659  
19223  
19031  
19063  
19221  
19074  
19175  
19766  
19270  
19284  
19475  
19848  
19968  
19634  
19715  
19016  
19344  
19830  
19540  
  
19187  
19750  
19767  
19839  
  
19210  
19746

19225  
19231  
19588  
19866  
19307  
19151  
19384  
19921  
19026  
  
19085  
19793  
19116  
19230  
19924  
19928  
19741  
19384  
19586  
19310  
19549  
19640  
19443  
19242  
19002  
19826  
19847  
19203  
19237

42,000 Series

Description of Rail Equipment: Coil Cars  
AAR Car Type: E-641

P&LE Car Numbers Set Forth Below

42110	42443	42386
42312	42322	42403
42316	42359	42405
42325	42357	
42328	42445	42374
42329	42400	42394
42332	42358	42420
42335	42430	42307
42337	42318	42339
42345	42353	42347
42346	42379	42364
42351	42407	42366
42367	42387	42382
42368	42442	42413
42371	42305	42415
42378	42304	42439
42384	42361	42446
42385		
42389	42356	42314
42390		42319
42395	42302	42447
42398		42360
42401		42426
42409		42330
42410		42317
42414		
42423		42350
42431		42373
42432		
42435		
42441		
42448		
42449		
42331		
42358		
42362		
42370		
42344		
42391		
42419		
42399		
42372		

47,000 Series

Description of Rail Equipment: Pipe Gondolas  
AAR Car Type: E-330

P&LE Car Numbers set forth below.

47000 Series

47100	47192	47269	47334	47398
47103	47193	47271	47335	47399
47114	47195	47272	47336	
47116	47196	47273	47338	47229
47120	47197	47274	47339	47349
47131	47199	47275	47342	
47132	47200	47276	47344	
47133	47201	47277	47346	
47137	47203	47278	47347	
47138	47204	47280	47348	
47139	47205	47281	47351	
47140	47206	47282	47352	
47141	47208	47285	47353	
47143	47209	47288	47354	
47144	47211	47289	47356	
47145	47212	47290	47357	
47146	47213	47291	47358	
47147	47214	47292	47359	
47148	47215	47293	47361	
47149	47217	47294	47363	
47150	47219	47295	47364	
47151	47220	47296	47365	
47153	47221	47297	47367	
47154	47223	47299	47368	
47155	47224	47300	47369	
47156	47225	47301	47370	
47158	47226	47303	47373	
47160	47228	47304	47374	
47162	47231	47305	47375	
47163	47233	47306	47376	
47164	47234	47307	47377	
47165	47240	47308	47379	
47166	47242	47309	47380	
47168	47245	47311	47381	
47172	47246	47312	47382	
47174	47247	47314	47383	
47175	47249	47315	47384	
47178	47250	47319	47385	
47179	47251	47321	47386	
47180	47254	47322	47387	
47181	47255	47323	47388	
47182	47257	47324	47389	
47183	47258	47326	47391	
47185	47260	47327	47392	
47186	47262	47328	47393	
47187	47264	47329	47394	
47188	47265	47330	47395	
47189	47267	47331	47396	
47191	47268	47333	47397	

50,000 Series

Description of Rail Equipment: Gondolas  
AAR Car Type: G-517

P&LE Car Numbers set forth below.

50077  
50091  
50125  
50234  
50360  
50392  
50396  
50403  
50447  
50451  
50469  
50496  
50508  
50518  
50521  
50530  
50537  
50570  
50586  
50624  
50647  
50680  
50694  
50714  
50733  
50736  
50777

50129  
50135  
50174  
50274  
50295  
50298  
50342  
50459  
50547  
50577  
50617  
50776  
50786

51,000 Series

Description of Rail Equipment: Gondolas  
AAR Car Type: G-514

P&LE Car Numbers set forth below.

51007	51108
51014	51147
51022	51215
51048	51217
51064	51271
51097	51302
51107	51336
51123	51480
51124	51580
51133	
51140	
51150	
51156	
51157	
51164	
51170	
51186	
51194	
51229	
51245	
51252	
51260	
51262	
51286	
51298	
51301	
51317	
51352	
51359	
51386	
51411	
51427	
51432	
51448	
51449	
51469	
51487	
51505	
51512	
51523	
51567	

Description of Rail Equipment: Coil Cars  
AAR Car Type: E-641

P&LE Car Numbers set forth below.

142101	142217
142102	142219
142103	142221
142104	142223
142107	142225
142109	142227
142111	142228
142113	142231
142114	142232
142115	142235
142116	142240
142120	142244
142121	142249
142122	
142128	142140
142129	142158
142130	
142136	142127
142139	142148
142143	142155
142145	142203
142147	142210
142149	142229
142154	
142156	142117
142157	142142
142159	142151
142160	142187
142162	142236
142164	
142167	142144
142169	
142172	142125
142174	142216
142176	142135
142178	
142180	142161
142184	142204
142186	
142189	142181
142196	142182
142198	142245
142199	
142205	142241
142207	142239
142208	
142209	
142211	
142212	

**Interstate Commerce Commission**  
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Charles T. Kappler, Esq.  
Alvord & Alvord  
918 16th Street N.W.  
Washington, D.C. 20006

Dear  
Sir

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/11/88 at 12:55PM, and assigned recordation number(s). 15382-B

Sincerely yours,

*Narita L. McLee*  
Secretary

Enclosure(s)

PURCHASE AND ASSIGNMENT AGREEMENT

JAN 17 1988 M.L.

INTERSTATE COMMERCE COMMISSION

This Purchase and Assignment Agreement (the "Agreement") is made this 7th day of January, 1988 between The Pittsburgh and Lake Erie Railroad Company, a Delaware corporation (the "Seller") and Irving Trust Company, with an office located at One Wall Street, New York, New York 10015 (the "Buyer").

W I T N E S S E T H:

WHEREAS, the Seller has entered into a certain Conditional Sale Agreement (the "Conditional Sale Agreement") between the Seller and CSX Transportation, Inc. ("CSX") dated as of October 1, 1987, in substantially the form of Exhibit A, attached hereto and made a part hereof, pursuant to which the Seller has agreed to sell and CSX has agreed to purchase certain units of railroad rolling stock more fully described in Exhibit B attached hereto and made a part hereof (individually a "Car" and collectively the "Cars");

WHEREAS, the Seller desires to sell all of its right, title and interest in, to and under the Conditional Sale Agreement; and

WHEREAS, the Buyer is willing to purchase the Conditional Sale Agreement from the Seller upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The Seller hereby sells, transfers, assigns and conveys to the Buyer, without recourse, representation or warranty of any kind, except as otherwise provided herein, all of the Seller's right, title and interest in, to and under the Conditional Sale Agreement, including but not limited to:

(a) all right, title and interest of the Seller in and to each Car accepted by CSX pursuant to the terms of the Conditional Sale Agreement and any other collateral security now or hereafter provided under the Conditional Sale Agreement;

(b) all right, title and interest of the Seller in, to and under all of the other documents

executed in connection with the Conditional Sale Agreement (the "Other Documents");

(c) the immediate right to receive and collect any and all payments, other than the payment due and payable by CSX on December 31, 1987 pursuant to the terms of Section 2(a) of the Conditional Sale Agreement, which may be due or become due or owing under the Conditional Sale Agreement and any other sums payable to or receivable by the Seller under the Conditional Sale Agreement; and

(d) all of the Seller's rights, powers, privileges and remedies under the Conditional Sale Agreement, including, but not limited to, the right to consent or fail to consent and the right to release pursuant to the terms of the Conditional Sale Agreement.

(All of the foregoing rights shall hereinafter be referred to as the "Property").

In furtherance of the foregoing sale and assignment, the Seller hereby authorizes and empowers the Buyer, its successors and assigns, in the Buyer's own name or in the name of the Buyer's nominee, or in the name of the Seller or as attorney-in-fact for the Seller (the Buyer being hereby expressly appointed such for the purposes stated herein), to ask, demand, sue for, collect, receive and enforce (i) any and all sums to which the Buyer is or may become entitled under this Agreement (ii) compliance by CSX with the terms and agreements on its part to be performed under the Conditional Sale Agreement and (iii) compliance by CSX with the terms and agreements on its part to be performed under the Other Documents. The Buyer shall not, by virtue of this Agreement, be or become subject to any liability or obligation of the Seller to CSX, whether arising under the Conditional Sale Agreement or otherwise.

2. The Buyer hereby accepts such transfer, assignment and conveyance from the Seller.

3. The Buyer and the Seller hereby agree that the total purchase price for all of the Property shall be \$13,899,068 <sup>70</sup>/<sub>100</sub> (the "Purchase Price"). The Seller hereby authorizes and directs the Buyer to remit the Purchase Price directly to The Connecticut National Bank (the "Security Trustee"). Payment when so made shall be deemed to be payment to the Seller pursuant to this Agreement, shall constitute value given in exchange for the Property transferred to the Buyer pursuant to this Agreement and shall be without liability, of any kind or character, to the Buyer.

executed in connection with the Conditional Sale Agreement (the "Other Documents");

(c) the immediate right to receive and collect any and all payments, other than the payment due and payable by CSX on December 31, 1987 pursuant to the terms of Section 2(a) of the Conditional Sale Agreement, which may be due or become due or owing under the Conditional Sale Agreement and any other sums payable to or receivable by the Seller under the Conditional Sale Agreement; and

(d) all of the Seller's rights, powers, privileges and remedies under the Conditional Sale Agreement, including, but not limited to, the right to consent or fail to consent and the right to release pursuant to the terms of the Conditional Sale Agreement.

(All of the foregoing rights shall hereinafter be referred to as the "Property").

In furtherance of the foregoing sale and assignment, the Seller hereby authorizes and empowers the Buyer, its successors and assigns, in the Buyer's own name or in the name of the Buyer's nominee, or in the name of the Seller or as attorney-in-fact for the Seller (the Buyer being hereby expressly appointed such for the purposes stated herein), to ask, demand, sue for, collect, receive and enforce (i) any and all sums to which the Buyer is or may become entitled under this Agreement (ii) compliance by CSX with the terms and agreements on its part to be performed under the Conditional Sale Agreement and (iii) compliance by CSX with the terms and agreements on its part to be performed under the Other Documents. The Buyer shall not, by virtue of this Agreement, be or become subject to any liability or obligation of the Seller to CSX, whether arising under the Conditional Sale Agreement or otherwise.

2. The Buyer hereby accepts such transfer, assignment and conveyance from the Seller.

3. The Buyer and the Seller hereby agree that the total purchase price for all of the Property shall be \$13,899,068.70 (the "Purchase Price"). The Seller hereby authorizes and directs the Buyer to remit the Purchase Price directly to The Connecticut National Bank (the "Security Trustee"). Payment when so made shall be deemed to be payment to the Seller pursuant to this Agreement, shall constitute value given in exchange for the Property transferred to the Buyer pursuant to this Agreement and shall be without liability, of any kind or character, to the Buyer.

4. The Buyer's obligation to purchase the Property hereunder and to pay the Purchase Price pursuant to Paragraph 3 is subject to the satisfaction of the following conditions precedent:

(a) the receipt by the Buyer of each of the following, in form and substance, and in the case of (1), (2), (3) and (4), certified in a manner, satisfactory to the Buyer:

(1) a certificate of the Secretary of the Seller substantially in the form of Exhibit C with respect to the officers of the Seller authorized to execute and deliver this Agreement and any other documents executed in connection with this Agreement, to which shall be attached copies of the resolutions and by-laws referred to in such certificate;

(2) a copy of the articles of incorporation of the Seller, certified by the Secretary of State of Delaware;

(3) a good standing certificate with respect to the Seller, issued as of a recent date by the Secretary of State of Delaware and by the Secretary of the Commonwealth of Pennsylvania;

(4) an affidavit executed by an officer of the Seller in the form of Exhibit D, certifying that no default exists under the Conditional Sale Agreement and certifying the amount currently outstanding under the Conditional Sale Agreement and maturity dates for each installment thereunder;

(5) an opinion of counsel to the Seller, substantially in the form of Exhibit E;

(6) an opinion of counsel confirming the perfection of the Buyer's first priority liens on the Cars;

(7) a release and termination executed by The Connecticut National Bank (the "Security Trustee") and addressed to the Buyer, substantially in the form of Exhibit F;

(8) copies of appropriate financing statements, duly executed by the Seller and duly filed in such office or offices as may be necessary or, in the opinion of the Buyer,

desirable to perfect the ownership interest of the Buyer in the Property;

(9) copies of lien search reports relating to liens filed against the Seller in such jurisdictions as the Buyer may request, showing, in each case, that there are no prior liens, claims or encumbrances on any of the Cars or the other Property; and

(10) bills of sale covering all of the Cars accepted by CSX transferring title to the Cars to the Buyer.

(b) the Seller shall have obtained all consents from the Security Trustee and the Seller's creditors required to authorize Seller's execution, delivery and performance of this Agreement;

(c) (i) the Seller shall not have (A) commenced a voluntary case under the federal bankruptcy laws (as now or hereafter in effect), (B) filed a petition seeking to take advantage of any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up, composition or adjustment of debts, (C) consented to or failed to contest in a timely and appropriate manner any petition filed against it in an involuntary case under such bankruptcy laws or other laws, (D) applied for, or consented to, or failed to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of a substantial part of its assets, domestic or foreign, (E) admitted in writing its inability to pay, or generally not be paying, its debts (other than those that are the subject of a bona fide dispute) as they become due, (F) made a general assignment for the benefit of creditors, or (G) taken any corporate action for the purpose of effecting any of the foregoing; and (ii) no case or other proceeding has been commenced against the Seller in any court of competent jurisdiction seeking (A) relief under the federal bankruptcy laws (as now or hereafter in effect) or under any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or adjustment of debts, or (B) the appointment of a trustee, receiver, custodian, liquidator or the like of the Seller or of all or any substantial part of the assets, domestic or foreign, of the Seller; and

(d) all legal matters, including, without limitation, all documentation incident to this Agreement shall be reasonably satisfactory to Sidley & Austin, counsel for the Buyer.

If all of the aforementioned conditions precedent have not been met by the 31st day of January, 1988, the Buyer shall have the right to terminate this Agreement and shall be under no obligation to purchase the Property.

5. The Seller hereby represents and warrants to the Buyer that:

(a) the Conditional Sale Agreement is genuine, valid, enforceable and in all respects what it purports to be, and all information contained therein and all signatures thereon are true and correct;

(b) a list of all of the Other Documents is attached hereto as Exhibit G, and no oral agreements in connection with the Conditional Sale Agreement have been made;

(c) the Conditional Sale Agreement is in compliance with all applicable laws and regulations;

(d) no default exists and is continuing under that certain Master Agreement Regarding the Restructuring of Obligations of the Pittsburgh and Lake Erie Railroad Company dated as of May 1, 1985 by and among certain creditors of the Seller as set forth on the signature pages thereof, the Seller and the Security Trustee;

(e) the Cars were sold to CSX in a bona fide transaction, and delivered by the Seller to CSX in full compliance with the terms of the Conditional Sale Agreement;

(f) the security interest granted by the Conditional Sale Agreement is a valid, perfected and senior security interest in the property covered thereby and pursuant to this Agreement, the Seller will cause such actions or procedures to be taken as the Buyer requests or (in the absence of such request) to the Seller's knowledge are required or permitted by statute to perfect the Buyer's interests in the Property, which interests will then be senior and perfected;

(g) the Seller has not assigned the Conditional Sale Agreement and the security interests evidenced thereby to anyone other than the Security Trustee pursuant to that certain Agreement and Assignment among the Security Trustee, PLE and CSX dated as of October 1, 1987, which Agreement shall be terminated and all security interests in the Cars released concurrently with the execution of this Agreement and delivery of this Agreement is not in violation of any of the terms, conditions or provisions of any agreement or instrument to which the Seller is a party or by which the Seller is bound;

(h) to the best of the Seller's knowledge, no default as described in Section 11 of the Conditional Sale Agreement has occurred;

(i) all counterparts of the Conditional Sale Agreement have been clearly marked to indicate that only one is the "original," and the original Conditional Sale Agreement has been delivered to the Buyer contemporaneously with the execution hereof; and

(j) this Agreement is the valid and binding obligation of the Seller and effectively transfers good title to the Property to the Buyer free and clear of all liens, claims and encumbrances (other than the rights of CSX under the Conditional Sale Agreement).

6. The Seller hereby covenants and agrees to:

(a) permit the Buyer reasonable access to its books and records relating to the Conditional Sale Agreement;

(b) perform all of its obligations arising with respect to the Conditional Sale Agreement, including, but not limited to, its obligations under Sections 4, 6, 8, 9 and 13 of the Conditional Sale Agreement; and

(c) promptly notify the Buyer, in writing, of any change in the principal place of business of CSX after the Seller receives notice of such change.

7. The Buyer assumes no obligation or liability to CSX on the Conditional Sale Agreement, except for obligations to consider requests for consent and to release collateral upon compliance with the Conditional Sale Agreement.

8. Although the Buyer will notify CSX to make all payments due under the terms of the Conditional Sale Agreement directly to the Buyer, if nevertheless, the Seller receives any such payments, the Seller hereby agrees to remit to the Buyer all payments hereafter received by the Seller with respect to the Conditional Sale Agreement.

9. The Seller hereby subordinates all rights the Seller may now or hereafter have against the Cars or CSX pursuant to the Conditional Sale Agreement to any rights the Buyer may now or hereafter have against CSX pursuant to the Conditional Sale Agreement or this Agreement.

10. The waiver by the Buyer of any breach of warranty or covenant contained herein, in the Conditional Sale Agreement or other documents or agreements given pursuant hereto to the Buyer shall not be construed or deemed a waiver of any subsequent breach. The failure or delay by the Buyer to exercise any right, power or remedy shall not operate as a waiver thereof, and any rights, powers or remedies shall continue in full force and effect until all debts and liabilities of CSX pursuant to the Conditional Sale Agreement shall have been fully repaid. All rights, powers and remedies of the Buyer contained herein or in any other instrument or agreement are cumulative and non-exclusive.

11. The Seller shall file and record the Conditional Sale Agreement and this Agreement with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303.

12. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provisions of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

13. Except as otherwise expressly provided herein, any notice required or desired to be served, given or delivered hereunder shall be in writing, and shall be deemed to have been validly served, given or delivered (i) three (3) days after deposit in the United States mails, with proper postage prepaid, (ii) when sent after receipt of confirmation or answerback if sent by telecopy, telex or other similar facsimile transmission, (iii) three (3) days after deposited with a reputable overnight courier with all charges prepaid or (iv) when delivered, if hand-delivered by messenger, all of which shall be properly addressed to the party to be notified.

14. This Agreement shall be construed in all respects in accordance with, and governed by all of the provisions of the New York Uniform Commercial Code and the other internal laws (as opposed to the conflicts of law provisions) of the State of New York, provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303 and such additional rights arising out of the filing, recording, registering or depositing, if any, of this Agreement as shall be conferred by the laws of the several jurisdictions in which this Agreement shall be filed, recorded, registered or deposited.

15. The Buyer and the Seller hereby consent to the jurisdiction of any court of competent jurisdiction in the State of New York, and, by execution and delivery of this Agreement, the Buyer and the Seller (a) accept, generally and unconditionally, the nonexclusive jurisdiction of such courts and any related appellate court and irrevocably agree to be bound by any judgment rendered thereby in connection with this Agreement and (b) irrevocably waive any objection they may now or hereafter have as to the venue of any such suit, action or proceeding brought in such a court or that such court is an inconvenient forum. The Seller hereby irrevocably appoints CT Corporation as the Seller's agent for the purpose of accepting the service of any process within the State of New York. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of either party to bring proceedings against the other party in the courts of any other jurisdiction. The Buyer and the Seller hereby waive trial by jury in any judicial proceeding brought by the other party involving, directly or indirectly, any matter in any way arising out of, related to, or connected with this Agreement.

16. The Buyer agrees to pay the legal fees, title searches and Interstate Commerce Commission filing charges in connection with the purchase of the Conditional Sale Agreement. Other expenses shall be allocated pursuant to the terms of the Conditional Sale Agreement.

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

18. This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed an original but all such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of this 7th day of January, 1988.

THE PITTSBURGH AND LAKE ERIE  
RAILROAD COMPANY

By Gardner E. Nevenschwander  
Title: PRESIDENT

IRVING TRUST COMPANY

By \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of this 7th day of January, 1988.

THE PITTSBURGH AND LAKE ERIE  
RAILROAD COMPANY

By \_\_\_\_\_  
Title: \_\_\_\_\_

IRVING TRUST COMPANY

By Alfred Foreman  
Title: Assistant Vice President

COMMONWEALTH OF PENNSYLVANIA )  
 ) SS  
COUNTY OF ALLEGHENY )

On this \_\_\_ day of January, 1988, before me, the subscriber, Donna L. Woshner, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Gordon E. Neuenschwander to me personally known, who stated and acknowledged that he is the \_\_\_\_\_ President of Pittsburgh and Lake Erie Railroad Company, a Delaware corporation, and duly authorized by authority of the board of directors or the by-laws of said corporation in his capacity as such officer to execute and acknowledge the foregoing instrument for and in the name and on behalf of said corporation and further stated and acknowledged that he has so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this \_\_\_ day of January, 1988.

Donna L. Woshner  
Notary Public

DONNA L. WOSHNER, NOTARY PUBLIC  
PITTSBURGH, ALLEGHENY COUNTY  
MY COMMISSION EXPIRES OCT. 26, 1991

My Commission Expires \_\_\_\_\_  
Member, Pennsylvania Association of Notaries



0010.0.0

EXHIBIT A  
to  
Purchase and Assignment Agreement  
Dated as of January 7, 1988

Conditional Sale Agreement

Attached.

REGISTRATION NO. 1 5382

COUNTERPART  
ORIGINAL

NOV 18 1987 -3 22 PM

INTERSTATE COMMERCE COMMISSION

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CONDITIONAL SALE AGREEMENT

Dated as of October 1, 1987

Between

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY

and

CSX TRANSPORTATION, INC.

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## CONDITIONAL SALE AGREEMENT

THIS CONDITIONAL SALE AGREEMENT dated as of October 1, 1987 between THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY, a Delaware corporation (the "Seller"), and CSX TRANSPORTATION, INC., a Virginia corporation (the "Buyer").

### W I T N E S S E T H:

WHEREAS, subject to the terms and conditions herein set forth, the Seller agrees to sell and the Buyer agrees to purchase the units of railroad rolling stock more fully described in Exhibit A attached hereto (the "Cars");

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

SECTION 1. Delivery and Acceptance. The Seller agrees to tender to the Buyer, on or prior to December 1, 1987, for its inspection and acceptance, the number of Cars in each series equal to the maximum number of Cars for such series set forth in Exhibit A hereto. Within thirty (30) days of the date the Seller provides notice to the Buyer of the availability of a Car for inspection, the Buyer shall inspect the Car and if the Buyer determines that the Car is acceptable to it, the Buyer shall accept such Car. If the Buyer fails to accept a Car within such thirty (30) day period, the Buyer shall be deemed to have rejected such Car. As of the date of acceptance of a Car by the Buyer (the "Acceptance Date"), the Buyer shall execute and deliver to the Seller a certificate of acceptance in the form attached hereto as Exhibit B (the "Certificate of Acceptance") dated the Acceptance Date. If a Car so tendered is rejected or deemed rejected by the Buyer, the Seller at its option shall (i) repair the Car and re-tender it to the Buyer for its inspection and acceptance; (ii) substitute another car of the same series and tender such substituted Car to the Buyer for its inspection and acceptance; or (iii) advise the Buyer that such Car shall be excluded from the provisions of this Agreement. The Seller shall use its best efforts to tender Cars to the Buyer in accordance with the requirements of this Section, but the Seller shall not be in breach of its obligation hereunder if it is unable to perform due to conditions constituting force majeure. If the conditions constituting force majeure terminate prior to December 31, 1987 but, nevertheless, prevented the Seller from tendering all of the Cars to the Buyer on or prior to December 1, 1987, the Seller shall continue to tender Cars to the Buyer to and including December 31, 1987. Any Car not tendered to, inspected and accepted by the Buyer on or before December 31, 1987 shall be excluded for all purposes from the provisions of

this Agreement. Cars shall, at the option of the Seller, be tendered to the Buyer at any interchange point on the lines of the Seller reasonably selected by it or at such other places as are mutually acceptable to the Buyer and the Seller.

Upon the execution and delivery by the Buyer of a Certificate of Acceptance with respect to a Car, the Car shall be deemed for all purposes of this Agreement to have been delivered to and accepted by the Buyer, and the Buyer will assume the responsibility and risk of the Car which shall be deemed to have been transferred to the Buyer "as is" and "where is" in the condition in which delivered and at the place where such Car shall then be physically located, with no representations or warranties from the Seller concerning such Car.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE SELLER WILL NOT BE DEEMED TO HAVE MADE, AND THE SELLER HEREBY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE CARS, THEIR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE CARS.

The Buyer and the Seller acknowledge that several of the Cars are, as of the date hereof, subject to lease agreements between the Buyer and the Seller. The lease agreement with respect to any such Car and the Buyer's obligation to pay rental thereunder shall terminate on and as of the Acceptance Date of such Car. In all other respects, all such existing lease agreements shall continue in full force and effect. Except as otherwise provided in a lease or other agreement between the Buyer and the Seller, the Buyer shall have no responsibility for a Car prior to the delivery to and acceptance of such Car by the Buyer.

Except as set forth in the preamble to this Agreement and in this Section, all references in this Agreement to a "Car" or "Cars" shall mean and refer only to (a) such units of railroad equipment as have been delivered to and accepted by the Buyer pursuant to the provisions of this Section and as to which the Buyer has executed and delivered a Certificate of Acceptance, and (b) Replacement Cars, as provided in Section 9 hereof.

**SECTION 2. Purchase Price and Payment.** The Buyer hereby acknowledges itself to be indebted to the Seller and hereby promises to pay in cash to the Seller, its successors and assigns, at the times hereinafter set forth and at such place as the Seller may designate, the amounts set forth below:

- a. for each Car delivered to and accepted by the Buyer hereunder, on December 31, 1987, an amount equal to .023068% of the deferred payment price, as set forth in

the table below (the "Deferred Payment Price"), for such Car multiplied by the number of days elapsed from but excluding the Date of Acceptance of such Car to and including December 31, 1987; and

b. for each Car delivered to and accepted by the Buyer hereunder, in twenty (20) equal consecutive quarterly installments commencing on March 31, 1988 and on each June 30, September 30, December 31 and March 31 thereafter to and including December 31, 1992, the Deferred Payment Price for such Car (as set forth in the table below), with each such quarterly installment payment to be in the amount set forth in the table below:

<u>Car Series (P&amp;LE)</u>	<u>Deferred Payment Price Per Car</u>	<u>Quarterly Installment Payment Per Car</u>
19000-19999 Series Gons	\$13,214.40	\$660.72
50000-50799 Series Gons	\$23,093.00	\$1,154.65
51000-51599 Series Gons	\$23,093.00	\$1,154.65
42302-42449 Series Coil Cars	\$11,762.40	\$588.12
142000-142249 Series Coil Cars	\$14,114.00	\$705.70
47000-47399 Series Pipe Gons	\$28,224.80	\$1,411.24

On any installment payment date and upon not less than thirty (30) days prior written notice to the Seller, the Buyer may prepay in whole or in part and without penalty the Deferred Payment Price for all Cars delivered to and accepted by the Buyer hereunder using a discount factor to present value of 8% per annum. After giving effect to any partial prepayment of the Deferred Payment Price, the Seller shall recalculate the remaining installments of the Deferred Payment Price so that (i) each such installment of the Deferred Payment Price for a series of Cars shall continue to be equal in amount to all other remaining installments of the Deferred Payment Price for such series of Cars and (ii) the amount of each installment of the Deferred Payment Price for a series of Cars shall remain in the same proportion to the amount of each installment of the Deferred Payment Price for all other series as existed prior to the date of such prepayment.

In addition to all other amounts payable by the Buyer hereunder, the Buyer agrees to pay to the Seller, its successors or assigns, to the extent legally enforceable, interest upon all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof at the rate equal to the greater of (i) 12% per annum or (ii) the per annum rate of interest publicly announced from time to time by Manufacturers Hanover Trust Co., New York, New York, as its prime rate of interest.

SECTION 3. Security Interest in the Cars. To secure the payment by the Buyer of all amounts required to be paid to the Seller hereunder and the performance by the Buyer of all of its agreements and undertakings contained herein, the Seller shall and hereby does retain a security interest in the Cars, together with any substitutions or replacements thereof and all increases, parts, fittings, accessories, special tools or accessions thereto, whether now owned or contemporaneously or hereafter acquired and any proceeds thereof.

Upon receipt of final payment by the Seller, title to the Cars will be transferred to the Buyer and the Seller will execute an appropriate bill of sale for the Cars transferring or releasing its interest therein to the Buyer and such other documents, if any, which may be necessary for the Seller to release publicly its interest in and to the Cars, to be presented at the time of the last installment payment, provided that all other amounts due and owing under this Agreement shall have been paid by the Buyer and the Buyer shall otherwise have fully performed all of its agreements and undertakings contained herein.

SECTION 4. Assignments. During the term of this Agreement, the Buyer shall not assign this Agreement or assign or lease any of the Cars without the prior written consent of the Seller, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Buyer may assign or lease any of the Cars to an affiliate or subsidiary company of the Buyer, so long as the Buyer is not released from any obligations under this Agreement, which shall remain those of a principal and not of a surety.

All or any of the rights, benefits and advantages of the Seller under this Agreement, including the right to receive the payments herein provided to be made by the Buyer, may be assigned by the Seller and reassigned by any assignee at any time or from time to time. No such assignment shall subject any assignee to, or relieve the Seller from, any of the Seller's obligations, warranties and indemnities contained herein, which shall be and remain enforceable by the Buyer against and only against the Seller.

The parties hereto acknowledge that the Seller intends to assign its rights hereunder to The Connecticut National Bank,

as Security Trustee (the "Trustee") under a Master Agreement Regarding the Restructuring of Obligations of The Pittsburgh and Lake Erie Railroad Company, dated as of May 1, 1985, as amended (the "Master Agreement"), pursuant to an Agreement and Assignment dated as of the date hereof in substantially the form set forth as Exhibit C hereto (the "Agreement and Assignment") among the Trustee, the Seller and the Buyer. The Buyer expressly represents for the purpose of assurance to the Trustee, its successors and assigns, and to any other person, firm or corporation acquiring or considering the acquisition of all or any of the rights of the Seller under this Agreement, and for the purposes of inducing such acquisition, that in the event of such assignment by the Seller as hereinbefore provided, the rights of the Trustee or such other assignee to the payments herein provided to be made by the Buyer or such part thereof as may be assigned, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Seller with respect to the Cars or with respect to any warranty, covenant or indemnity herein contained, nor be subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Buyer by the Seller. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Buyer against and only against the Seller.

SECTION 5. Marking of the Cars. The Buyer agrees to place its reporting marks from the appropriate CSXT series shown on Exhibit A hereto on each Car delivered and accepted hereunder as soon as soon as practicable after the Acceptance Date of such Car; provided, however, that on or prior to December 31, 1987 the Buyer shall place its reporting marks on all 42000 Series Coil Cars and all 142000 Series Coil Cars delivered and accepted hereunder. When the marking of the Cars has been accomplished by the Buyer and from time to time at the reasonable request of the Seller, the Buyer shall file a statement of new road numbers with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303. At such time as the Buyer places its reporting marks on the Cars, as provided in this Section, the Buyer agrees to plainly, conspicuously and permanently mark the side of each Car with the following notation in at least one inch high letters: "Ownership Subject to a Security Agreement Filed with the Interstate Commerce Commission." The Buyer agrees to provide such other markings on the Cars as from time to time may be required by law in order to protect the Seller's title and interests in the Cars and its rights under this Agreement. The Buyer will not change the reporting marks or numbers of any Cars except: (a) as provided in this Section or (b) in accordance with a statement of new marks or numbers to be substituted therefor, which statement shall be executed by the Seller and the Buyer and filed by the Buyer with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303.

The Buyer will not allow the name of any person, association or corporation to be placed on a Car as a designation that might be interpreted as a claim of ownership, except that the Buyer may cause the Cars to be lettered with the names or initials or other insignia of the Buyer or its permitted lessees and assigns.

SECTION 6. Car Accounting. With respect to each Car which continues to bear the Seller's road numbers, the Seller agrees to remit to the Buyer in the usual manner all car hire earned by such Car and received by the Seller and attributable to the period from and after the Acceptance Date for such Car. The Seller shall perform its obligations hereunder with the same degree of diligence as it applies to collect car hire or similar payments due the Seller for its own account. The Seller shall perform this service without charge to the Buyer for the period to and including (a) January 31, 1988, if the Acceptance Date of the Car is October 1, 1987, or (b) the last day of the third calendar month following the Acceptance Date for all other Cars, and thereafter shall perform such service for the Buyer at a cost of Ten Dollars (\$10.00) per Car per month until the Buyer has arranged for the remarking of the Car in accordance with the provisions of Section 5 hereof.

SECTION 7. Insurance. The Buyer will, at all times prior to the payment of the final installment payment for the Cars, at its own expense, cause to be carried and maintained (a) property insurance in respect to the Cars, and (b) public liability insurance with respect to third party personal and property damage, in each case in such amounts and for such risks, with such insurance companies and with such self-insurance retention levels as are consistent with prudent industry practice, but in any event at least comparable to insurance coverage carried by the Buyer in respect of similar equipment owned or leased by it; provided, however, that the Buyer may self-insure to the extent it customarily self-insures equipment owned or leased by it similar to the Cars and to the extent such self-insurance is consistent with prudent industry practice.

The proceeds of any property insurance shall be payable to the Seller and the Buyer, as their respective interests may appear. Any policies of insurance carried in accordance with this Section shall:

(X) require 10 days' prior written notice to the Seller of cancellation or material change in coverage; and

(Y) name the Seller as an additional named insured and loss payee, as its interest may appear, and in the event such policies shall contain breach of warranty provisions,

such policies shall provide that in respect of the interests of the Seller in such policies, the insurance shall not be invalidated by any action or inaction of the Buyer or any other person (other than the Seller) and shall insure the Seller regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Buyer or by any other person (other than the Seller).

The Seller is advised that the Buyer is currently self-insured as to both property insurance and public liability insurance, consistent with prudent industry practice, and does not presently contemplate the purchase of additional insurance policies regarding the Cars or similar equipment during the term of this Agreement.

SECTION 8. Impositions. The Buyer shall keep the Cars free and clear of all liens, taxes and encumbrances of every kind, and shall pay, or immediately reimburse the Seller for payment of, all taxes, assessments and other similar payments (collectively, "Impositions") which may be levied, directly or indirectly, against the Cars or any interest therein, or the sale or use thereof, whether such Impositions be levied against the Seller or the Buyer, excluding any income, income-type or preference-type tax assessed against the Seller. The Seller remains responsible for payment of any of the Impositions which accrued prior to the Acceptance Date of the Cars. Notwithstanding the foregoing, the Buyer is not required to pay any Imposition accruing after the Acceptance Date of a Car so long as it is contesting in good faith the applicability, constitutionality, assessment or amount of such Imposition through appropriate legal proceedings. The Buyer agrees to pay as incurred all expenses related to the contest of the Impositions and the amount, if any, of such Imposition after the conclusion of such legal proceedings.

SECTION 9. Maintenance; Casualty Occurrences. The Buyer, at its own expense, will at all times during the term of this Agreement maintain (or cause to be maintained) the Cars in good order and repair (to the same standard applicable to rolling stock in the Buyer's fleet of similar age and type) ordinary wear and tear excepted. In the event that any of the Cars shall be or become worn out, lost, obsolete, stolen, destroyed, irreparably damaged or otherwise rendered permanently unfit for use from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being hereinafter called "Casualty Occurrences"), the Buyer shall promptly and fully inform the Seller in regard thereto (after its Treasury Department has knowledge of such Casualty Occurrence).

When more than ten (10) Cars shall have suffered Casualty Occurrences and within thirty (30) days after its Treasury Department has knowledge of such event, the Buyer shall take one of the following two actions with respect to each Car suffering a Casualty Occurrence in excess of ten (10) Cars suffering Casualty Occurrences (an "Excess Casualty Car"):

(a) the Buyer shall prepay the remaining installments of the Deferred Payment Price due with respect to such Excess Casualty Car, such amounts to be discounted to present value using a discount rate of 8% per annum; or

(b) the Buyer shall continue making the installment payments required by Section 2 hereof and shall substitute a unit or units of standard gauge railroad rolling stock, other than passenger or work equipment (a "Replacement Car"), for such Excess Casualty Car, which Replacement Car shall have, in each case in the opinion of the Seller, a fair market value and remaining useful life equal to or greater than the Excess Casualty Car. Such Replacement Car shall be marked in the same manner as all other Cars subject to this Agreement, and the Buyer shall take all other actions required by Section 15 hereof.

Any and all such Replacement Cars shall be subject to all appropriate terms and conditions of this Agreement as though part of the original Cars delivered hereunder and shall be included in the term "Cars" as used in this Agreement. Title to all such Replacement Cars shall be taken initially and shall remain in the name of the Seller subject to the provisions hereof; and the Buyer shall execute, acknowledge, deliver, file, record or deposit all such documents and do any and all such acts as may be necessary to cause such Replacement Cars to come under and be subject to this Agreement. All such Replacement Cars shall be guaranteed and warranted in like manner as is customary at the time for similar equipment.

SECTION 10. Indemnification. The Buyer agrees to indemnify and hold the Seller, the Trustee and their respective successors and assigns (an "Indemnitee") harmless from and against any and all expenses, liabilities, demands or causes of action, whether well-founded or otherwise, including the cost of defending the same, which an Indemnitee may incur or be subject to in any manner, or by any other cause, both during and after the term of this Agreement, arising out of or as a result of: (1) the use, possession or operation of the Cars by the Buyer or its lessees and assigns; or (2) any accident in connection with the use, possession or operation of the Cars by the Buyer, its

lessees and assigns, resulting in damage to property, death of or injury to any person, including but not limited to the Buyer and the Seller and their respective employees, or pursuant to any federal or state employer's liability, workers' compensation, or other compensation law, to the extent that such damage, death or injury or claim relating to the use, possession or operation of the Cars (under either clause (1) or (2) above) is not caused by the sole or concurring negligence of the Seller, its agents, servants or employees. Such expenses, liability or costs shall include court costs, attorneys' fees, or other legal fees.

SECTION 11. Defaults. The Buyer shall be in default under this Agreement upon the occurrence of any of the following: (a) failure to make an installment payment of the Deferred Payment Price as and when the same shall become due and owing hereunder, but only if not corrected within five (5) business days after receipt of written notice from the the Seller specifying such failure, (b) failure to perform any other obligation assumed by the Buyer herein, but only if not corrected within 30 days after receipt of written notice from Seller specifying such failure, (c) allowing or permitting any lien, charge or encumbrance to be placed on or levied against any Car, unless the Buyer shall be complying with the contest provisions of Section 8 hereof or unless the Seller shall have given its prior written consent to the creation of such lien, charge or encumbrance, (d) the commencement of any bankruptcy proceeding by or against the Buyer that is not stayed, nullified, dismissed or otherwise rendered ineffective within 60 days of the commencement of such proceeding, or (e) the dissolution or insolvency of the Buyer (except that the Buyer may merge with another company so long as the obligations of the Buyer under this Agreement are assumed in writing by the surviving entity).

SECTION 12. Remedies. Upon any default described in Section 11 hereof, any remaining installments of the Deferred Payment Price and all other indebtedness of the Buyer hereunder, as reduced to their present value using a discount rate of 8% per annum, shall become immediately due and payable without notice or demand.

After any default described in Section 11 hereof, the Seller shall have any and all rights and remedies of a secured party under applicable law, without election or limitation, including the right to repossess and retain, sell or otherwise dispose of the Cars. The Seller agrees to send the Buyer reasonable notice (not less than 15 days) of the time and place of any public sale or reasonable notice (not less than 15 days) of the time after which any private sale or any other disposition is to be made. Proceeds of any sale or disposition of the Cars shall be applied first, to pay the reasonable expenses of retaking, holding, preparing for sale, repairing, insuring, selling and the like, including the reasonable attorneys' fees incurred by the

Seller, and second, to satisfy the unpaid portion of the Deferred Payment Price and all other indebtedness of the Buyer hereunder. The Buyer shall remain liable for any deficiency, and any surplus will be given to the Buyer.

After any default described in Section 11 hereof and if the Seller shall demand possession of the Cars pursuant to this Agreement and shall reasonably designate a point or points upon the premises of the Buyer for the delivery of the Cars to the Seller, the Buyer shall, at its own expense, forthwith and in the usual manner cause the Cars to be moved to such point or points on its lines as shall be designated by the Seller and shall there deliver the Cars or cause them to be delivered to the Seller. At the option of the Seller, the Seller may keep the Cars on the lines or premises of the Buyer until the Seller shall have leased, sold or otherwise disposed of the same, and for such purpose the Buyer agrees to furnish, without charge for rent or storage, the necessary facilities at any point or points selected by the Seller reasonably convenient to the Buyer and to permit inspection of the Cars by the Seller, the Seller's representatives and prospective purchasers and users. This agreement to deliver the Cars and furnish facilities as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court of equity having jurisdiction in the premises, the Seller shall be entitled to a decree against the Buyer requiring specific performance hereof. The Buyer hereby expressly waives any and all claims against the Seller and its agent or agents for damages of whatever nature in connection with any retaking of the Cars in any reasonable manner.

SECTION 13. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Buyer as follows:

a. as of the Acceptance Date of each Car, title to such Car will be lawfully vested in the Seller free and clear of all liens, charges, security interests, purchase options and encumbrances, excepting only the rights of the Buyer under this Agreement and the rights of the Trustee under the Agreement and Assignment;

b. the execution and delivery of this Agreement by the Seller and the Buyer's possession, remarking and use of the Cars hereunder will not violate or constitute a default under any agreement to which the Seller is a party;

c. during the term of this Agreement and prior to any default by the Buyer

described in Section 11 hereof, the Seller agrees that it will not execute any instrument or agreement which would affect or otherwise encumber Seller's title to the Cars, other than this Agreement, the Agreement and Assignment or any release, bill of sale or other instrument required to be executed by the Seller pursuant to the provisions of this Agreement or the Agreement and Assignment; and

d. except for a letter agreement dated July 28, 1987 (the "Letter Agreement") between the Seller and Southern Pacific Transportation Company ("SP"), the Seller has entered into no agreements which would give rise to a right of any third party (other than the Buyer) to pay less than the prescribed per diem for its use of any of the Cars. A thirty (30) day cancellation notice was issued by the Seller to SP pursuant to the provisions of the Letter Agreement on October 21, 1987.

SECTION 14. Quiet Enjoyment. So long as the Buyer is not in default regarding the provisions of this Agreement, the Buyer is entitled to the full, complete and quiet possession and enjoyment of all Cars delivered and accepted by the Buyer. Should any party attempt to challenge the Buyer's rights under this Section due to any: (a) defect or alleged defect in the Seller's title; (b) default of the Seller under the Master Agreement or other contract; (c) bankruptcy or liquidation of the Seller, or (d) other actions or representations of the Seller, the Seller agrees to indemnify, defend and hold the Buyer harmless from and against any and all expenses, liabilities, demands or causes of action, whether well-founded or otherwise, including the cost of defending the same, which the Buyer may incur or be subject to in any manner, or by any other cause, both during and after the term of this Agreement, arising out of or as a result of such challenge.

SECTION 15. Recording. The Buyer will cause this Agreement, any assignments hereof and any amendments or supplements hereto or thereto which have been executed or acknowledged by the Buyer, to be filed and recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303; and the Buyer will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments reasonably requested by the Seller for the purpose of proper protection of its interest in the Cars and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement; and the Buyer will promptly furnish to the Seller certificates or other evidence of such filing, registering, depositing and recording.

SECTION 16. Notice. Any notice required by this Agreement must be in writing and shall be deemed to have been properly served if delivered or sent by first class U.S. mail or overnight express to the parties at the addresses shown below:

To Buyer: CSX Transportation, Inc.  
Attention: Treasury-Equipment Business  
Unit B7J  
100 North Charles Street  
Baltimore, Maryland 21201

To Seller: The Pittsburgh and Lake Erie  
Railroad Company  
Commerce Court Building  
4 Station Square  
Pittsburgh, Pennsylvania 15219  
Attention: President

or at such other address as may have been furnished by such party to the other party to this Agreement in accordance with the provisions of this Section.

SECTION 17. Governing Law. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Pennsylvania, without regard to its conflicts of law doctrine; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

SECTION 18. Section Headings; Effect and Modification of Agreement. All Section headings are inserted for convenience only and shall not affect the construction or interpretation of this Agreement. This Agreement, including the Exhibits hereto, exclusively states the rights of the Buyer and the Seller with respect to the subject matter hereof and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the parties hereto.

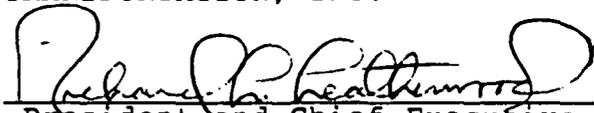
SECTION 19. Execution. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby and pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names as of the date and year first above written.

THE PITTSBURGH AND LAKE ERIE  
RAILROAD COMPANY

By:   
President

CSX TRANSPORTATION, INC.

By:   
President and Chief Executive  
Officer of CSX Equipment, a  
business unit of CSX  
Transportation, Inc.

COMMONWEALTH OF PENNSYLVANIA )  
 ) SS  
COUNTY OF ALLEGHENY )

On this 6<sup>th</sup> day of November, 1987, before me, the subscriber, KATHLEEN G. CAVANAUGH, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Gordon E. Neuenschwander to me personally known, who stated and acknowledged that he is the President of The Pittsburgh and Lake Erie Railroad Company, a Delaware corporation, and duly authorized by authority of the board of directors or the by-laws of said corporation in his capacity as such officer to execute and acknowledge the foregoing instrument for and in the name and on behalf of said corporation and further stated and acknowledged that he has so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 6<sup>th</sup> day of November, 1987.

Kathleen G. Cavanaugh

My commission expires:

Sept 1990

KATHLEEN G. CAVANAUGH NOTARY PUBLIC  
PITTSBURGH, ALLEGHENY COUNTY  
MY COMMISSION EXPIRES SEPT. 1, 1990  
Member, Pennsylvania Association of Notaries

STATE OF MARYLAND            )  
  )  SS  
CITY OF BALTIMORE            )

On this 3rd day of November, 1987, before me, the subscriber, Patricia L. Lewis, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Richard L. Leatherwood to me personally known, who stated and acknowledged that he is the President and Chief Executive Officer of CSX Equipment, a business unit of CSX Transportation, Inc., a Virginia corporation, and duly authorized by authority of the board of directors or the by-laws of said corporation in his capacity as such officer to execute and acknowledge the foregoing instrument for and in the name and on behalf of said corporation and further stated and acknowledged that he has so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 3rd day of November, 1987.

Patricia L. Lewis

My commission expires: JUL 1 1990

Exhibit A

DESCRIPTION OF THE CARS

	<u>EXISTING CAR SERIES</u>	<u>NEW CAR SERIES</u>	<u>AAR CAR TYPE</u>	<u>MAXIMUM NUMBER OF CARS</u>
PLE	19000 - 19999	CSXT 481584 - 482198	G-517	615
PLE	50000 - 50799	CSXT 482199 - 482238	G-517	40
PLE	51000 - 51599	CSXT 482239 - 482288	G-514	50
PLE	42302 - 42449	CSXT 499050 - 499134	E-641	85
PLE	142000 - 142249	CSXT 499135 - 499219	E-641	85
PLE	47000 - 47399	CSXT 482289 - 482488	E-330	200

19000 Series

19000	19089	19189	19305	19399	19500	19607	19697	19803	19893
19001	19091	19190	19308	19409	19506	19608	19699	19807	19894
19004	19093	19192	19309	19412	19509	19613	19700	19809	19895
19005	19096	19193	19312	19414	19511	19622	19702	19810	19896
19006	19098	19194	19314	19415	19513	19624	19703	19811	19900
19007	19099	19195	19318	19419	19514	19625	19709	19813	19902
19008	19106	19196	19319	19420	19515	19626	19710	19814	19903
19009	19107	19200	19320	19423	19520	19628	19711	19816	19904
19010	19108	19201	19321	19424	19521	19629	19712	19819	19908
19011	19110	19204	19323	19425	19523	19630	19713	19821	19911
19012	19112	19206	19325	19426	19525	19631	19714	19822	19913
19015	19113	19207	19327	19427	19526	19635	19716	19823	19914
19017	19114	19208	19329	19428	19528	19637	19719	19824	19922
19018	19118	19209	19330	19429	19529	19639	19722	19825	19923
19020	19120	19211	19333	19433	19530	19641	19723	19828	19926
19021	19121	19212	19337	19434	19532	19643	19724	19829	19930
19022	19123	19215	19338	19436	19533	19646	19726	19831	19931
19023	19125	19216	19341	19439	19534	19647	19727	19832	19932
19030	19128	19217	19343	19440	19535	19648	19728	19834	19933
19033	19130	19220	19346	19441	19536	19649	19729	19835	19934
19035	19131	19222	19348	19442	19537	19650	19731	19836	19935
19036	19134	19224	19349	19447	19541	19651	19733	19837	19936
19037	19135	19226	19352	19451	19546	19652	19734	19838	19937
19039	10137	19227	19354	19452	19556	19654	19736	19840	19938
19040	19140	19229	19356	19454	19557	19657	19737	19841	19939
19045	19144	19233	19357	19455	19560	19658	19742	19842	19941
19046	19145	19235	19359	19456	19564	19660	19744	19844	19943
19048	19148	19239	19360	19457	19565	19663	19748	19846	19944
19049	19149	19243	19363	19459	19571	19664	19749	19850	19945
19050	19150	19248	19367	19460	19572	19666	19752	19851	19946
19053	19154	19251	19370	19462	19574	19668	19754	19852	19947
19054	19155	19253	19271	19463	19577	19669	19761	19856	19948
19055	19158	19254	19373	19469	19578	19670	19762	19857	19950
19058	19159	19258	19375	19472	19579	19672	19763	19859	19951
19059	19160	19262	19376	19473	19581	19673	19764	19861	19953
19060	19161	19272	19377	19476	19582	19674	19765	19863	19958
19062	19166	19273	19378	19477	19584	19676	19770	19864	19959
19065	19168	19274	19380	19480	19585	19677	19771	19865	19961
19068	19169	19277	19382	19482	19589	19678	19775	19867	19963
19069	19170	19280	19383	19483	19590	19680	19780	19870	19964
19071	19171	19281	19386	19484	19592	19681	19782	19872	19965
19075	19172	19282	19387	19485	19593	19683	19784	19874	19966
19078	19173	19290	19388	19487	19598	19684	19785	19878	19967
19081	19174	19293	19389	19491	19599	19686	19789	19879	19969
19083	19180	19295	19390	19493	19600	19687	19791	19882	19971
19084	19182	19296	19392	19494	19602	19688	19794	19883	
19086	19183	19301	19394	19497	19603	19690	19797	19885	
19087	19185	19302	19395	19498	19604	19692	19798	19886	
19088	19188	19303	19396	19499	19605	19694	19800	19889	

42000 Series

47000 Series

42110	47100	47192	47269	47334	47398
42312	47103	47193	47271	47335	47399
42316	47114	47195	47272	47336	
42325	47116	47196	47273	47338	
42328	47120	47197	47274	47339	
42329	47131	47199	47275	47342	
42332	47132	47200	47276	47344	
42335	47133	47201	47277	47346	
42337	47137	47203	47278	47347	
42345	47138	47204	47280	47348	
42346	47139	47205	47281	47351	
42351	47140	47206	47282	47352	
42367	47141	47208	47285	47353	
42368	47143	47209	47288	47354	
42371	47144	47211	47289	47356	
42378	47145	47212	47290	47357	
42384	47146	47213	47291	47358	
42385	47147	47214	47292	47359	
42389	47148	47215	47293	47361	
42390	47149	47217	47294	47363	
42395	47150	47219	47295	47364	
42398	47151	47220	47296	47365	
42401	47153	47221	47297	47367	
42409	47154	47223	47299	47368	
42410	47155	47224	47300	47369	
42414	47156	47225	47301	47370	
42423	47158	47226	47303	47373	
42431	47160	47228	47304	47374	
42432	47162	47231	47305	47375	
42435	47163	47233	47306	47376	
42441	47164	47234	47307	47377	
42448	47165	47240	47308	47379	
42449	47166	47242	47309	47380	
	47168	47245	47311	47381	
	47172	47246	47312	47382	
	47174	47247	47314	47383	
	47175	47249	47315	47384	
	47178	47250	47319	47385	
	47179	47251	47321	47386	
	47180	47254	47322	47387	
	47181	47255	47323	47388	
	47182	47257	47324	47389	
	47183	47258	47326	47391	
	47185	47260	47327	47392	
	47186	47262	47328	47393	
	47187	47264	47329	47394	
	47188	47265	47330	47395	
	47189	47267	47331	47396	
	47191	47268	47333	47397	

50000 Series

50077  
50091  
50125  
50234  
50360  
50392  
50396  
50403  
50447  
50451  
50469  
50496  
50508  
50518  
50521  
50530  
50537  
50570  
50586  
50624  
50647  
50680  
50694  
50714  
50733  
50736  
50777

51000 Series

51007  
51014  
51022  
51048  
51064  
51097  
51107  
51123  
51124  
51133  
51140  
51150  
51156  
51157  
51164  
51170  
51186  
51194  
51229  
51245  
51252  
51260  
51262  
51286  
51298  
51301  
51317  
51352  
51359  
51386  
51411  
51427  
51432  
51448  
51449  
51469  
51487  
51505  
51512  
51523  
51567

142000 Series

142101 142217  
142102 142219  
142103 142221  
142104 142223  
142107 142225  
142109 142227  
142111 142228  
142113 142231  
142114 142232  
142115 142235  
142116 142240  
142120 142244  
142121 142249  
142122  
142128  
142129  
142130  
142136  
142139  
142143  
142145  
142147  
142149  
142154  
142156  
142157  
142159  
142160  
142162  
142164  
142167  
142169  
142172  
142174  
142176  
142178  
142180  
142184  
142186  
142189  
142196  
142198  
142199  
142205  
142207  
142208  
142209  
142211  
142212

Exhibit B

Form of  
CERTIFICATE OF ACCEPTANCE

The Pittsburgh and Lake Erie  
Railroad Company  
Commerce Court Building  
4 Station Square  
Pittsburgh, Pennsylvania 15219

Gentlemen:

Pursuant to Section 1 of the Conditional Sale Agreement, dated as of October 1, 1987, by and between The Pittsburgh and Lake Erie Railroad Company and CSX Transportation, Inc., the undersigned hereby accepts the Cars described below "as is" and "where is" in the condition in which delivered and at the place where the Cars are currently located. The accepted Cars are described below:

[Description of Cars]

Very truly yours,

CSX Transportation, Inc.

By: \_\_\_\_\_  
Authorized Officer

DATED: \_\_\_\_\_

Exhibit C

AGREEMENT AND ASSIGNMENT

AGREEMENT AND ASSIGNMENT, dated as of October 1, 1987, among THE CONNECTICUT NATIONAL BANK, as Security Trustee (the "Trustee") under a Master Agreement Regarding the Restructuring of Obligations of The Pittsburgh and Lake Erie Railroad Company, dated as of May 1, 1985, as amended (the "Master Agreement"), THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY (the "Seller") and CSX TRANSPORTATION, INC. (the "Buyer").

WHEREAS, the Seller and the Buyer have entered into a Conditional Sale Agreement, dated as of the date hereof (the "Conditional Sale Agreement"), covering the sale and delivery by the Seller and the purchase by the Buyer of the railroad cars (individually a "Car" and collectively the "Cars") described on Exhibit A to the Conditional Sale Agreement, on the terms and conditions set forth therein;

WHEREAS, pursuant to the requirements of the Master Agreement, Seller has entered into a Railcar Security Agreement dated as of May 1, 1985 (the "Security Agreement"), which was filed and recorded with the Interstate Commerce Commission on June 6, 1985 in accordance with the provisions of 49 U.S.C. § 11303 and assigned recordation number 14696, in which Seller granted a security interest in the Cars (and other collateral) to the Trustee as collateral security for the payment of the Obligations, as such term is defined in the Security Agreement;

WHEREAS, the Trustee is willing to release its security interest in the Cars in consideration of an assignment by the Seller of its rights under the Conditional Sale Agreement, and the Seller is willing to assign such rights to the Trustee; and

WHEREAS, the Trustee, as assignee of the rights of the Seller under the Conditional Sale Agreement, is willing to release all of its rights, title and interest in and to the Cars upon satisfaction of performance by the Buyer of all of its obligations hereunder and under the Conditional Sale Agreement.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the mutual covenants and conditions herein contained:

1. The Seller hereby assigns, transfers and sets over unto the Trustee, its successors and assigns, as additional collateral security under the Security Agreement, all of the Seller's right, title and interest in, to and under the Conditional Sale Agreement, including but not limited to:

(a) the security interest of the Seller in and to each Car accepted by the Buyer pursuant to the terms of the Conditional Sale Agreement and any other collateral security now or hereafter provided under the Conditional Sale Agreement;

(b) the immediate right to receive and collect any and all Installment Payments (as defined in the Conditional Sale Agreement) which may be or become due or owing under the Conditional Sale Agreement and any other sums payable to or receivable by the Seller under the Conditional Sale Agreement; and

(c) all of the Seller's rights, powers, privileges and remedies under the Conditional Sale Agreement including but not limited to the right to consent or fail to consent pursuant to the terms of the Conditional Sale Agreement.

In furtherance of the foregoing assignment and transfer, the Seller hereby authorizes and empowers the Trustee, its successors and assigns, in the Trustee's own name or in the name of the Trustee's nominee, or in the name of or as attorney hereby irrevocably constituted for the Seller, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Trustee is or may become entitled under this Agreement and Assignment and to ask, demand, sue for and enforce compliance by the Buyer with the terms and agreements on its part to be performed under the Conditional Sale Agreement. The Buyer further agrees that the Trustee shall not, by virtue of this Agreement and Assignment, be or become subject to any liability or obligation of the Seller to the Buyer, whether arising under the Conditional Sale Agreement or otherwise.

2. Until written notice to the contrary from the Trustee, the Buyer agrees to make all payments required to be made by the Buyer to the Seller pursuant to the Conditional Sale Agreement to the Trustee for distribution in accordance with the provisions of the Master Agreement. Payments shall be made by wire transfer of immediately available funds to:

The Connecticut National Bank  
777 Main Street  
Hartford, Connecticut 06115  
ABA No. 011900445  
Attention: Michael Hopkins, Bond and Trust  
Administration

Re: PLE Conditional Sale Agreement dated as of  
October 1, 1987

3. Promptly upon completion of performance by the Buyer of all of its obligations under the Conditional Sale

Agreement and under this Agreement and Assignment, the Trustee agrees that it will execute and deliver releases, in forms reasonably acceptable to the Buyer and the Seller, of its right, title and interest in and to the Cars.

4. The Trustee acknowledges that the Buyer is entitled to quiet possession and enjoyment of the Cars, as more fully described in Section 14 of the Conditional Sale Agreement. If the Seller should default in any of its obligations to the Trustee under the Master Agreement or the Security Agreement, the Trustee agrees, so long as the Buyer is not in default under the Conditional Sale Agreement or under this Agreement and Assignment, that (1) it will not consider the Cars as being subject to the default remedies available to it under the Master Agreement or the Security Agreement; (2) it will not attempt to obtain possession of or title to the Cars or otherwise interfere with the Buyer's full, complete and quiet possession and enjoyment of the Cars; (3) it will continue to accept all payments from the Buyer, in accordance with Paragraph 2 of this Assignment and Agreement and, (4) upon completion of Buyer's obligations under the Conditional Sale Agreement and under this Agreement and Assignment, it will release all of its right, title and interest in and to the Cars, as provided in Paragraph 3 of this Agreement and Assignment.

5. The Buyer shall file and record the Conditional Sale Agreement and this Agreement and Assignment with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303.

6. The Trustee may assign all or any of its rights under the Conditional Sale Agreement, including the right to receive any payments due or to become due to it from the Buyer thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges of the Trustee hereunder; provided, however, that no such assignment shall adversely affect the rights and privileges of the Buyer set forth in Paragraphs 3 and 4 hereof.

7. The terms of this Agreement and Assignment and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Pennsylvania, without regard to its conflicts of law doctrine; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

8. This Agreement and Assignment may be executed in any number of counterparts and by different parties hereto in separate counterparts, but the counterpart delivered to the Trustee shall be deemed to be the original counterpart.

IN WITNESS WHEREOF, the parties have caused this Agreement and Assignment to be executed and delivered by their duly authorized officers, all as of the date first above written.

THE PITTSBURGH AND LAKE ERIE RAILROAD  
COMPANY

By \_\_\_\_\_  
President

THE CONNECTICUT NATIONAL BANK, as Security  
Trustee

By \_\_\_\_\_  
Title:

CSX TRANSPORTATION, INC.

By \_\_\_\_\_  
President and Chief Executive Officer of  
CSX Equipment, a business unit of  
CSX Transportation, Inc.

COMMONWEALTH OF PENNSYLVANIA )  
 ) SS  
COUNTY OF ALLEGHENY )

On this \_\_\_\_\_ day of November, 1987, before me, the subscriber, \_\_\_\_\_, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Gordon E. Neuenschwander to me personally known, who stated and acknowledged that he is the President of The Pittsburgh and Lake Erie Railroad Company, a Delaware corporation, and duly authorized by authority of the board of directors or the by-laws of said corporation in his capacity as such officer to execute and acknowledge the foregoing instrument for and in the name and on behalf of said corporation and further stated and acknowledged that he has so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_\_ day of November, 1987.

\_\_\_\_\_

My commission expires: \_\_\_\_\_

STATE OF CONNECTICUT )  
 ) SS  
COUNTY OF HARTFORD )

On this \_\_\_\_\_ day of November, 1987, before me, the subscriber, \_\_\_\_\_, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named \_\_\_\_\_ to me personally known, who stated and acknowledged that he is a \_\_\_\_\_ President of The Connecticut National Bank, a national banking association, and duly authorized by authority of the board of directors or the by-laws of said association in his capacity as such officer to execute and acknowledge the foregoing instrument for and in the name and on behalf of said association and further stated and acknowledged that he has so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said association, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_\_ day of November, 1987.

\_\_\_\_\_  
My commission expires: \_\_\_\_\_

STATE OF MARYLAND )  
 ) SS  
CITY OF BALTIMORE )

On this \_\_\_\_\_ day of November, 1987, before me, the subscriber, \_\_\_\_\_, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Richard L. Leatherwood to me personally known, who stated and acknowledged that he is the President and Chief Executive Officer of CSX Equipment, a business unit of CSX Transportation, Inc., a Virginia corporation, and duly authorized by authority of the board of directors or the by-laws of said corporation in his capacity as such officer to execute and acknowledge the foregoing instrument for and in the name and on behalf of said corporation and further stated and acknowledged that he has so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_\_ day of November, 1987.

\_\_\_\_\_  
My commission expires: \_\_\_\_\_

EXHIBIT B  
to  
Purchase and Assignment Agreement  
Dated as of January 7, 1988

Description of Cars

Attached.

19000 Series

Description of Rail Equipment: Gondolas  
AAR Car Type: G-517

P&LE Car Numbers set forth below.

19000	19089	19189	19305	19399	19500	19607	19697	19803	19893
19001	19091	19190	19308	19409	19506	19608	19699	19807	19894
19004	19093	19192	19309	19412	19509	19613	19700	19809	19895
19005	19096	19193	19312	19414	19511	19622	19702	19810	19896
19006	19098	19194	19314	19415	19513	19624	19703	19811	19900
19007	19099	19195	19318	19419	19514	19625	19709	19813	19902
19008	19106	19196	19319	19420	19515	19626	19710	19814	19903
19009	19107	19200	19320	19423	19520	19628	19711	19816	19904
19010	19108	19201	19321	19424	19521	19629	19712	19819	19908
19011	19110	19204	19323	19425	19523	19630	19713	19821	19911
19012	19112	19206	19325	19426	19525	19631	19714	19822	19913
19015	19113	19207	19327	19427	19526	19635	19716	19823	19914
19017	19114	19208	19329	19428	19528	19637	19719	19824	19922
19018	19118	19209	19330	19429	19529	19639	19722	19825	19923
19020	19120	19211	19333	19433	19530	19641	19723	19828	19926
19021	19121	19212	19337	19434	19532	19643	19724	19829	19930
19022	19123	19215	19338	19436	19533	19646	19726	19831	19931
19023	19125	19216	19341	19439	19534	19647	19727	19832	19932
19030	19128	19217	19343	19440	19535	19648	19728	19834	19933
19033	19130	19220	19346	19441	19536	19649	19729	19835	19934
19035	19131	19222	19348	19442	19537	19650	19731	19836	19935
19036	19134	19224	19349	19447	19541	19651	19733	19837	19936
19037	19135	19226	19352	19451	19546	19652	19734	19838	19937
19039	10137	19227	19354	19452	19556	19654	19736	19840	19938
19040	19140	19229	19356	19454	19557	19657	19737	19841	19939
19045	19144	19233	19357	19455	19560	19658	19742	19842	19941
19046	19145	19235	19359	19456	19564	19660	19744	19844	19943
19048	19148	19239	19360	19457	19565	19663	19748	19846	19944
19049	19149	19243	19363	19459	19571	19664	19749	19850	19945
19050	19150	19248	19367	19460	19572	19666	19752	19851	19946
19053	19154	19251	19370	19462	19574	19668	19754	19852	19947
19054	19155	19253	19271	19463	19577	19669	19761	19856	19948
19055	19158	19254	19373	19469	19578	19670	19762	19857	19950
19058	19159	19258	19375	19472	19579	19672	19763	19859	19951
19059	19160	19262	19376	19473	19581	19673	19764	19861	19953
19060	19161	19272	19377	19476	19582	19674	19765	19863	19958
19062	19166	19273	19378	19477	19584	19676	19770	19864	19959
19065	19168	19274	19380	19480	19585	19677	19771	19865	19961
19068	19169	19277	19382	19482	19589	19678	19775	19867	19963
19069	19170	19280	19383	19483	19590	19680	19780	19870	19964
19071	19171	19281	19386	19484	19592	19681	19782	19872	19965
19075	19172	19282	19387	19485	19593	19683	19784	19874	19966
19078	19173	19290	19388	19487	19598	19684	19785	19878	19967
19081	19174	19293	19389	19491	19599	19686	19789	19879	19969
19083	19180	19295	19390	19493	19600	19687	19791	19882	19971
19084	19182	19296	19392	19494	19602	19688	19794	19883	19970
19086	19183	19301	19394	19497	19603	19690	19797	19885	
19087	19185	19302	19395	19498	19604	19692	19798	19886	
19088	19188	19303	19396	19499	19605	19694	19800	19889	

19019  
19038  
19094  
19117  
19141  
19163  
19179  
19181  
19198  
19213  
19219  
19245  
19266  
19267  
19283  
19331  
19403  
19435  
19453  
19464  
19522  
19531  
19552  
19569  
19612  
19615  
19656  
19671  
19768  
19769  
19776  
19781  
19795  
19873  
19915  
19920

19912  
19070  
19595  
19862  
19890  
19351  
19772  
19942  
19957  
19405  
19568  
19778  
19956  
19252  
19596  
19397  
19527  
19361  
  
19449  
19410  
19555  
19906  
19580  
19917  
19072  
19739  
19871  
19369  
19407  
19431  
19755  
  
19468  
19512  
19488

19704  
19364  
19617  
19263  
19241  
19240  
  
19659  
19223  
19031  
19063  
19221  
19074  
19175  
19766  
19270  
19284  
19475  
19848  
19968  
19634  
19715  
19016  
19344  
19830  
19540  
  
19187  
19750  
19767  
19839  
  
19210  
19746

19225  
19231  
19588  
19866  
19307  
19151  
19384  
19921  
19026  
  
19085  
19793  
19116  
19230  
19924  
19928  
19741  
19384  
19586  
19310  
19549  
19640  
19443  
19242  
19002  
19826  
19847  
19203  
19237

42,000 Series

Description of Rail Equipment: Coil Cars  
AAR Car Type: E-641

P&LE Car Numbers Set Forth Below

42110	42443	42386
42312	42322	42403
42316	42359	42405
42325	42357	
42328	42445	42374
42329	42400	42394
42332	42358	42420
42335	42430	42307
42337	42318	42339
42345	42353	42347
42346	42379	42364
42351	42407	42366
42367	42387	42382
42368	42442	42413
42371	42305	42415
42378	42304	42439
42384	42361	42446
42385		
42389	42356	42314
42390		42319
42395	42302	42447
42398		42360
42401		42426
42409		42330
42410		42317
42414		
42423		42350
42431		42373
42432		
42435		
42441		
42448		
42449		
42331		
42358		
42362		
42370		
42344		
42391		
42419		
42399		
42372		

47,000 Series

Description of Rail Equipment: Pipe Gondolas  
AAR Car Type: E-330

P&LE Car Numbers set forth below.

47000 Series

47100	47192	47269	47334	47398
47103	47193	47271	47335	47399
47114	47195	47272	47336	
47116	47196	47273	47338	47229
47120	47197	47274	47339	47349
47131	47199	47275	47342	
47132	47200	47276	47344	
47133	47201	47277	47346	
47137	47203	47278	47347	
47138	47204	47280	47348	
47139	47205	47281	47351	
47140	47206	47282	47352	
47141	47208	47285	47353	
47143	47209	47288	47354	
47144	47211	47289	47356	
47145	47212	47290	47357	
47146	47213	47291	47358	
47147	47214	47292	47359	
47148	47215	47293	47361	
47149	47217	47294	47363	
47150	47219	47295	47364	
47151	47220	47296	47365	
47153	47221	47297	47367	
47154	47223	47299	47368	
47155	47224	47300	47369	
47156	47225	47301	47370	
47158	47226	47303	47373	
47160	47228	47304	47374	
47162	47231	47305	47375	
47163	47233	47306	47376	
47164	47234	47307	47377	
47165	47240	47308	47379	
47166	47242	47309	47380	
47168	47245	47311	47381	
47172	47246	47312	47382	
47174	47247	47314	47383	
47175	47249	47315	47384	
47178	47250	47319	47385	
47179	47251	47321	47386	
47180	47254	47322	47387	
47181	47255	47323	47388	
47182	47257	47324	47389	
47183	47258	47326	47391	
47185	47260	47327	47392	
47186	47262	47328	47393	
47187	47264	47329	47394	
47188	47265	47330	47395	
47189	47267	47331	47396	
47191	47268	47333	47397	

50,000 Series

Description of Rail Equipment: Gondolas  
AAR Car Type: G-517

P&LE Car Numbers set forth below.

50077  
50091  
50125  
50234  
50360  
50392  
50396  
50403  
50447  
50451  
50469  
50496  
50508  
50518  
50521  
50530  
50537  
50570  
50586  
50624  
50647  
50680  
50694  
50714  
50733  
50736  
50777

50129  
50135  
50174  
50274  
50295  
50298  
50342  
50459  
50547  
50577  
50617  
50776  
50786

51,000 Series

Description of Rail Equipment: Gondolas  
AAR Car Type: G-514

P&LE Car Numbers set forth below.

51007	51108
51014	51147
51022	51215
51048	51217
51064	51271
51097	51302
51107	51336
51123	51480
51124	51580
51133	
51140	
51150	
51156	
51157	
51164	
51170	
51186	
51194	
51229	
51245	
51252	
51260	
51262	
51286	
51298	
51301	
51317	
51352	
51359	
51386	
51411	
51427	
51432	
51448	
51449	
51469	
51487	
51505	
51512	
51523	
51567	

Description of Rail Equipment: Coil Cars  
AAR Car Type: E-641

P&LE Car Numbers set forth below.

142101	142217
142102	142219
142103	142221
142104	142223
142107	142225
142109	142227
142111	142228
142113	142231
142114	142232
142115	142235
142116	142240
142120	142244
142121	142249
142122	
142128	142140
142129	142158
142130	
142136	142127
142139	142148
142143	142155
142145	142203
142147	142210
142149	142229
142154	
142156	142117
142157	142142
142159	142151
142160	142187
142162	142236
142164	
142167	142144
142169	
142172	142125
142174	142216
142176	142135
142178	
142180	142161
142184	142204
142186	
142189	142181
142196	142182
142198	142245
142199	
142205	142241
142207	142239
142208	
142209	
142211	
142212	

EXHIBIT C  
to  
Purchase and Assignment Agreement  
Dated as of January 7, 1988

Form of Secretary's Certificate

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY  
CERTIFICATE AS TO RESOLUTIONS, ETC.

I, \_\_\_\_\_, Secretary of The Pittsburgh and Lake Erie Railroad Company (the "Corporation"), a Delaware corporation, DO HEREBY CERTIFY that:

1. The below named persons have been duly elected (or appointed) and have duly qualified as, and on this day are, officers of the Corporation holding their respective offices below set opposite their names, and the signatures below set opposite their names are their genuine signatures:

<u>Name</u>	<u>Office</u>	<u>Signature</u>
_____	President	_____
_____	Vice President	_____
_____	Secretary	_____
_____	Treasurer	_____

2. Attached hereto as Annex A is a true and correct copy of resolutions duly adopted by the Board of Directors of the Corporation on \_\_\_\_\_. Such resolutions have not been amended, modified, or revoked and are in full force and effect on the date hereof.

3. The transactions contemplated by such resolutions have been authorized by the consent of the stockholders of the Corporation, and such authorization is still in full force and effect.

4. The Purchase and Assignment Agreement between the Corporation and Irving Trust Company ("Irving"), as executed and delivered on behalf of the Corporation is in the form thereof approved by the Board of Directors of the Corporation.

5. There has been no amendment to the Articles of Incorporation of the Corporation since \_\_\_\_\_.

6. Attached hereto as Annex B is a true and correct copy of the By-laws of the Corporation as in effect

on \_\_\_\_\_, and at all subsequent times to and including the date hereof.

IN WITNESS WHEREOF, I have signed this certificate this \_\_\_\_ day of January, 1988.

\_\_\_\_\_  
Secretary

I, \_\_\_\_\_, [Officer] of the Corporation, DO HEREBY CERTIFY that \_\_\_\_\_ has been duly elected or appointed and has duly qualified as, and on this day is, Secretary of the Corporation, and the signature in paragraph 1 above is his genuine signature.

IN WITNESS WHEREOF, I have signed this certificate this \_\_\_\_ day of January, 1988.

\_\_\_\_\_  
[Officer]

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY  
RESOLUTIONS OF BOARD OF DIRECTORS

RESOLVED, that this Corporation is authorized to sell, transfer, assign and convey to Irving Trust Company ("Irving") all of the "Property" (as defined in that certain proposed Purchase and Assignment Agreement (the "Purchase and Assignment") between this Corporation and Irving); and be it further

RESOLVED, that the form, terms, and provisions of the proposed Purchase and Assignment, evidencing the purchase and assignment of all of PLE's right, title and interest in the Property, be, and the same hereby is, in all respects approved, and that the President, any Vice President, or the Treasurer of this Corporation be, and each of them hereby is, authorized, in the name and on behalf of this Corporation, to execute and deliver the Purchase and Assignment in the form or substantially in the form thereof submitted to the Board of Directors of this Corporation, with such changes, additions or modifications thereto as the officer of this Corporation executing the same shall approve, such approval to be conclusively evidenced by his execution and delivery thereof; and be it further

RESOLVED, that the Purchase and Assignment be filed by the Secretary of this Corporation among the minutes of the meeting of the Board of Directors of this Corporation; and be it further

RESOLVED, that the proper officers of this Corporation be, and each of them hereby is, authorized and empowered (any one of them acting alone) to do or cause to be done all such acts or things and to sign and deliver, or cause to be signed and delivered, all such documents, instruments and certificates (including, without limitation, all notices and certificates required or permitted to be given or made under the terms of the Purchase and Assignment), in the name and on behalf of this Corporation or otherwise, as such officer of this Corporation may deem necessary, advisable or appropriate to effectuate or carry out the purposes and intent of the foregoing resolutions and to perform the obligations of this Corporation under the agreements and instruments referred to therein; and be it further

RESOLVED, that all acts and deeds heretofore done by any director, officer or officers of this Corporation for and on behalf of this Corporation in entering into, executing, acknowledging or attesting any arrangements, guaranties, security agreements, agreements, instruments or documents, or

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in carrying out the terms and intentions of these resolutions, are hereby ratified, approved and confirmed.



follows: \$ \_\_\_\_\_ to be due and payable on March 31, 1988 and on each June 30, September 30, December 31 and March 31 thereafter to and including September 30, 1992, followed by one final installment payment on December 31, 1992 equal to the total amount outstanding under such Conditional Sale Agreement.

By: \_\_\_\_\_  
[Officer] of The Pittsburgh  
and Lake Erie Railroad  
Company

Dated: \_\_\_\_\_

Subscribed and sworn to before  
the undersigned, a Notary Public  
in and for the State and County  
aforesaid this \_\_\_\_ day of  
January, 1988.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

EXHIBIT E  
to  
Purchase and Assignment Agreement  
Dated as of January 7, 1988

Opinion of Counsel to the Seller

Attached.

