



NATIONAL RAILWAY UTILIZATION CORP.

1100 Centre Square East / 1500 Market Street / Philadelphia, Pennsylvania 19102 / (215) 569-2220

CHARLES P. TURNBURKE
VICE PRESIDENT
EQUIPMENT FINANCE

RECORDATION NO. 10234-C Filed 1425

RECORDATION NO. 10234-A Filed 1425

MAY 30 1979 - 12 40 PM

MAY 30 1979 - 12 40 PM

MAY 30 1979 - 12 40 PM

INTERSTATE COMMERCE COMMISSION 9-150A038

INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION
Interstate Commerce Commission
Washington, DC 20423

Date MAY 30 1979

Fee \$ 100.00

CC Washington, D. C.

RECEIVED
I.C.C.
OPERATION BR.
MAY 30 12 37 PM '79

Attention: Secretary

Dear Sir:

On March 29, 1979, at 10:10 o'clock a.m., there were recorded with the Commission (i) an Equipment Lease, dated March 28, 1979, between S&R Boxcar Company, as Lessor, and National Railway Utilization Corporation and Pickens Railroad Company, as Co-Lessees, and (ii) a Certificate of Inspection and Acceptance, dated the same date, between the same parties. The recordation numbers assigned by the Commission were respectively 10234 and 10234-A.

It is hereby respectfully requested that the following documents also be recorded pursuant to the provisions of the Interstate Commerce Act (Title 49 U.S.C. §11303) and be assigned under the aforementioned recordation number, suffixes B, C and D:

- 1. Assignment of Lease, dated as of May 7, 1979:

Assignor - S&R Boxcar Company
Three Girard Plaza
Philadelphia, PA 19101

Assignee - Girard Bank
Three Girard Plaza
Philadelphia, PA, 19101
Attn: Corporate Trust Division

Co-Lessees - Pickens Railroad Company -and- National Railway Utilization Corporation
P.O. Box 216 1100 Centre Square East
402 Cedar Rock Drive 1500 Market Street
Pickens, SC 29671 Philadelphia, PA 19102

- 2. Security Agreement, dated as of May 7, 1979:

Debtor - S&R Boxcar Company (address as stated above)

Secured Party- Girard Bank (address as stated above)
(Agent for Lenders)

William Somers
[Signature]



Interstate Commerce Commission
May 30, 1979
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3. Participation Agreement, dated as of May 7, 1979:

Owner - S&R Boxcar Company (address as stated above)

Co-Lessees - Pickens Railroad Company -and- National Railway
(address as stated above) Utilization Corporation

Agent (for Lenders) - Girard Bank (address as stated above)

General Description of the Equipment:

80 Boxcars, Type XM (50' - 6", 70-ton), bearing National Railway Utilization Corporation Road Numbers NSL 150615 to NSL 150694 (both inclusive).

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Charles P. Turnburke".

CHARLES P. TURNBURKE

Vice President - Equipment Finance

SIGNED COPY

RECORDATION NO. 10234 Filed 1425

SECURITY AGREEMENT

MAY 30 1979 - 12 40 PM

INTERSTATE COMMERCE COMMISSION

THIS SECURITY AGREEMENT made as of May 7, 1979, between S&R BOXCAR CO., a Pennsylvania limited partnership with its principal place of business at Three Girard Plaza, Philadelphia, Pennsylvania 19101 (the "Debtor") and GIRARD BANK with an office at Three Girard Plaza, Philadelphia, Pennsylvania 19101 (the "Agent").

To secure the payment of the Debtor's promissory notes (the "Notes") of even date herewith, payable to the order of The Paul Revere Life Insurance Co., The Paul Revere Protective Life Insurance Co., and The Paul Revere Variable Annuity Insurance Co. (the "Investors") in the aggregate principal amount of \$2,606,156 (said Notes having been issued pursuant to the terms of a Participation Agreement among the Debtor, the Agent, the Investors and the lessees hereinafter named, dated the date hereof; the "Participation Agreement"), and to further secure Debtor's obligations hereunder and the obligations of said lessees under the Lease referred to in paragraph 1 below, Debtor hereby assigns, transfers, mortgages and pledges to the Agent, for the benefit of the Investors, and grants to the Agent a security interest in the following and in all proceeds thereof ("Collateral"):

