

INTERCHANGE AGREEMENT
Between
NORFOLK SOUTHERN RAILWAY COMPANY
And
PIEDMONT AND NORTHERN RAILWAY LLC

This AGREEMENT, made and entered into as of this 18th day of April, 2013, by and between NORFOLK SOUTHERN RAILWAY COMPANY, (hereinafter referred to as "NSR"); and PIEDMONT AND NORTHERN RAILWAY LLC, (hereinafter referred to as "P&N LLC");

WITNESSETH: That

WHEREAS, the former Piedmont & Northern Railway Line (hereinafter referred to as "SFC") once owned by NSR was sold to the NORTH CAROLINA DEPARTMENT OF TRANSPORTATION ("NCDOT") on April 23, 2003; and

WHEREAS, P&N LLC, as licensee and operator of the SFC line owned by the NCDOT at Gastonia, NC, intends to interchange railroad cars with NSR (hereinafter referred to as "Interchange") on auxiliary tracks located adjacent to NSR's Main Line at Milepost 399.3 to Avon Bonded Warehouse track, (hereinafter referred to as "Interchange Track"), at Gastonia, North Carolina; and

WHEREAS, P&N LLC and NSR desire to enter into a formal interchange agreement (hereinafter called "Agreement") for the interchange of railroad cars on the at Gastonia, North Carolina.

NOW THEREFORE, the PARTIES HERETO agree as follows:

ARTICLE 1. GRANT OF OPERATING RIGHTS AND INTERCHANGE TRACKS DEFINED

Interchange Agreement dated October 1, 2010 between PIEDMONT AND NORTHERN RAILWAY LLC and NORFOLK SOUTHERN RAILWAY COMPANY shall be terminated as of April 18, 2013, and shall be replaced by this Interchange Agreement.

Subject to the terms and conditions herein provided, NSR hereby grants to P&N LLC the right to operate its trains, locomotives, cars and equipment with its own crews (hereinafter referred to as the "Operating Rights") over the Interchange Track from Milepost 399.3 to Milepost 398.7 (hereinafter collectively referred to as "Interchange Tracks"), in the Gastonia, North Carolina area solely for the purpose of Interchange as depicted on Exhibit A hereto.

Each party shall deliver railroad cars, loaded and empty, to the other party, on Interchange Tracks. Specific procedures for Interchange will be mutually agreed upon between the local operating officers of the parties hereto.

ARTICLE 2. USE OF INTERCHANGE TRACKS

(a) P&N LLC shall not use any part of the Interchange Tracks for the purpose of switching, storage of cars, or the making or breaking up of trains, except as necessary for Interchange purposes,

b) Procedures for qualification and occupancy of Interchange Tracks will be arranged by the local supervision of each party, and the provisions of Article 6(b) of this Agreement. All control and usage will be subject to the approval of NSR's designated authority in charge of the Interchange Tracks.

ARTICLE 3. RESTRICTIONS OF USE

The Operating Rights herein are granted for the sole purpose of P&N LLC using Interchange Tracks to interchange cars with NSR, and for NSR to interchange cars with P&N LLC on the Interchange Tracks, and does not permit any other carrier to interchange with P&N LLC on NSR's Interchange Tracks whether through trackage rights or haulage. P&N LLC shall not perform any local freight service whatsoever at any point located on the Interchange Tracks, nor is P&N LLC permitted to ingress or egress at any point other than those specified herein.

ARTICLE 4. COMPENSATION AND PAYMENT OF BILLS

There will be no charge for P&N LLC's use of NSR trackage as such use is granted for the sole purpose of accessing the Interchange Tracks.

(a) All payments called for under this Agreement shall be made by the appropriate party within sixty (60) days after receipt of bills thereof. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, and any discrepancies reconciled between the parties hereto shall be adjusted by a subsequent statement. The records of each party hereto, insofar as they pertain to matters covered by this Agreement, shall be open at all reasonable times to inspection by the other party.

