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August 16, 1978

RECORDATION NO. 9634 Filed & Recorded

AUG 23 1978 -2 15 PM

INTERSTATE COMMERCE COMMISSION

Hon. H. G. Homme
Acting Secretary
Interstate Commerce Commission
Washington, D. C. 20423

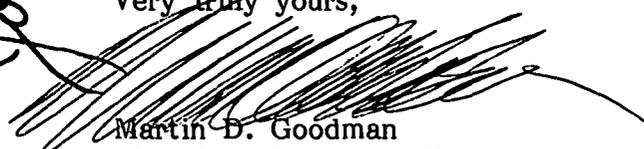
Dear Sir:

Enclosed for filing with and recording by the Interstate Commerce Commission are six counterparts of an Conditional Sale Agreement dated as of August 7, 1978 between FMC Corporation, 200 East Randolph Drive, Chicago, Illinois, 60601, and ITEL Corporation, acting through its Rail Division, Two Embarcadero Center, San Francisco, California, 94111. This Conditional Sale Agreement covers the following railroad equipment:

100 70-ton, 50'6" Boxcars numbered MSE 900 to MSE 999, both inclusive. Identifying marks on the foregoing equipment: "Owned by a bank or trust company under a security agreement filed under the Interstate Commerce Act, Section 20c."

Also enclosed is this company's check in the sum of \$50, payable to the Interstate Commerce Commission, being the prescribed fee for filing and recording the foregoing Agreement.

Very truly yours,


Martin D. Goodman
Vice President-Legal Services

MDG:md
Enc.

John D. Anger

John D. Anger

Interstate Commerce Commission
Washington, D.C. 20423

8/23/78

OFFICE OF THE SECRETARY

Martin D. Goodman
Itel Corp.
Two Embarcadero Center
San Francisco, Calif. 94111

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on **8/23/78** at **2:15pm** and assigned recordation number(s) **9634**

Sincerely yours,

H.G. Homme, Jr.,
Acting Secretary

Enclosure(s)

SE-30-T
(2/78)

JOHNSTON, FORSYTH AND STOVALL

**ATTORNEYS AND COUNSELORS AT LAW
GREENSBORO, NORTH CAROLINA**

MAILING ADDRESS
P. O. BOX 9031
GREENSBORO
NORTH CAROLINA 27408

CABLE ADDRESS
JOHNLEX

OFFICES
SUITE 200
200 EAST NORTHWOOD
TELEPHONE
(919) 373-1223

W. EUGENE JOHNSTON, III
ALYCE B. FORSYTH
MICHAEL C. STOVALL, JR.

9634

RECORDATION NO. FILED & RECORDED

AUG 8 1978 - 11 00 AM

INTERSTATE COMMERCE COMMISSION

July 26, 1978

Office of the Secretary
Interstate Commerce Commission
Twelfth Street & Constitution Avenue, NW
Washington, D. C. 20423

Attention: Mrs. Lee:

RE: Security Agreement between W. Eugene Johnston, III, and
Bank of Pilot Mountain

Dear Mrs. Lee:

We enclose for recording the original security agreement dated
March 22, 1978, by and between W. Eugene Johnston, III, 200 East
Northwood Street, Suite 200, Greensboro, North Carolina 27401
and the Bank of Pilot Mountain, North Main Street, Pilot Mountain,
North Carolina 27041.

The collateral covered by this security agreement are railroad
freight cars; specifically three rigid underframe 70 ton 50 foot
boxcars serial numbers NSL 102300 XM, ERES 9235 SF, and VC 9098 XF.
W. Eugene Johnston, III, is not a common carrier by rail, motor, or
water.

A duplicate original is enclosed which we would appreciate you
endorsing with your recordation number and returning to us. Also
enclosed is our check for \$50.00.

With very best wishes, we remain

JOHNSTON, FORSYTH & STOVALL

W. Eugene Johnston, III

ndb

Enclosures

INTERSTATE
COMMERCE COMMISSION
RECEIVED

JUL 31 1978

ADMINISTRATIVE SERVICES
MAIL UNIT
MM

AUG 23 1978 -2 12 PM

INTERNATIONAL COMMERCE COMMISSION
THIS AGREEMENT, dated as of August 7, 1978, by and between FMC Corporation, a Delaware corporation (hereinafter called the "Manufacturer"), and ITEL Corporation, a Delaware corporation, acting through its Rail Division, (hereinafter called the "Vendee").

W I T N E S S E T H

The Manufacturer and the Vendee have heretofore entered into the Purchase Agreement (hereinafter called the "Purchase Agreement") referred to in Section 1, of Schedule A, hereto attached (hereinafter called "Schedule A") whereunder the Manufacturer has agreed to construct and deliver to the Vendee at the delivery point specified in Section 2, of Schedule A and the Vendee has agreed to accept and pay for the Railroad equipment (hereinafter individually called a Car and collectively called the "Cars") described in Section 3, of Schedule A; and

Inasmuch as the Vendee contemplates no third party financing arrangements for acquisition of the Cars prior to payment therefor, and the Vendee does not wish to pay for the cars prior to shipment of the Cars from the Manufacturer's plant, the Vendee (in order that it may use the Cars during the time between shipment from the Manufacturer's plant and payment of the purchase price 10 business days after delivery, acceptance and invoicing for all of the Cars) has requested the Manufacturer to give the Vendee temporary custody and possession of the Cars on completion, solely as a bailee of the Cars, and the Manufacturer is willing to do so upon the terms and conditions hereinafter stated.