1. all of the Debtor's right, title and interest in the equipment lease dated as of March 28, 1979 (the "Lease") in which NATIONAL RAILWAY UTILIZATION CORPORATION and PICKENS RAILROAD COMPANY are lessees ("Lessee") and Debtor is lessor and all rentals and other moneys payable thereunder or receivable by the Debtor under or in connection therewith, including all proceeds of insurance, condemnation and requisition proceedings, and sales or other dispositions of the property subject thereto, and all the Debtor's rights, powers and remedies herein and thereunder (but none of its duties or obligations thereunder, if any), including, exclusively, all the Debtor's rights to give and receive any notice, consent, waiver, demand or approval under or in respect of such Lease, to exercise any election or option thereunder or in respect thereof, to accept any surrender of the property subject to the Lease, to execute and deliver any bill of sale for any such property, and to do all other things which the Debtor is entitled to do under such Lease; and

2. subject to the interest therein and rights of the Lessee under the Lease, all the equipment which may at any time be leased to the Lessee pursuant to the Lease (the "Equipment") and all the Debtor's right, title and interest in the Equipment and in all parts, fittings, accessories, accessions, substitutions and replacements therefor or thereof.

In furtherance of the foregoing, Debtor has executed an assignment of lease ("Assignment") dated the date hereof and annexed hereto as Exhibit B, and the Debtor hereby irrevocably constitutes and appoints Agent as its attorney-in-fact, with full power of substitution and revocation, in the name of the Debtor or otherwise to demand, enforce, collect, receive and receipt and give releases for any payment or indemnity becoming due or arising under the Lease or any policy of insurance relating to the Equipment or any Collateral (including any return of insurance premiums), to endorse and collect any checks, drafts or other instruments payable to the Debtor therefor, and to do and take all such other actions as are referred to above relating to the Lease, the Equipment or other Collateral, to file any claims or institute any proceeding for the foregoing which Agent deems necessary, and to compromise any such demand, claim or action.

So long as any amount remains owing on the Note, without Investors' prior written consent, the Debtor will not itself grant any consent under the Lease, give any notice thereunder or otherwise exercise any rights, powers or remedies of the Lessor thereunder, or agree to any release of any obligation of the Lessee thereunder or to any modification or termination thereof. The Debtor hereby consents to and waives notice of the granting by Agent as assignee and secured party hereunder of indulgences to Lessee or extensions of time for payment of any obligations of Lessee under the Lease, Agent's taking or releasing of any security for the obligations of the Lessee under the Lease, Agent's acceptance of partial payments on the Lease or settlement, compromising or compounding of any obligations of any person, primarily or secondarily liable on or with respect to the Lease, all in such manner and at such time or times as Agent may reasonably deem advisable.

A. REPRESENTATIONS AND WARRANTIES - Debtor represents and warrants that:

1. there have been delivered to and accepted by the Lessee pursuant to the Lease, units of Equipment having an aggregate acquisition cost (as defined in the Lease) equal to at least 121.9% of the principal amount of the Notes. The Lease provides

for the payment, on or before the installment payment dates of the Notes, of rentals in amounts at least equal to the amounts of such installments of principal and interest under the Notes. The original Lease has been delivered to Agent;

2. the Debtor has good and marketable title to the units of Equipment referred to in subparagraph 1 above, subject only to the interests therein of the Lessee under the Lease;

3. the Debtor has executed and delivered to Agent schedules describing in detail sufficient to identify them, the units of Equipment referred to in subparagraph 1 above;

4. no event has occurred which is an Event of Default (or with the passage of time or the giving of notice or both would be such an Event of Default) hereunder or under the Lease;

5. Debtor is a limited partnership duly organized and validly existing under the laws of the Commonwealth of Pennsylvania; it has full power, authority and legal right to borrow the amount evidenced by the Notes, to execute and deliver this Agreement and the Notes, and to perform and observe the terms and provisions of this Agreement and the Notes; this Agreement and the Notes, when issued for value, will constitute valid and binding obligations of the Debtor enforceable (within legal limits imposed by Federal Bankruptcy Laws or laws relating to or affecting creditor's rights generally) in accordance with the respective terms hereof and thereof;

6. the making and performance by the Debtor of this Agreement and the borrowing and execution and delivery of the Notes have been duly authorized on its part, and will not violate any provision of law or of the Debtor's agreement or certificate of limited partnership, or constitute a default under or result in the creation of any lien, charge or encumbrance upon any property or assets of the Debtor or the general partner thereof pursuant to any agreement, indenture or other instrument to which the Debtor or such general partner is a party or by which the Debtor or such general partner may now be bound;

7. there are no actions, suits, or proceedings pending or, to the knowledge of the Debtor, threatened, against or affecting the Debtor or the general partner thereof in any court or by or before any government department, agency or instrumentality in which any adverse decision might materially affect the ability of the Debtor to perform its obligations hereunder and under the Notes; and