(b) Bills rendered pursuant to the provisions of this Agreement shall include direct labor and material costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed by either party.

ARTICLE 5. MAINTENANCE OF INTERCHANGE TRACKS

The Interchange Tracks shall be maintained by NSR in reasonably good condition for the use herein contemplated, but NSR does not guarantee the condition of Interchange Tracks, or that operation thereover will not be interrupted. Furthermore, except as may be otherwise provided in Article 9 hereof, P&N LLC shall not by reason of failure or neglect on the part of NSR to maintain, repair, or renew the Interchange Tracks, have or make any claim or demand against NSR or its parent corporation, subsidiaries and affiliates and all of their respective directors, officers, agents or employees for any injury to or death of any person or persons whomsoever, or for any damage to or loss or destruction of any property whatsoever, or for any damages of any nature suffered by a party resulting from any such failure or neglect. If the use of the Interchange Tracks shall at any time be interrupted or

traffic thereon is delayed for any cause, NSR shall with reasonable diligence restore the Interchange Tracks for the interchange of cars.

ARTICLE 6. MANAGEMENT AND OPERATIONS

(a) Each party shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Acts, as amended, and all other federal and state laws, regulations, and rules respecting the operation, condition, inspection, and safety of its trains, locomotives, cars, and equipment while such trains, locomotives, cars, and equipment are being operated over the Interchange Tracks. Each party shall indemnify, protect, defend, and save harmless the other party and its directors, officers, agents and employees from and against all fines, penalties, and liabilities imposed upon any of such indemnities by any public authority or court having jurisdiction in the premises, when attributable to the failure of the using party to comply with its obligations in this regard.

(b) P&N LLC shall make such arrangements with NSR as may be required to have all of its employees who shall operate its trains, locomotives, cars and equipment over NSR trackage qualified for operation thereover as necessary to affect Interchange. Any cost incurred by NSR for qualification of the P&N LLC employees, P&N LLC shall reimburse NSR for the costs of such assistance.

(c) If by reason of any mechanical failure or for any other cause not resulting from an accident or derailment, a train, locomotive or equipment of a party becomes stalled or unable to proceed under its own power or if in emergencies, crippled or otherwise defective cars are set out of a party's trains on the Interchange Tracks, NSR shall have the option to furnish motive power or such other assistance as may be necessary to haul, help, or push such trains, locomotives, or cars, or to properly move the disabled equipment off the Interchange Tracks, and P&N LLC shall reimburse NSR for the costs of rendering any such assistance.

(d) If it becomes necessary to make repairs to or adjust or transfer the lading of crippled or defective cars in P&N LLC trains in order to move them off the Interchange Tracks, NSR shall have the option to perform such service, and P&N LLC shall reimburse NSR for the costs of rendering any such service.

(e) In the event that P&N LLC and NSR agree that one party should provide additional employees for the sole benefit of the other party, the parties hereto shall enter into a separate agreement under which the requesting party shall bear all costs and expenses for any such additional employees, including, without limitation, all costs and expenses associated with labor protective payments which are made by the other party and which would not have been incurred had the additional employees not been provided.

(f) The operations of each party undertaken for purposes of the receipt and delivery of interchange traffic shall be in such manner as not to interfere unreasonably with the use of the Interchange Tracks by the other party. Each party, in placing or leaving cars on the Interchange Tracks, shall place or leave such cars in such position as not to obstruct or interfere unreasonably with the operation or use of any other trackage.

(g) If any employee of P&N LLC shall neglect, refuse or fail to abide by NSR's rules, instructions and restrictions governing the operation on or along NSR's property, such employee shall, upon written request of NSR, be prohibited by NSR from working on NSR's property. If any party shall deem it necessary to hold a formal investigation to establish such neglect, refusal or failure on the part of any employee of P&N LLC, then upon such notice presented in writing, P&N LLC shall promptly hold an investigation in which all parties concerned shall participate and bear the expense for its officers, counsel, witnesses and employees. Notice of such investigations to P&N LLC's employees shall be given by P&N LLC's officers, and such investigation shall be conducted in accordance with the terms and conditions of schedule agreements between P&N LLC and its employees. If the result of such investigation warrants, such employee shall, upon written request by NSR, be withdrawn by P&N LLC from service on NSR's property and P&N LLC shall release and indemnify NSR from and against any and all claims and expenses because of such withdrawal.

(h) It is further understood and agreed neither party will require the other's crews to perform any work beyond that required by current labor agreements with respect to interchange, subject to any modifications that may result from further labor agreements, while said crews are on the property of the other and/or subject to the instructions of the others supervision. Should either party require the others crews to perform additional service over and above that contemplated herein, which results in penalty claims being progressed, that party shall reimburse the other for the cost of all such claims. It is agreed the party subject to the claims shall notify the others supervision of such claim(s) so that the movement(s) causing the claim(s) can be corrected to avoid liability.

ARTICLE 7. INTERCHANGE AND PER DIEM

(a) For all purposes other than determining per diem charges, Interchange shall occur after the delivering carrier has delivered the cars to be interchanged on the Interchange Tracks and properly secured said cars, and the required documents as necessary to ensure proper delivery or receipt have been delivered or transmitted to the other party as described in Article 1 herein, and/or in accordance with the Association of American Railroads' or any successor organization's rules or in accordance with the provisions of any separate car-handling/handling-line agreement between the parties hereto. Car hire and per diem charges will be calculated and assessed as outlined in the AAR code of Car Hire Rules.

(b) Except as otherwise provided in this Agreement, the interchange of cars shall be subject to the Field Manual of the Interchange Rules adopted by the Association of American Railroads, as amended from time to time.

(c) All billings for the cost of repairs shall be made in accordance with the Association of American Railroads' Mechanical Interchange Rules.

ARTICLE 8. CLEARING OF WRECKS

NSR shall be responsible for the performance of such service whenever use of the Interchange Tracks requires rerailling, wrecking service, or wrecking train service, including the repair and restoration of roadbed, track and structures. The cost, and expense thereof,

including without limitation loss of, damage to, and destruction of any property whatsoever and injury to or death of any person or persons whomsoever resulting therefrom, shall be borne and apportioned in accordance with the provisions of Article 9 hereof. All locomotives, cars, and equipment and salvage from the same so picked up and removed which are owned by or under the management and control of or used by either party at the time of such wreck shall be promptly delivered to the controlling party.

ARTICLE 9. LIABILITY

The responsibility of the parties hereto, as between themselves, for loss of, damage to, or destruction of any property whatsoever, excluding lading moving or tendered under a Contract of Carriage (a Contract of Carriage includes, without limitation, a transportation contract, a tariff and an exemption circular), or injury to or death of any person or persons whomsoever, resulting from, arising out of, incidental to, or occurring in connection with exercise of the rights granted in this Agreement, shall be borne and determined as follows:

(a) Whenever any loss of, damage to, or destruction of any property whatsoever (except lading moving or tendered under a Contract of Carriage), or injury to or death of any person or persons whomsoever, or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, occurs with any of the trains, locomotives, cars, or equipment of, or in the account of P&N LLC being involved, without any of the trains, locomotives, cars, or equipment of, or in the account of NSR being involved, P&N LLC shall assume all liabilities therefor and bear all costs and expenses in connection therewith, including without limitation all costs and expenses referred to in Article 8 hereof, and shall forever protect, defend, indemnify, and save harmless NSR and its directors, officers, agents or employees from and against all such liabilities, costs, and expenses, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of any of such indemnities.

(b) Whenever any loss of, damage to, or destruction of any property whatsoever (except lading moving or tendered under a Contract of Carriage), or injury to or death of any person or persons whomsoever, or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, occurs with any of the trains, locomotives, cars, or equipment of, or in the account of NSR being involved, without any of the trains, locomotives, cars, or equipment of, or in the account of P&N LLC being involved, NSR shall assume all liabilities therefor, and bear all costs and expenses in connection therewith, including, without limitation all costs and expenses referred to in Article 8 hereof, and NSR shall forever protect, defend, indemnify, and save harmless P&N LLC and its directors, officers, agents, and employees from and against all such liabilities, costs, and expenses, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of any of such indemnities.

(c) Whenever any loss of, damage to, or destruction of any property whatsoever (except lading moving or tendered under a Contract of Carriage), or injury to or death of any person or persons whomsoever, or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, occurs with any of the trains, locomotives, cars, or equipment of, or in the account of both P&N LLC and NSR being involved (including cars and lading in the account of P&N LLC, but in the possession of NSR as provided for in any separate car-handling/handling-line agreement

between the parties hereto), P&N LLC and NSR shall each separately assume and bear all liabilities, costs, and expenses for loss of and damage to its trains, locomotives, cars (including without limitation lading), and equipment operated by it and for injury to and death of each of its respective officers, agents, and employees, and persons in its care and custody. All liabilities, costs, and expenses for injuries to and death of any other person or persons whomsoever, for loss of, damage to, or destruction of all other properties (including without limitation the Interchange Tracks) and for any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, so occurring shall be borne equally by P&N LLC and NSR, including without limitation all costs and expenses referred to in Article 8 hereof.

(d) Whenever any liabilities, costs, or expenses are assumed by or apportioned to a party hereto under the foregoing provisions of (a), (b) or (c) of this Article 9, that party shall forever protect, defend, indemnify, and save harmless the other party to this Agreement and its directors, officers, agents, and employees from and against those liabilities, costs, and expenses so assumed by that party or apportioned to it, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of any of such indemnities.

(e) Notwithstanding the foregoing provisions, whenever any loss of, damage to, or destruction of any property whatsoever (except lading moving or tendered under a Contract of Carriage), or injury to or death of any person or persons whomsoever, or any damage to or destruction of the environment whatsoever, including without limitation, land, air, water, wildlife, and vegetation, occurs with the trains, locomotives, cars, or equipment of, or in the account of, both parties to this Agreement being so involved, without the trains, locomotives, cars or equipment of, or in the account of, any other user being involved, and such loss, damage, destruction, injury, or death is attributable to the sole negligence of the employee(s) on the train(s), locomotive(s), cabooses, or equipment of, or in the account of, only one of the parties to this Agreement where such sole negligence is the actual or proximate cause of such loss, damage, destruction, injury, or death, the party hereto whose employee(s) was (were) solely negligent shall assume and bear all liabilities, costs and expenses in connection with the loss, damage, destruction, injury, and death so occurring, including without limitation, all costs and expenses referred to in Article 8 hereof, and said party shall forever protect, defend indemnify save harmless the other party to this Agreement and its directors, officers, agents, and employees from and against any such liabilities, costs and expenses.

(f) In every case of death or injury suffered by an employee of either P&N LLC or NSR, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employer's liability, or other law, and either of said parties under the provisions of this Agreement is required to pay said compensation, if such compensation is required to be paid in installments over a period of time, such party shall not be released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.

(g) Notwithstanding the provisions of Article 14(f) of this Agreement, for the purposes of this Article 9 the word "equipment" shall mean and be confined to (i) cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated on the Interchange Tracks, and (iii) vehicles and

machinery that, at the time of an occurrence, are on the Interchange Tracks or its right-of-way for the purpose of the maintenance or repair thereof or the clearing of wrecks thereon.

(h) Except for the activities provided for in Article 6(h) hereof, each party hereto agrees to indemnify and hold harmless the other party hereto against any and all costs and payments, including benefits, allowances, and arbitration, administrative and litigation expenses, arising out of claims or grievances made by or on behalf of, or lawsuits brought by or on behalf of its own employees or by any of their collective bargaining representatives, either pursuant to employee protective conditions imposed by a governmental agency as conditions for that agency's approval of this Agreement and operations hereunder, or pursuant to a collective bargaining agreement and arising out of a party's operations hereunder. It is the intention of the parties hereto that each of them shall bear the full costs of protection of its own employees under employee protective conditions which may be imposed, and of grievances or lawsuits filed by its own employees arising under its collective bargaining agreements with its employees.

(i) (1) All liability arising from or growing out of loss, damage and delay to lading moving or tendered under a Contract of Carriage, including all incidental, related and miscellaneous damages resulting directly or indirectly therefrom (all such liability being hereinafter called "Cargo Related Claim Liability") will be apportioned between P&N LLC and NSR in accordance with applicable rules and procedures of the Association of American Railroad's Damage Prevention and Freight Claim Article (hereinafter the "AAR Freight Claim Article") including its Rules of Order, Principles and Practices, Freight Claim Rules, and prior arbitration decisions interpreting or construing any of them (hereinafter collectively referred to as "AAR Rules and Procedures").

(2) In the event of any dispute about responsibility to investigate, adjust and defend a claim under Article 11(b) below or about apportionment of liability under this sub- Article (i), P&N LLC and NSR shall invoke the AAR Freight Claim Article to provide for arbitration under the AAR Rules and Procedures. P&N LLC and NSR will cooperate fully in any such arbitration proceeding and will be bound by the final decision of the AAR Freight Claim Article arbitration or appeal committee. If the AAR Freight Claim Article arbitration or appeal committee declines to act as arbitrator, any such dispute will be arbitrated in accordance with the provisions of Article 17 of this Agreement.

ARTICLE 10. INSURANCE

(a) P&N LLC shall procure and maintain in effect during the life of this Agreement a policy or policies of insurance covering the liability to which it is or may be subject under Article 9 hereof. Such insurance shall provide minimum limits of Twenty Five Million Dollars (\$25,000,000) per occurrence but may be subject to an annual aggregate limit of Twenty Five Million Dollars (\$25,000,000) and a per occurrence self-insured retention of One Hundred Thousand Dollars (\$100,000). The insurer must be rated A- or better by A.M. Best Company, Inc and said policy or policies shall name NSR as additional insured's.

(b) If the insurance provided under this Article 10 takes the form of a Claims Made Policy, P&N LLC agrees to purchase whatever supplemental coverage may be necessary to provide continuous coverage of its potential liability under this Agreement, with annual occurrence and annual aggregate limits no less than those required hereunder, for a period of time at least five (5) years following the termination of this Agreement. P&N LLC further agrees to immediately give written notice to the Director Risk Management, Norfolk

Southern Railway Company, Three Commercial Place, Norfolk, Virginia 23510-2191, of any claim or notice of incident or notice of potential claim that is required to be reported to its liability insurance company.

(c) On or before any anniversary date of this Agreement which occurs more than one(1) year after its Commencement Date, NSR may require an increase in the amount of insurance coverage required by this Article 10, or changes in the terms and conditions of the policy or policies, provided the amount of the increase does not exceed an average of Two Million Dollars (\$2,000,000) for each year that this Agreement has been in effect.

(d) Every policy of insurance obtained by P&N LLC pursuant to the requirements of this Article 10 shall contain provisions requiring that the insurance carriers give NSR at least thirty (30) days notice, in writing, of any proposed policy cancellation and of any material modification of the terms and conditions of the policy. The terms and conditions of each policy of insurance obtained by P&N LLC to satisfy the requirements of this Article 10 will be subject to the approval of NSR.

(e) Within thirty (30) days of execution of this Agreement, P&N LLC will furnish to the above referenced Director Risk Management, Norfolk Southern Railway Company, Three Commercial Place, Norfolk, Virginia 23510, an accurate copy of insurance obtained pursuant to the requirements of this Agreement. Compliance with this requirement will not relieve P&N LLC of any other obligation under this Agreement and will in no way limit or modify P&N LLC's obligation to provide the specific insurance coverage required by this Agreement. Evidence of subsequent renewal of such insurance or of any material change must be furnished to the above referenced Risk Manager as stipulated in Article (b) above.

ARTICLE 11. INVESTIGATION

(a) Except as provided in Article (b) hereof, all claims, injuries, deaths, property damages, and losses arising out of or connected with Article 9 of this Agreement shall be investigated, adjusted, and defended by the party bearing the liability, cost, and expense therefor under the provisions of Article 9 of this Agreement.

(b) (1) Notwithstanding the foregoing, for Cargo Related Claim Liability arising from a shipment moving or tendered under a Contract of Carriage involving both P&N LLC and NSR and no other interline carriers, P&N LLC will investigate, adjust, and defend all claims and suits filed against it or NSR. For Cargo Related Claim Liability arising from a shipment moving or tendered under a Contract of Carriage involving P&N LLC, NSR and other interline carrier(s), P&N LLC will either investigate, adjust, and defend claims and suits filed with it or, at its option, arrange for one of the other interline carriers to investigate, adjust, and defend claims and suits, provided that P&N LLC shall not make any such arrangements in violation of any applicable AAR Rules and Procedures. P&N LLC shall process all such claims and suits, or arrange for their processing by such interline railroad, in compliance with all applicable laws, government regulations, offering circulars and transportation contracts. P&N LLC also will process its handling of such claims or suits with NSR in compliance with all applicable AAR Rules and Procedures.

(2) If any claim or suit is asserted against NSR for Cargo Related Claim Liability arising from a shipment moving or tendered under a Contract of Carriage involving both P&N LLC and NSR, NSR will immediately advise P&N LLC and forward to P&N LLC all original claim and/or suit papers received by NSR. (c) In the event a claim or suit is asserted

against P&N LLC or NSR which is the other's duty hereunder to investigate, adjust, or defend, then, unless otherwise agreed, such other party shall, upon request, take over the investigation, adjustment, and defense of such claim or suit.

(d) All costs and expenses in connection with the investigation, adjustment, and defense of any claim or suit under Article 9 of this Agreement shall be included as costs and expenses in applying the liability provisions set forth in Article 9 of this Agreement, except that salaries or wages of full-time claim agents, full-time attorneys, and other full-time employees of either party engaged directly or indirectly in such work shall be borne by such party. Notwithstanding the foregoing, all costs and expenses in connection with the investigation, adjustment, and defense of any claim or suit covered by Article 9(i) of this Agreement shall be apportioned and/or borne in accordance with the AAR Rules and Procedures. In the absence of any governing AAR Rules and Procedures (and the provisions of AAR Freight Claims Article shall be the final arbitrator of whether any AAR Rules and Procedures govern), such costs and expenses arising in connection with the investigation, adjustment, and defense of such claims or suits shall be apportioned as liability for other loss, damage or destruction is otherwise apportioned under Article 9 of this Agreement.

(e) Excluding Cargo Related Claim Liability claims governed by Articles 9(i) and 11(b), neither party shall settle or compromise any claim, demand, suit, or cause of action for which the other party has any liability under this Agreement without the concurrence of such other party if the consideration for such settlement or compromise exceeds Five Thousand Dollars (\$5,000).

(f) It is understood that nothing in this Article 11 shall modify or waive the conditions, obligations, assumptions, or apportionment's provided in Article 9 hereof.

ARTICLE 12. DEFAULT AND TERMINATION

In the event of any failure on the part of either party to perform its obligations under this Interchange Agreement and its continuance in such default for a period of thirty (30) days after written notice thereof by certified mail from the non-defaulting party, the non-defaulting party shall have the right, at its option, after first giving thirty (30) days written notice thereof by certified mail, and notwithstanding any waiver by P&N LLC of any prior breach by the defaulting party thereof, to terminate this Agreement. The exercise of such right by the non-defaulting party shall not impair its rights under this Agreement or any cause or causes of action it may have against the defaulting party for remedies hereunder.

ARTICLE 13. REGULATORY APPROVAL

Should implementation of this Agreement require the taking of any action by P&N LLC and/or NSR at the Surface Transportation Board or its successor agency, P&N LLC and NSR, at each party's own cost and expense will initiate and thereafter diligently prosecute such action. This Agreement shall take effect on the date the required governmental approvals have been obtained or have been satisfied and P&N LLC commences operations over Interchange Tracks, but P&N LLC agrees that its operations for interchange to NSR shall not commence over the Interchange Tracks until NSR advises that all necessary labor notices required to be issued by it, if any, have been issued and the relevant time periods after issuance have expired (hereinafter called "Commencement Date"). Each party will

assist and support efforts of the other party to meet the requirements of any governmental requirements applicable to use of the Interchange Tracks.

ARTICLE 14. GENERAL PROVISIONS

(a) This Agreement and each and every provision hereof are for the exclusive benefit of the parties hereto and not for the benefit of any third party. Nothing herein contained shall be taken as creating or increasing any right in any third party to recover by way of damages or otherwise against either of the parties hereto.

(b) All Article headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

(c) This Agreement and the attachment annexed hereto and integrated herewith contain the entire agreement of the parties hereto and supersede any and all other understandings of the parties with respect to the subject matter hereof.

(d) No term or provision of this Agreement may be changed, waived, discharged, or terminated except by an instrument in writing signed by both parties to this Agreement.

(e) As used in this Agreement, whenever reference is made to the trains, locomotives, cars, or equipment of, or in the account of one of the parties hereto such expression means the trains, locomotives, cars, or equipment in the possession of or being operated by one of the parties hereto, and includes such trains, locomotives, cars, or equipment which are owned by, leased to, or in the account of such party. Whenever such locomotives, cars, or equipment are owned or leased by one party to this Agreement and are in the possession or account of the other party to this Agreement, such locomotives, cars, and equipment shall be considered those of that other party to this Agreement.

(f) All words, terms, and phrases used in this Agreement shall be construed in accordance with the generally applicable definition or meaning of such words, terms, and phrases in the railroad industry.

ARTICLE 15. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto; provided, however, that neither party shall not transfer nor assign this Agreement, or any of its rights, interests, or obligations hereunder, by merger or otherwise, to any person, firm, or corporation without obtaining the prior written consent of the other party hereto.

ARTICLE 16. NOTICE

Any notice required or permitted to be given by one party hereto to the other hereto under this Agreement shall be deemed given on the date sent by certified mail, or by such other means as the parties may mutually agree, and shall be addressed as follows:

- (a) If to P&N LLC
General Manager
Piedmont and Northern Railway,
1548 Union Road, Suite B
Gastonia, NC 28054

With a copy to:

VP-Operations
Patriot Rail Corp
10060 Skinner Lake Drive
Jacksonville, FL 32246

- (b) If to NSR
Vice President Transportation
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191

with a copy to:

Director -- Joint Facilities
Norfolk Southern Corporation
1200 Peachtree Street, NE, Box 158
Atlanta, Georgia 30309

Either party may from time to time change its notice address by giving the other party notification thereof by personal service or certified mail.

ARTICLE 17. ARBITRATION

Except for claims subject to the arbitration provisions of Article 9(i), any irreconcilable dispute arising between the parties with respect to this Agreement shall be settled through binding arbitration by three (3) disinterested arbitrators. Each party shall select one arbitrator, and the two arbitrators so selected shall select a third arbitrator. If the parties fail to select such arbitrators within sixty (60) days after demand for arbitration is made by either party, then they shall jointly submit the matter to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitrators shall be final and conclusive upon the parties hereto. Each party to the arbitration shall pay the compensation, costs, fees and expenses of its own witnesses, selected arbitrator and counsel. The compensation, costs and expenses of the third arbitrator shall be borne equally by the parties hereto. The arbitrators shall not have the power to award consequential or punitive damages or to determine violations of criminal laws or antitrust laws. Pending the award of the arbitrators, there shall be no interruption in the transaction of business under the Agreement, and all payments in respect thereto shall be made in the same manner as prior to the dispute until the matter in dispute shall have been fully determined by arbitration, and thereupon such payment or restitution shall be made as required by the decision or award of the arbitrators.

ARTICLE 18. TERM

(a) This Agreement shall take effect as of the date first above written or on the Commencement Date as provided for in Article 13 of this Agreement, whichever is later, and continue in full force and effect until such time as either party hereto shall terminate the same by serving upon the other thirty (30) days written notice of its election so to do.

(b) Termination of this Agreement shall not relieve or release either party hereto from any obligations assumed or from any liabilities which may have arisen or been incurred by either party under the terms of this Agreement prior to the termination hereof.

ARTICLE 19. INDEMNITY COVERAGE

As part of the consideration hereof, each party hereby agrees that each and all of its indemnity commitments in this Agreement in favor of the other party hereto shall extend to and indemnify the parent corporation, its subsidiaries and affiliates of such other party, and all of their respective directors, officers, agents and employees.

ARTICLE 20. FORCE MAJEURE

Neither party to this Agreement shall be responsible to the other party hereto for delays or failure to perform under this Agreement if such delays or failure to perform are covered by circumstances beyond its control, including, but not limited to, Acts of God, floods, storms, earthquakes, hurricanes, tornadoes, or other severe weather or climatic conditions, intrusions from space, including, but not limited to, solar flares, asteroids, meteors, or magnetic disturbances, acts of public enemy, war, blockade, insurrection, vandalism or sabotage; fire, accident, wreck, derailment, washout or explosion; strike, lockout or labor disputes experienced by the parties hereto; embargoes or AAR service orders; Federal Railroad Administration ("FRA") orders; or governmental laws, orders or regulations.

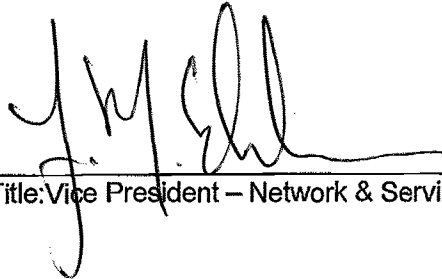
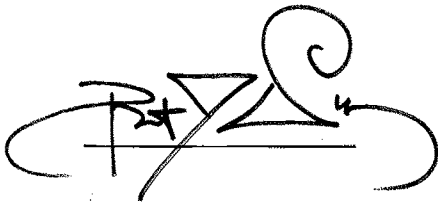
ARTICLE 21. SEVERABILITY

If any part of this Interchange Agreement is determined to be invalid, illegal, or unenforceable, such determination shall not affect the validity, legality, or enforceability of any other part of this Interchange Agreement and the remaining parts of this Interchange Agreement shall be enforced as if such invalid, illegal, or unenforceable part were not contained herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, in duplicate, as of the date first above written.


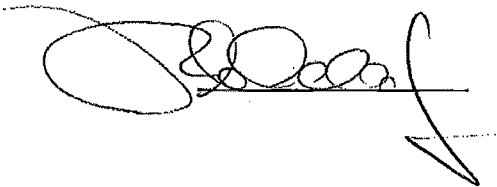
WITNESS:

NORFOLK SOUTHERN RAILWAY COMPANY


Title: Vice President – Network & Service Management

WITNESS:

PIEDMONT AND NORTHERN RAILWAY, LLC


Title: VP Field Operations