



JOHN MARISCOTTI
EXECUTIVE VICE PRESIDENT

NATIONAL RAILWAY UTILIZATION CORP.

860 Suburban Station, Philadelphia, Pa. 19103 / (215) 569-2220

~~May 11 1977~~
Date ~~.....~~
Fee \$ 100
ICC Washington, D. C.

May 12, 1977

MAY 11 3 26 PM '77

I.C.C. 8820
FEE OPERATION NO. 8820 Filed & Recorded

MAY 11 1977 - 3 32 PM

Interstate Commerce Commission
12th and Constitutional Avenue, N.W.
Washington, D. C. 20423

INTERSTATE COMMERCE COMMISSION

Attention: Mrs. Lee
Room 1227

RECORDATION NO. 8820 Filed & Recorded

MAY 11 1977 - 3 30 PM

Gentlemen:

INTERSTATE COMMERCE COMMISSION

It is hereby respectfully requested that the following documents be recorded pursuant to the provisions of Section 20c of the Interstate Commerce Act:

8820 B 1. Chattel Mortgage, dated as of May 11, 1977:

RECORDATION NO. 8820 Filed & Recorded

MAY 11 1977 - 3 32 PM

Mortgagor: South Carolina National Bank
P. O. Drawer 969
Greenville, S. C. 29602

Mortgagee: INA Life Insurance Company
P. O. Box 7728
Philadelphia, Pa. 19101

2. Lease of Railroad Equipment, dated as of May 11, 1977:

Lessor: South Carolina National Bank
(address as stated above)

Lessees: Pickens Railroad Company
P. O. Box 216
Pickens, South Carolina 29671

National Railway Utilization Corporation
860 Suburban Station
1617 John F. Kennedy Boulevard
Philadelphia, Pa. 19103

Virginia P. Cornell

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Interstate Commerce Commission
May 12, 1977
Page Two

3. Assignment of Lease and Agreement dated as of
May 11, 1977:

Assignor: South Carolina National Bank
(address as stated above)

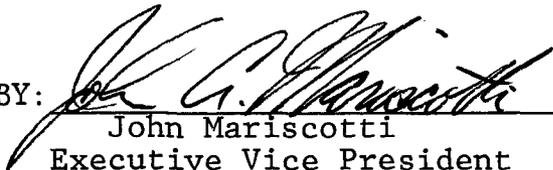
Assignee: Provident National Bank, as Agent
1632 Chestnutt Street
Philadelphia, Pa. 19101

General Description of the Equipment: 154 Boxcars,
(50' 6" 70-ton), bearing
Road Numbers NSL 100700
through NSL 100853 (both
inclusive), and each being
marked: "South Carolina
National Bank, Owner/Lessor,
title subject to Mortgage
filed pursuant to Interstate
Commerce Act Section 20c".

Very truly yours,

NATIONAL RAILWAY UTILIZATION CORPORATION

BY:


John Mariscotti
Executive Vice President

JAM:ebw

Interstate Commerce Commission
Washington, D.C. 20423

5/11/77

OFFICE OF THE SECRETARY

John Mariscotti
Executive Vice President
National Railway Utilization Corp.
860 Suburban Station
Phila. Pa. 19103

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 **5/11/77** at **3:30pm** , and assigned recordation number(s) **8820,8820-A,8820-B**

Sincerely yours,


Robert L. Oswald
Secretary

Enclosure(s)

SE-30
(5/76)

0020

RECORDATION NO. Filed & Recorded

EXHIBIT C

MAY 11 1977 - 3 20 PM

INTERSTATE COMMERCE COMMISSION

CHATTEL MORTGAGE

OF

SOUTH CAROLINA NATIONAL BANK

TO

INA LIFE INSURANCE COMPANY

Dated as of May 11, 1977

Filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act on May __, 1977 at _____.m., recordation number _____.

CHATTEL MORTGAGE dated as of May 11, 1977, from SOUTH CAROLINA NATIONAL BANK, a national banking association (hereinafter called Mortgagor), to INA LIFE INSURANCE COMPANY, a California corporation (hereinafter called Mortgagee).

1. Mortgagor, pursuant to the Participation Agreement dated as of the date hereof (hereinafter called the Participation Agreement), among Mortgagor, Mortgagee, Pickens Railroad Company (hereinafter called the Railroad), National Railway Utilization Corporation (hereinafter called National), and Provident National Bank (hereinafter called the Agent), and for and in consideration of the principal amounts of the certain nonrecourse promissory notes hereinafter referred to and for other good and valuable consideration the receipt of which is hereby acknowledged, DOES HEREBY GRANT, SELL, MORTGAGE AND CONVEY unto Mortgagee, its successors and assigns, the units of railroad equipment, described in Schedule A attached hereto and hereby made a part hereof which sets forth the Railroad's identifying numbers of said units, which are being purchased pursuant to a Purchase Agreement dated as of the date hereof between the Mortgagor and National and are being leased by Mortgagor to the Railroad and National pursuant to a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the Lease) between the Mortgagor, the Railroad and National, and all accessions, improvements, replacement parts and equipment now or hereafter affixed to any of such units and owned by Mortgagor (all such units and accessions, improvements, replacement parts and equipment hereinafter called the Units);

TO HAVE AND TO HOLD the Units unto Mortgagee, its successors and assigns, to its and their sole use forever.

2. The Units are granted, sold, mortgaged and conveyed hereunder by Mortgagor to Mortgagee as security for the performance by Mortgagor of all its obligations to pay any and all sums from time to time owing in accordance with the terms and provisions of those certain nonrecourse promissory notes (hereinafter called the Notes) issued or to be issued by Mortgagor to Mortgagee (or nominee thereof) pursuant to the Participation Agreement of an aggregate principal amount of not in excess of \$3,811,500, all sums from time to time owing to the Agent and payable by the Agent to Mortgagee in accordance with the Assignment of Lease and Agreement dated as of the date hereof (hereinafter called the Assignment) between Mortgagor and the Agent, and all other obligations, liabilities and indebtedness of Mortgagor to Mortgagee, direct or indirect, arising under or in accordance with the Participation Agreement and the transactions thereby contemplated (all such

obligations, liabilities and indebtedness hereinafter called the Liabilities).

3. In the event that Mortgagor, the Railroad or National, or their respective successors and assigns, shall have paid and discharged all the Liabilities, then in that event this Chattel Mortgage shall be void, otherwise this Chattel Mortgage shall remain in full force and effect.

4. The Mortgagor hereby covenants, warrants and agrees that:

(a) The Units are free and clear of all claims, liens, security interests or other encumbrances, except those created by the Lease and this Chattel Mortgage, and that Mortgagor will not permit any liens or security interests to attach to any of the Units.

(b) Mortgagor will not transfer its interest in the Units without the prior written consent of the Mortgagee, its successors and assigns.

(c) Mortgagor will cause there to be at all times full compliance with and performance of each and every obligation or undertaking set forth in Sections 6, 8, 10, 13, and 16 of the Lease.

(d) Mortgagor will execute and deliver to Mortgagee, its successors and assigns, all further or supplemental chattel mortgages, financing statements, continuation statements, or other documentation at any time requested by Mortgagee to perfect, continue perfection of, protect or enforce the security herein provided for and any additions or replacements thereof, and to cause any such documentation to be filed or recorded at its expense in any place and at any time reasonably requested by Mortgagee.

5. Mortgagor shall be default hereunder upon the occurrence of any of the following events:

(a) the nonpayment when due of any installment or any other sum payable under any of the Notes, and such nonpayment shall continue for five business days;

(b) the nonpayment when due of any other Liability, and such nonpayment shall continue for ten business days after the giving of notice to Mortgagor of such nonpayment;

(c) the failure of Mortgagor to perform any other Liability, or any other covenant or obligation hereunder, and such failure

shall continue for twenty days after the giving of notice to Mortgagor of such failure;

(d) the dissolution, reorganization, insolvency, appointment of a receiver of any part of the property of, or the commencement of any proceeding under any bankruptcy, insolvency or similar laws by or against, Mortgagor; or

(e) an Event of Default shall have occurred under the Lease.

6. Upon the occurrence of any default hereunder and at any time thereafter Mortgagee, its agents, successors and assigns, may take immediate possession of any or all of the Units, and may remove the same from possession, use or control of the Mortgagor or any other person, and for such purpose may enter upon the premises of the Mortgagor or any other premises where any of the Units may be located, and shall have the right to retain possession of any or all of the Units and to lease the same or make any other disposition thereof.

At any time after the occurrence of a default hereunder, Mortgagee, with or without retaking possession thereof, at its election and upon reasonable notice to the Mortgagor and any other persons to whom the law may require notice of the time and place, may sell any or all of the Units, free from any and all claims of the Mortgagor or any other party claiming from, through or under the Mortgagor, at law or in equity, at public or private sale and with or without advertisement as the Mortgagee may determine. Any sale hereunder may be held or conducted at Philadelphia, Pennsylvania, at such time or times as Mortgagee may specify (unless Mortgagee shall specify a different place or places, in which case the sale shall be held at such place or places as Mortgagee may specify), in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale and property to be sold, and in general in such manner as Mortgagee may determine.

Mortgagee shall be entitled to reimbursement from the proceeds of any such leasing, sale or foreclosure for all costs and charges incurred by it, or its agents or attorneys, in taking, removing, keeping, storing, leasing or selling any or all of the Units, including any and all attorneys' fees and other costs and expenses incurred in connection with any such leasing foreclosure or sale. Any surplus remaining after reimbursement for such costs and expenses and after payment of all of the Liabilities shall be paid to Mortgagor.

It is understood and agreed that the Mortgagor itself shall not be liable for the payment of any of the Liabilities and that any execution issued on a judgment obtained on the Notes or in respect of the payment of any of the other Liabilities shall be limited to the Units, including all proceeds therefrom, and to the sums due and to become due under the Lease.

Upon the occurrence of any default hereunder or at any time thereafter, Mortgagee may declare the entire unpaid principal balance of the Notes, together with interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the unpaid principal balance of such Notes shall bear interest from the date of such declaration of default at the rate of 11.5% per annum.

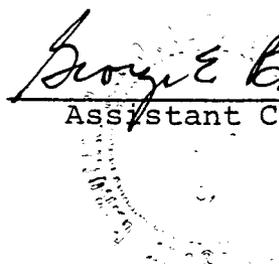
7. Each and every power and remedy hereby specifically given to the Mortgagee shall be in addition to every other power and remedy now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Mortgagee. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Mortgagee in the exercise of any such power or remedy shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment of any Liability or other indulgence duly granted to the Mortgagor shall not otherwise alter or affect the Mortgagee's rights hereunder. To the full extent that Mortgagor may lawfully so do, Mortgagor agrees that it will not at any time claim the benefit of any stay, extension, appraisalment, redemption or similar law now or hereafter in force.

8. Except as expressly set forth in the Participation Agreement, the Assignment or this Chattel Mortgage, Mortgagor has not made any representations or warranties to the Mortgagee with respect to the transactions contemplated hereby and none shall be implied.

9. This Chattel Mortgage shall be governed by the laws of the Commonwealth of Pennsylvania, including the Uniform Commercial Code, but the parties hereto shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

IN WITNESS WHEREOF, Mortgagor has caused this instrument to be signed in its name by its officers duly authorized as of the date first above written.

[Corporate Seal]
Attest:


George E. Brediger
Assistant Cashier

SOUTH CAROLINA NATIONAL BANK

By Charles P. Airl
Vice President

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF PHILADELPHIA : SS:

On this 11th day of May, 1977, before me personally appeared Charles P. Cecil, to me personally known, who, being by me duly sworn, says that he is Tree President of SOUTH CAROLINA NATIONAL BANK that one of the seals affixed to the foregoing instrument is the corporate seal of said banking association, that said instrument was signed and sealed on behalf of said banking association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said banking association.

Agnes C. Sullivan
Notary Public

[Notarial Seal]

My Commission expires:

AGNES C. SULLIVAN
Notary Public, Philadelphia, Philadelphia Co.
My Commission Expires August 6, 1979

SCHEDULE A

General Description of Equipment covered by the foregoing Chattel
Mortgage dated as of May 11, 1977

TYPE:	50'-6" 70-ton single sheath outside stake boxcar, Plate "C", with rigid underframe
QUANTITY:	154
OWNER/LESSOR:	South Carolina National Bank
LESSEES:	Pickens Railroad Company and National Railway Utilization Corporation
IDENTIFYING NUMBERS:	NSL 100700 - NSL 100853 (both inclusive)