8. without Investors' prior written consent so long as any of the Notes remain unpaid, Debtor will not grant any consent under the Lease, give any notice thereunder or otherwise exercise any rights, powers or remedies of the Lessor thereunder, or agree to any release of any obligation of the Lessee thereunder or to any modification or any termination thereof. Without limiting the generality of the foregoing, the Debtor agrees that it will not avail itself of the right, reserved to it under Section 23.6 of the Lease, to make payment on behalf of the Lessee (or provide funds to the Lessee for like purpose) of any amount nonpayment of which by the Lessee would occasion an Event of Default under clause (f) of Section 20 of the Lease.

B. DOCUMENTATION - The Debtor will execute and deliver to Agent such documents identifying the Equipment as Investors may from time to time reasonably request. In addition, the Debtor will execute, acknowledge, deliver, file and record all such documents, including financing statements, and take all such other action as may be necessary or as Investors may reasonably request, to perfect and continue perfected under applicable laws the security interests granted hereby as first lien security interests in the Collateral, and the Debtor hereby irrevocably constitutes and appoints Agent its attorney-in-fact for such purposes, with full power of substitution. The Debtor also will execute and deliver such instruments and take all such other action as Investors may reasonably request to effectuate the purposes of this Agreement and to secure the rights and remedies conferred upon Investors and/or Agent hereunder.

C. DEFAULT - Each of the following will constitute an event of default hereunder ("Event of Default"):

1. the failure by Debtor to pay any amount of principal of or interest on the Notes when due, whether at the maturity thereof or by reason of any requirement for the prepayment thereof, by acceleration or otherwise, and such failure shall continue for five days after Agent shall have given the Debtor written notice thereof;

2. the failure by Debtor to pay any other amount or perform any other obligation when due hereunder or under the Participation Agreement, or any representation or warranty set forth herein or in the Participation Agreement shall fail to be true in any material respect, and such failure shall continue for 20 days after the Agent shall have given the Debtor written notice thereof;

3. the occurrence of an Event of Default under the Lease (as defined therein);

4. the adjudication of the Debtor or the general partner thereof as bankrupt or insolvent, or the entry of an order appointing a receiver or trustee for the Debtor or such partner or any of its or their property or approving a petition seeking reorganization, arrangement, composition, adjustment of the debts, liquidation or dissolution of the Debtor or such partner under the Bankruptcy Act or any similar law of the United States or any state or other competent jurisdiction, or the filing by the Debtor or such partner of a petition or answer seeking or consenting to any of the foregoing, or the making by the Debtor or such partner of a general assignment for the benefit of creditors;

5. the occurrence of a breach of any of the Representations and Warranties under paragraph A hereof; or

6. the failure by either Guarantor (named in the Participation Agreement) to execute and deliver to the other parties entitled thereto on or before June 22, 1979 a counterpart of the Participation Agreement or his Guarantee in the form attached as Exhibit D to said Agreement; or failure of either Guarantor to confirm annually, in the manner provided in the form of Guarantee attached as Exhibit D to the Participation Agreement, a net worth of at least \$5,000,000, unless in substitution for such Guarantee an alternate security arrangement shall be concluded in content and form satisfactory to the Investors.

D. REMEDIES - At any time after the occurrence of an Event of Default and while the same remains uncured, Agent may declare, by written notice to the Debtor, the entire unpaid balance of the principal of the Notes and interest accrued thereon to be immediately due and payable, and, in addition, Agent shall have and may exercise all the rights and remedies of a secured party under the applicable Uniform Commercial Code, including the right, subject to prior rights of the Lessee under the Lease, to take possession of any Equipment or other Collateral not then in Agent's possession and to dispose of it, or the Debtor's interest therein, at public or private sale, at which Agent or any Investor, subject to the provisions of applicable law, may be the purchaser.

Any notice or any such sale required by law shall be reasonably and sufficiently given if given to the Debtor at least 15 days prior to the date thereof at the address and in the manner herein provided for notices. The proceeds shall be applied to the cost and expenses of collection and retaking as set forth in paragraph G and then shall be applied to the obligations secured by this Agreement in accordance with the provisions of paragraph F and Debtor will be entitled to any surpluses thereafter. No delay or omission on Agent's part to exercise any right hereunder will impair any such right or be construed as a waiver of any default or any acquiescence therein.

No waiver of any default hereunder will affect any later default or impair any of Agent's rights hereunder. No single, partial or full exercise of any rights by Agent will preclude further or other exercise thereof. The remedies provided for herein shall not be deemed exclusive, but are cumulative and in addition to all other remedies available under applicable law.

E. LIMITATION OF THE DEBTOR'S LIABILITY - Subject only to a default by the Debtor under subparagraph 5 of paragraph C and notwithstanding any other provision of this Agreement or of the Notes, it is understood and agreed that all payments to be made by the Debtor under or pursuant to this Agreement and to the Notes will be made only from the "income and proceeds from the Equipment" (as defined in this paragraph) and the Debtor's liability hereunder and under the Notes will be limited thereto. For recovery upon default by the Debtor in the payment or performance of any of its obligations hereunder and under the Notes, Agent will have resort solely to the "income and proceeds from the Equipment" and not to any other property of the Debtor or the partners thereof. Lender will not proceed for the collection of any amount payable hereunder and under the Notes, against, or execute upon, any other assets of the Debtor or the partners thereof. Any judgment entered in any action for recovery of any amount due hereunder and under the Notes against the Debtor will not be a lien against any other property of the Debtor or the partners thereof, and Agent and Investors agree to execute and deliver all documents and take all such other action as may be necessary to release of record from any such lien such other property of the Debtor or the partners thereof. As used herein the term "income and proceeds from the Equipment" means

1. if an Event of Default shall have occurred hereunder and while it shall be continuing so much of the following amounts as are indefeasibly received by the Debtor under the Lease or by the Agent as Assignee pursuant to the Assignment at any time after such occurrence and during the continuance thereof; (a) all amounts of rentals and late charges in respect thereof paid pursuant to the Lease for or with respect to any Equipment, and (b) any and all payments or proceeds so received by the Debtor under the Lease or the Agent as Assignee for or with respect to the Equipment as the result of the sale,

lease or other disposition thereof and after deducting all costs and expenses of such sale, lease or other disposition (including sales and transfer taxes, legal fees and expenses, and storage and delivery charges), and

2. at any other time, only that portion of the amounts referred to in the foregoing clauses (1) (a) and (1) (b) as are indefeasibly received by the Debtor or the Agent as Assignee and as shall equal the portion of the unpaid principal balance of the Notes, accrued interest thereon and all other amounts payable by the Debtor hereunder, to the extent then due thereunder or hereunder; it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Debtor or the Agent as Assignee when no such Event of Default had occurred and was continuing and which exceeded the amount required to discharge the portion of the unpaid principal balance of the Notes, accrued interest thereon and amounts payable by the Debtor hereunder due and payable on the date when such amounts were received by the Debtor or the Agent as Assignee or were required to be paid to it pursuant to the Lease.

Nothing herein contained shall limit, restrict, or impair Agent's right to accelerate payment of the Notes upon the occurrence of an Event of Default, to bring suit and obtain a judgment against the Debtor on the Notes or this Agreement for the full amount of the unpaid principal of the Notes, interest thereon and all other amounts payable by the Debtor pursuant hereto (provided that the liability of the Debtor on any such judgment and the satisfaction thereof shall be limited as hereinabove provided), or to exercise (subject to the rights of Lessee under the Lease) Agent's rights and remedies hereunder with respect to the Collateral, including the Equipment and the Lease (including the right to enforce Agent's rights, as Assignee, under the Lease and to dispose of the Equipment and the Lease and to recover from the proceeds thereof the full amount of the unpaid principal of the Notes, interest thereon and all other amounts payable by the Debtor pursuant hereto).

F. PREPAYMENT OF NOTE - If any amount shall become due and payable to the Debtor or the Agent as Assignee pursuant to Section 14 of the Lease because of the loss, theft, irreparable damage or destruction of any units of Equipment, then, thereupon, a like aggregate amount will be immediately due and payable on account of the principal of and interest accrued on the Notes. In the event of any partial prepayment of the principal of the Notes pursuant to the first sentence of this paragraph F, the amount of each installment payment thereon thereafter coming due will be reduced by an amount which bears the same proportion to the amount of such installment which would have been due in the absence of such prepayment as the amount of such principal prepayment bears to the unpaid principal balance outstanding immediately prior to such prepayment. All amounts received or collected by Agent as a result of exercising any of the remedies afforded Agent under paragraph D hereof shall be used to pay, first, all unpaid principal and, second, accrued interest under the Notes, and thereafter any surplus shall be paid to Debtor.