NOW, THEREFORE, in consideration of the premises and of the promises of the parties herein contained, the parties agree as follows:

1. The Manufacturer agrees to deliver the Cars to the Vendee and the Vendee agrees to accept the Cars from the Manufacturer at the delivery point above referred to. The rights of the Vendee hereunder in respect of each Car shall commence on the date of acceptance of each such Car and end on the earlier of October 30, 1978, or the date of payment of the purchase price for all of the Cars. When the purchase price of all of the Cars has been paid, this Agreement shall automatically be terminated without further action by or notice to any party concerned. On delivery of each Car to the Vendee, the Vendee will assume the responsibility and risk of loss with respect to such Car.

2. After the Vendee's representative finds that each Car upon completion has been built in accordance with the requirements of the Purchase Agreement, he will execute and deliver to the Manufacturer a certificate of acceptance acknowledging the receipt of delivery of each Car under this Agreement. Title to the Cars shall remain in the Manufacturer and the Vendee's right and interest therein is and shall be solely that of possession, custody, and use as bailee under this Agreement. Transfer of title shall be effected only at the time of payment. At such time, the Manufacturer shall, at the request and expense of the Vendee, execute to the Vendee, a bill of sale for the Cars as is, where is, and without warranty of any kind except only that the Cars are free from all liens and encumbrances created by the Manufacturer. Neither

the inspection nor any examination nor the acceptance of any Car shall be deemed a waiver or a modification by the Vendee of any of its rights against the Manufacturer under any warranties contained in the Purchase Agreement. The Vendee, without expense to the Manufacturer, will promptly cause this Agreement to be filed with the Interstate Commerce Commission for recordation under Section 20c of the Interstate Commerce Act. In addition, the Vendee shall do such other acts as may be required by law, or reasonably requested by the Manufacturer, for the protection of the Manufacturer's title to and interest in the Cars.

3. The Vendee agrees that it will permit no liens of any kind to attach to the Cars (other than any rights of its lessee under the Vendee's lease with such lessee); and that it will

- (a) indemnify and save harmless the Manufacturer from any and all claims, expenses, or liabilities of whatsoever kind; and
- (b) pay any and all taxes, fines, charges, and penalties

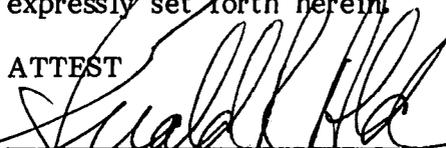
that may accrue or be assessed or imposed upon the Cars or the Manufacturer because of its ownership or because of the use, marking, operation, management or handling of the Cars by the Vendee during the term of this Agreement. The Vendee's obligations contained in this paragraph shall survive the termination of this Agreement by mutual agreement or otherwise.

4. The Vendee will, at its own expense, keep and maintain the Cars in good order and running condition and will at its option repair or replace or promptly pay to the Manufacturer the purchase price in cash of those Cars which may be damaged or destroyed by any cause during the term of this Agreement. Upon the expiration or other termination of this Agreement, other than by payment of the purchase price, the Vendee will surrender and deliver up the Cars in good order and running condition to the Manufacturer free of all charges at the point designated by the Manufacturer.

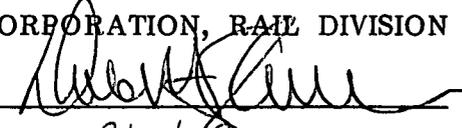
5. Prior to the delivery of each Car to the Vendee, such Car will be numbered with a car number as set forth in Section 3, of Schedule A, and there shall be plainly, distinctly, permanently, and conspicuously marked and maintained by the Vendee upon each side of each Car in letters not less than one inch in height the words set forth in Section 5, of Schedule A.

6. The Vendee agrees with the Manufacturer that the execution by the Manufacturer of this Agreement or the delivery by the Manufacturer to the Vendee of the Cars, as contemplated by this Agreement, shall not relieve the Vendee of its obligations to accept, take, and pay for the Cars in accordance with the terms of the Purchase Agreement, or impair any of the Manufacturer's rights under the Purchase Agreement, which is by reference made a part of this Agreement as fully as though expressly set forth herein.

ATTEST


Vice President - *Secretary & Counsel*

ITEL CORPORATION, RAIL DIVISION

By: 

Date: 8/9/78

ATTEST



FMC CORPORATION

By: 

Date: 8/21/78

SCHEDULE A

SECTION 1. Purchase Agreement:

Vendee's letter of February 3, 1978, Manufacturer's letter of July 5, 1978, LOT NO. 17935.

SECTION 2. Delivery Point:

Either at the Manufacturer's plant or to the railroad line of Vendee's lessee, the Mississippi Export Railroad ("Lessee"), or to such other point as Vendee shall determine.

SECTION 3. Railroad Equipment:

100 70 TON 50'6" Boxcars - MSE 900-999

SECTION 4. Purchase Price:

The price will not exceed \$37,000.00 per unit nor \$3,700,000.00 for all of the equipment.

SECTION 5. Markings on Cars:

Stencil in letters at least one inch in height: "owned by a bank or trust company under a security agreement filed under the Interstate Commerce Act, Section 20c."

STATE OF OREGON)
) SS:
COUNTY OF MULTNOMAH)

On this 21st date of August 1978, before me personally appeared W. R. Galbraith, to me personally known, who, being by me duly sworn, says that he is Div. V.P. Sales of FMC Corp. Marine & Rail Equipment Div. that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of this board of directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Barbara P. Masson
Notary Public

Notarial Seal

My Commission expires: March 20, 1982

STATE OF CALIFORNIA)
) SS:
CITY AND COUNTY OF)
SAN FRANCISCO)

On this 9th day of August 1978, before me personally appeared DONALD H. GLEASON to me personally known, who, being by me duly sworn, says that he is Vice President of ITEL Corporation, Rail Division, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of this board of directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Beverly Leong
Notary Public

My Commission expires: