

RECORDATION NO. 11524-D-E FILED

SLOVER & LOFTUS

ATTORNEYS AT LAW

1224 SEVENTEENTH STREET, N. W.

WASHINGTON, D. C. 20036

SEP 30 '99

1-30PM

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September 30, 1999

VIA HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Recordation Pursuant to 49 U.S.C. § 11301

Dear Mr. Secretary:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. § 11301 please find three original counterparts of each of two Assignment and Assumption Agreements (the "Agreements"). Each of the Agreements is a secondary document under 49 C.F.R. § 1177.1(b). The primary documents with which these Agreements are associated is recorded at Recordation No. 11524.

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

Agreement #1: Assignment and Assumption of Equipment Lease

Assignor: Winifrede Railroad Company
Suite 100
One Carbon Center
Chesapeake, WV 25315

Assignee: Kanawha Rail Corp.
405 Capitol Street
Suite 307
Charleston, WV 25301-1727

James Steedman

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Agreement #2: Assignment and Assumption of
Guaranty Agreement

Assignor: Carbon Industries, Inc.
Suite 100
One Carbon Center
Chesapeake, WV 25315

Assignee: Penn Virginia Corporation
One Radnor Corporate Center
Suite 200
100 Mantsford Road
Radnor, PA 19087

A fee of \$52.00 is enclosed. Please return all extra
copies of the Agreements to:

Andrew B. Kolesar III
Slover & Loftus
1224 Seventeenth St., N.W.
Washington, D.C. 20036

A short summary of the documents to appear in the index
follows:

Agreement #1: Assignment and Assumption of
Equipment Lease

An Assignment and Assumption of rights
and obligations under an Equipment Lease
dated as of January 15, 1980 between The
Connecticut Bank and Trust Company and the
Winifrede Railroad Company.

Agreement #2: Assignment and Assumption of
Guaranty Agreement

An Assignment and Assumption of rights
and obligations under a Guaranty Agreement
dated as of January 15, 1980 by and among
Carbon Industries, Inc., Pennsylvania Glass
Sand Corporation, The Connecticut Bank and
Trust Company, Aetna Life Insurance Company,
and First Security Bank of Utah, N.A.

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Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Andrew B. Kolesar III". The signature is written in dark ink and includes a stylized flourish at the end.

Andrew B. Kolesar III
An Attorney for Penn Virginia
Corporation and Kanawha
Rail Corp.

Enclosures

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ASSIGNMENT AND ASSUMPTION AGREEMENT

This **ASSIGNMENT AND ASSUMPTION AGREEMENT** ("Agreement") dated as of the 25th day of September, 1999 by and between **CARBON INDUSTRIES, INC.**, a West Virginia corporation ("Assignor"), and **PENN VIRGINIA CORPORATION**, a Virginia corporation ("Assignee").

RECITALS

WHEREAS, Assignor is a party to that certain Guaranty Agreement dated as of January 15, 1980 by and among Assignor, Pennsylvania Glass Sand Corporation, a Delaware corporation ("PGS"), General Electric Credit Corporation, a New York corporation, The Connecticut Bank and Trust company, a Connecticut banking corporation, Aetna Life Insurance Company, a Connecticut corporation, and First Security Bank of Utah, N.A., a national banking association (General Electric Credit Corporation, The Connecticut Bank and Trust company, Aetna Life Insurance Company and First Security Bank of Utah, N.A. collectively referred to herein as the "Beneficiaries"); and

WHEREAS, under the Guaranty Agreement, Assignor and PGS jointly and severally, unconditionally and irrevocably, guarantee to the Beneficiaries, *inter alia*, (i) the due and punctual performance of and compliance by Winifrede Railroad Company, a West Virginia corporation and subsidiary of Assignor ("Winifrede Railroad" or "Lessee"), with all duties, agreements, covenants, terms and obligations contained in the Lessee's Documents (as defined in the Guaranty Agreement), and (ii) the due and punctual payment by Lessee of all sums specified in the Lessee's Documents as payable by Lessee and all damages in respect of failure or refusal by Lessee to make any such payment; and

WHEREAS, Section 12 of the Guaranty Agreement provides that Assignor may not merge, consolidate, sell, lease, transfer or otherwise dispose of substantially all of its assets to any person, unless certain conditions are met; and

WHEREAS, Assignor is a party to that certain Asset Purchase Agreement by and among Assignor, certain subsidiaries of Assignor (the "Subsidiaries," which such Subsidiaries include Winifrede Railroad) and Penn Virginia Coal Company, a Virginia corporation ("Purchaser") dated as of the 1st day of July, 1999, whereby Carbon and the Subsidiaries shall sell to Purchaser, and Purchaser (or its assignee) shall purchase, the Assets (as defined in the Asset Purchase Agreement) of the Subsidiaries, including the Railroad (as defined in the Asset Purchase Agreement and set forth on Schedule 1 thereto) (the "Sale") said Sale to have occurred as of the date first above written; and

WHEREAS, Purchaser is a wholly-owned subsidiary of Assignee; and

WHEREAS, as a result of the Sale, Assignor will have disposed of substantially all of its assets; and

WHEREAS, as part of the Sale and in accordance with Section 15 of the Asset Purchase Agreement, Assignor desires to assign and delegate to Assignee, and Assignee desires to assume and acquire from Assignor, certain liabilities and obligations of Assignor under the Guaranty Agreement; and

WHEREAS, Assignor and Assignee, desiring to comply with the provisions of the Guaranty Agreement, execute this Agreement in accordance therewith.

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

1. Assignment and Assumption. On the terms and subject to the conditions set forth in this Agreement, and, to the extent applicable, the Asset Purchase Agreement:

(a) Assignor does hereby sell, assign, transfer and convey to Assignee all of Assignor's right, title and interest in, to and under Section 2 through and including Section 18 of the Guaranty Agreement; and

(b) Assignee does hereby expressly assume and undertake to pay, perform and discharge, as and when due, all of Assignor's liabilities and obligations under Section 2 through and including Section 18 of the Guaranty Agreement, with the same effect as if Assignee had originally been a guarantor thereunder.

2. Representations and Warranties.

(a) By Assignor. Assignor hereby represents and warrants to Assignee and the Beneficiaries that no event of default (or event which after notice or lapse of time or both would constitute an event of default) exists under the terms of that certain Equipment Lease dated as of January 15, 1980 by and between The Connecticut Bank and Trust Company and Winifrede Railroad, including, without limitation, Section 15(j) thereof.

(b) By Assignee. Assignee hereby represents and warrants to Assignor and the Beneficiaries that it is a solvent corporation, organized, existing and in good standing under the laws of the Commonwealth of Virginia.

3. No Release. In accordance with Sections 3 and 12 of the Guaranty Agreement, Assignor hereby acknowledges that the execution of this Agreement, and Assignee's assumption of Assignor's liabilities and obligations hereunder, shall not and does not release Assignor from Assignor's liabilities and obligations under the Guaranty Agreement, which shall remain absolute and unconditional until Kanawha Rail Corp. (as successor to Winifrede Railroad), PGS and Assignee (as assignee of Assignor's obligations thereunder) shall have fully and satisfactorily discharged all of their respective obligations under the Lessee's Documents and the Guaranty Agreement.

4. General Provisions.

(a) This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of West Virginia.

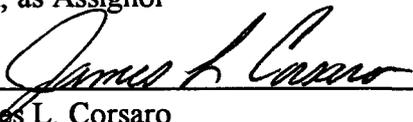
(b) This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each party hereto, but no rights, obligations or liabilities hereunder shall be assignable by any party without the prior written consent of the other party and the Beneficiaries.

(c) In the event of a conflict or inconsistency between this Agreement and the Asset Purchase Agreement, this Agreement shall prevail.

(d) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Assignor and Assignee have caused their duly authorized representatives to execute this Agreement as of the 21st day of September, 1999.

CARBON INDUSTRIES, INC., a West Virginia corporation, as Assignor

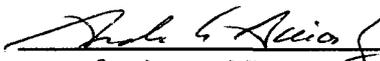
By: 
James L. Corsaro
Its: President and Principal Executive Officer

PENN VIRGINIA CORPORATION, a Virginia corporation, as Assignee

By: 
Keith D. Horton
Its: Vice President – Eastern Operations

Accepted by:

STATE STREET BANK & TRUST COMPANY,
a *Massachusetts trust co.* and successor
to The Connecticut Bank and Trust Company,
as Beneficiary

By: 
Its: Assistant Vice President

GENERAL ELECTRIC CREDIT CORPORATION,
a New York corporation, , as Beneficiary

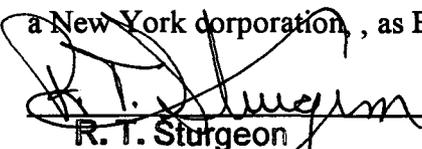
By: _____
Its: _____

Accepted by:

STATE STREET BANK & TRUST COMPANY,
a _____ and successor
to The Connecticut Bank and Trust Company,
as Beneficiary

By: _____
Its: _____

GENERAL ELECTRIC CREDIT CORPORATION,
a New York corporation, as Beneficiary

By:  _____
Its: R. T. Sturgeon
Manager-Operations

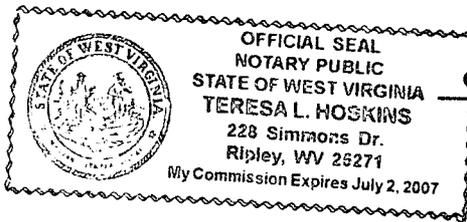
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA, to-wit:

I, Teresa L. Hoskins a Notary Public in and for the County and State aforesaid, do hereby certify that James L. Conson personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and notarial seal this 23 day of September, 1999.

My commission expires July 2, 2007.

[SEAL]



Teresa L. Hoskins
Notary Public

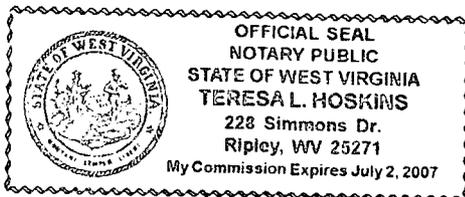
State of West
COMMONWEALTH OF VIRGINIA
COUNTY/CITY OF Kanawha to-wit:

I, Teresa L. Hoskins a Notary Public in and for the County/City and State aforesaid, do hereby certify that Keith D. Horton, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and notarial seal this 24 day of September, 1999.

My commission expires July 2, 2007.

[SEAL]



Teresa L. Hoskins
Notary Public

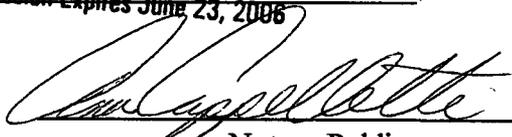
STATE OF Massachusetts
COUNTY/CITY OF Suffolk, to-wit:

I, Ann Cappelletti, a Notary Public in and for the County/City and State aforesaid, do hereby certify that Andrew M. Szwasky personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and notarial seal this 17th day of September, 1999.

My commission expires My Commission Expires June 23, 2006.

[SEAL]



Notary Public

STATE OF _____
COUNTY/CITY OF _____, to-wit:

I, _____, a Notary Public in and for the County/City and State aforesaid, do hereby certify that _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and notarial seal this ___ day of September, 1999.

My commission expires _____.

[SEAL]

Notary Public

STATE OF _____
COUNTY/CITY OF _____, to-wit:

I, _____, a Notary Public in and for the County/City and State aforesaid, do hereby certify that _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and notarial seal this ___ day of September, 1999.

My commission expires _____.

[SEAL]

Notary Public

STATE OF CT
COUNTY/CITY OF Fairfield, to-wit:

I, Margaret Faidi, a Notary Public in and for the County/City and State aforesaid, do hereby certify that Richard Sturgeon, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and notarial seal this 1th day of September, 1999.

My commission expires 12/31/2000.

[SEAL]

Margaret Faidi
Notary Public

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