LAW OFFICES

ROSS & HARDIES

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

150 NORTH MICHIGAN AVENUE  
CHICAGO, ILLINOIS 60601-7567  
312-558-1000

TWX NUMBER  
910-221-1154

TELECOPIER  
312-750-8600

575 FIFTH AVENUE  
NEW YORK, NEW YORK 10017-2470  
212-949-7075

1090 VERMONT AVENUE, N.W.  
WASHINGTON, D.C. 20005-4905  
202-371-2200

January 7, 1988

Irving Trust Company  
One Wall Street  
New York, New York 10005

Re: The Pittsburgh and Lake Erie  
Railroad Company

Gentlemen:

We have acted as counsel to The Pittsburgh and Lake Erie Railroad Company, a Delaware corporation ("PLE"), in connection with the transactions evidenced by the following documents: (i) that certain Conditional Sale Agreement (the "Conditional Sale Agreement") dated as of October 1, 1987 by and between CSX Transportation, Inc. ("CSX") and PLE and (ii) that certain Purchase and Assignment Agreement ("Purchase Agreement") dated as of even date herewith by and between PLE and Irving Trust Company ("Irving"). This opinion is being delivered to you pursuant to Paragraph 4(a)(5) of the Purchase Agreement. Capitalized terms not otherwise defined herein are used herein as defined in the Purchase Agreement.

In connection with this opinion, we have examined and are familiar with originals or copies, certified or otherwise verified to our satisfaction, of the Conditional Sale Agreement and the Purchase Agreement and such other documents as we have deemed necessary or appropriate as a basis for the opinions set forth below. In our examination, we have assumed the due authorization, execution and delivery of the Conditional Sale Agreement and the Purchase Agreement by, and the binding effect thereof on, parties thereto other than PLE. We have also assumed the genuineness of all signatures on original documents (except for documents signed on behalf of PLE), the authenticity of all documents submitted to us as originals, the legal competence of all individuals executing and delivering documents on behalf of any party thereto, and the conformity to original documents of all copies submitted to us as certified, conformed, photographic or photostatic copies as well as the authenticity of the originals of all certified, conformed, photographic or photostatic copies of documents. As to certificates of public

officials, we have assumed the same to have been given properly and to be accurate.

Based on the foregoing, we are of the opinion that:

1. PLE is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, has the corporate power and authority to own its properties and to carry on its business as now being and hereafter proposed to be conducted, and is duly qualified and in good standing as a foreign corporation, and is authorized to do business, in all jurisdictions in which the character of its properties or the nature of its business requires such qualification or authorization.

2. PLE has the corporate power and has taken all necessary corporate action to authorize, execute and deliver, and to perform its obligations under, the Purchase Agreement and the Conditional Sale Agreement; and such execution, delivery and performance will not conflict with or result in a breach of PLE's Certificate of Incorporation or By-Laws or result in a violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction, or decree of any court or governmental authority, or, to the best of our knowledge and belief following diligent inquiry, any of the terms, conditions or provisions of any agreement or instrument to which PLE is a party or by which PLE is bound, including, without limitation, that certain Master Agreement Regarding the Restructuring of Obligations of The Pittsburgh and Lake Erie Railroad Company dated as of May 1, 1985, as amended and supplemented (the "Master Agreement"), by and among certain creditors of PLE as set forth on the signature pages of the Master Agreement, PLE and The Connecticut National Bank, as Security Trustee (the "Security Trustee").

3. The Conditional Sale Agreement and the Purchase Agreement have been duly executed and delivered by a duly authorized officer of PLE and constitute legal, valid and binding obligations of PLE, enforceable in accordance with their respective terms, except that (i) such enforcement may be subject to applicable bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

4. To the best of our knowledge and belief following diligent inquiry, no judgments are outstanding against PLE, nor is there now pending or threatened any litigation, contested claims or governmental proceedings by or against PLE, which would materially adversely affect PLE's ability to perform its obligations under the Conditional Sale Agreement or the Purchase Agreement. To the best of our knowledge and belief following diligent inquiry, PLE is not in default with respect to any order, writ, injunction or decree of any court, nor in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, which would materially adversely affect PLE's ability to perform its obligations under the Conditional Sale Agreement or the Purchase Agreement.

5. To the best of our knowledge and belief following diligent inquiry, there is presently no default by PLE or any other party under the Master Agreement, the Conditional Sale Agreement or under any other material contract, lease, agreement, instrument or commitment to which PLE is a party, which would materially adversely affect PLE's ability to perform its obligations under the Conditional Sale Agreement or the Purchase Agreement.

6. The Conditional Sale Agreement has been duly filed with the Interstate Commerce Commission ("ICC") pursuant to 49 U.S.C. § 11303, and is effective to create a perfected and continuing security interest in and lien against the "Cars" (as defined in the Conditional Sale Agreement) in favor of PLE to secure the obligations of CSX under the Conditional Sale Agreement. The transaction between Irving and PLE evidenced by the Purchase Agreement constitutes a valid outright sale of all of PLE's interest in the Cars and in the Conditional Sale Agreement and, upon payment by Irving to PLE of the amounts required thereunder and the filing of the Purchase Agreement with the ICC as aforesaid, Irving's interests as purchaser and assignee of PLE's rights will be duly perfected against all third parties claiming by or through PLE.

We are admitted to the Bar of the State of Illinois, and we express no opinion as to the laws of any other jurisdiction except for the laws of the United States of America and the general corporate law of the State of Delaware.

This opinion is delivered solely to, and is solely for the information of, the addressee named above, and no other

Irving Trust Company  
January 7, 1988

Page 4

person or entity other than the addressee named above is  
authorized to rely thereon.

Respectfully yours,

ROSS & HARDIES

By Robert V. Klein

EXHIBIT F  
to  
Purchase and Assignment Agreement  
Dated as of January 7, 1988

Form of Release and Termination  
by Security Trustee

Attached.

January 7, 1988

Irving Trust Company  
One Wall Street  
New York, New York 10015

Re: The Pittsburgh and Lake Erie  
Railroad Company ("PLE")

Gentlemen:

Reference is hereby made to the following documents: (i) that certain Master Agreement Regarding the Restructuring of Obligations of the Pittsburgh and Lake Erie Railroad Company dated as of May 1, 1985, by and among certain creditors of PLE as set forth on the signature pages thereof, the undersigned, The Connecticut National Bank as Security Trustee, and PLE, as amended (the "Master Agreement"), (ii) that certain Conditional Sale Agreement (the "Conditional Sale Agreement") dated as of October 1, 1987 by and between PLE and CSX Transportation, Inc. ("CSX"), (iii) that certain Agreement and Assignment (the "Security Trustee Assignment") dated as of October 1, 1987 by and between the undersigned as Security Trustee under the Master Agreement, PLE and CSX, (iv) that certain Purchase and Assignment Agreement (the "Purchase and Assignment") of even date herewith by and between Irving Trust Company ("Irving") and PLE and (v) that certain Railcar Security Agreement dated as of May 1, 1985 between The Connecticut National Bank as Security Trustee and PLE, which was filed and recorded with the Interstate Commerce Commission on June 6, 1985 in accordance with the provisions of 49 U.S.C. § 11303 and assigned recordation number 14696.

The undersigned has been advised by PLE that pursuant to the Purchase and Assignment, PLE will be transferring all of PLE's right, title and interest in the "Property" (as defined in the Purchase and Assignment) to Irving. Pursuant to the Security Trustee Assignment, PLE

• Irving Trust Company  
January 7, 1988  
Page 2

has heretofore assigned the Property to the undersigned as Security Trustee under the Master Agreement. Pursuant to the Railcar Security Agreement, PLE has granted to the undersigned, as Security Trustee under the Master Agreement, a security interest in the "Cars" (as defined in the Conditional Sale Agreement).

Pursuant to the terms of the Purchase and Assignment, PLE has directed Irving to remit the "Purchase Price" (as defined in the Purchase and Assignment) for the Property directly to the undersigned. In consideration for receipt of the Purchase Price, the undersigned agrees, concurrently with the delivery of the Purchase Price, to (i) execute and deliver to PLE a release and termination in the form of Annex A attached hereto of its liens and security interests in the Conditional Sale Agreement and the Cars, and (ii) mark the Security Trustee Assignment "Cancelled and Terminated," sign and date the Security Trustee Assignment and return it to PLE and send a photocopy thereof to Irving.

The undersigned further agrees to deliver to Irving upon receipt of the Purchase Price, such other termination statements or releases, in form and substance satisfactory to Irving, as Irving may reasonably request in connection with the undersigned's above described release of the Property.

Very truly yours,

THE CONNECTICUT NATIONAL BANK,  
as Security Trustee under  
the Master Agreement

By: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have caused this Release to be executed by their respective duly authorized officers, all as of the date first above written.

THE PITTSBURGH AND LAKE ERIE  
RAILROAD COMPANY

By: \_\_\_\_\_  
Title: \_\_\_\_\_

THE CONNECTICUT NATIONAL BANK,  
as Security Trustee

By: \_\_\_\_\_  
Title: \_\_\_\_\_

## RELEASE AND TERMINATION

THIS RELEASE AND TERMINATION ("Release") is made as of this 7th day of January, 1988 by and between THE CONNECTICUT NATIONAL BANK, as Security Trustee (the "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, as amended (the "Master Agreement") and THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY ("PLE").

WHEREAS, the Trustee and PLE are parties to that certain Railcar Security Agreement ("Railcar Security Agreement") dated as of May 1, 1985, which was filed and recorded with the Interstate Commerce Commission on June 6, 1985, in accordance with the provisions of 49 U.S.C. § 11303 and assigned recordation number 14696; and

WHEREAS, Trustee, PLE and CSX Transportation, Inc. are parties to that certain Agreement and Assignment ("Agreement and Assignment") dated as of October 1, 1987, which was filed and recorded with the Interstate Commerce Commission on November 8, 1987, in accordance with the provisions of 49 U.S.C. § 11303 and assigned recordation number 15382-A, pursuant to which PLE assigned to the Trustee all of PLE's right, title and interest to the "Property" (as defined in the Agreement and Assignment) including, without limitation, that certain Conditional Sale Agreement ("Conditional Sale Agreement") dated as of October 1, 1987, which was filed and recorded with the Interstate Commerce Commission on November 18, 1987, in accordance with 49 U.S.C. § 11303 and assigned recordation number 15382.

NOW, THEREFORE, the parties hereby agree as follows:

1. The Agreement and Assignment is hereby terminated and the Trustee hereby releases all of its liens on, and security interests in, the Conditional Sale Agreement and the "Cars" (as defined in the Conditional Sale Agreement) described on Exhibit A to the Conditional Sale Agreement.

2. PLE shall file and record this Release with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303.

EXHIBIT G  
to  
Purchase and Assignment Agreement  
Dated as of January 7, 1988

Other Documents

1. Conditional Sale Agreement dated as of October 1, 1987 between the Pittsburgh and Lake Erie Railroad Company and CSX Transportation, Inc.
2. Agreement and Assignment dated as of October 1, 1987 among The Pittsburgh and Lake Erie Railroad Company, The Connecticut National Bank, as Security Trustee and CSX Transportation, Inc.