G. COLLECTION EXPENSES - Subject to the provisions of the preceding paragraph F hereof, in addition to all other amounts payable hereunder and under the Notes, the Debtor will pay all Agent's reasonable expenses, including attorneys' fees, incurred from time to time in enforcing its rights and remedies hereunder, under the Notes or under the Lease, and, in addition thereto, a commencement fee of \$300 payable as of the date hereof, and thereafter an annual administration fee of \$150, payable in advance on each anniversary date thereafter occurring so long as any Notes shall remain outstanding. If Agent brings suit (or files any claim or petition in any bankruptcy, reorganization, insolvency or other proceeding) to enforce any of its or Investors' rights (or other recovery or relief), Agent may recover in such action (or other proceeding), in addition to all other amounts payable hereunder and thereunder, its reasonable expenses in connection therewith, and the same shall be included in such judgment (or other form of award).

H. COLLECTION OF RENTALS - Agent will, on behalf of Investors and Debtor, collect and receive from the Lessee all rentals and other money payable pursuant to the Lease, and the Agent may take all such action as may be necessary or desirable to demand, enforce, collect, receive and receipt for all such payments and to otherwise enforce compliance by Lessee with all terms and provisions of the Lease. Upon the Agent's indefeasible receipt of any such payment or other "income and proceeds from the Equipment" (as defined in paragraph E hereof), Agent will promptly remit to Investors so much thereof as may equal any amount then due and payable under the Notes, and to the Debtor any remaining balance. If, pursuant to the rights herein granted, Agent shall indefeasibly collect or receive any "income and proceeds from the Equipment" (as so defined), then, so long as no Event of Default hereunder shall have occurred and be continuing, Agent will remit promptly to Debtor the amount so collected or received which exceeds amounts then due under the Notes or hereunder.

I. NOTICES - All notices, declarations, requests, consents and other communications given hereunder or in connection herewith or with the Note shall be in writing and delivered or deposited in the United States mail, registered or certified, postage pre-paid, addressed to Debtor at its address stated above, to the Agent at its address stated below, and to an Investor at its address as stated in Schedule A to the Participation Agreement, or to such other address as any such party may hereafter specify by written notice to the other.

J. APPLICABLE LAW - This Agreement is being delivered and is intended to be performed in the Commonwealth of Pennsylvania. This Agreement and the Notes shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Commonwealth of Pennsylvania.

K. SUCCESSORS AND ASSIGNS - This Agreement will bind and inure to the benefit of the respective successors and assigns of the parties hereto, including any holder, as such, of any Note. By acceptance of an assignment hereof or of any Note, each of the Investors' successors or assigns (including any holder, as such, of any Note) will be deemed to have agreed to be bound by the provisions hereof and of the Note and Investors' undertakings hereunder and thereunder, especially including the provisions of Section E, entitled "Limitation of the Debtor's Liability".

EXECUTED the date first above written.

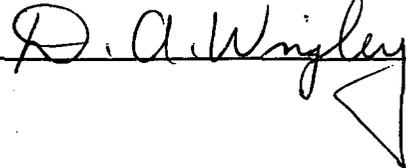
S&R BOXCAR CO.

[CORPORATE SEAL]

By GIRARD LEASING CORPORATION,
its General Partner

Attest:


Secretary

By 

[CORPORATE SEAL]

GIRARD BANK, as Agent

Attest:


Secretary
CORPORATE TRUST OFFICER

By 

VICE PRESIDENT
Address for notices, etc:
Three Girard Plaza
Philadelphia, Pennsylvania 19101
Attn: Corporate Trust Dep't

This Assignment is made pursuant to and for the purposes of a certain Security Agreement of even date herewith given by Assignor to Assignee to secure the payment of Assignor's Notes and other obligations as provided therein.

Executed as of May 7, , 1979

S&R BOXCAR CO.

[CORPORATE SEAL]

By GIRARD LEASING CORPORATION,
its General Partner

Attest:

By _____

Secretary

ASSIGNMENT OF LEASE

S&R BOXCAR CO. ("Assignor"), a Pennsylvania limited partnership, hereby assigns and transfers to GIRARD BANK ("Assignee") as Agent on behalf of certain Investors named in Schedule A of a Participation Agreement, dated May 7, 1979, among said Investors, Assignor and others, all of Assignor's right, title and interest in and to the lease made as of March 28, 1979 (Lease No. M-056) and all rental schedules and supplements thereto ("Lease") of which National Railway Utilization Corporation and Pickens Railroad Company, with addresses respectively at 1100 Centre Square East, 1500 Market Street, Philadelphia, Pa. 19101 and at 402 Cedar Rock Street, Pickens, S. C. 29671, are lessees and Assignor is lessor, together with all rentals and other moneys coming due thereunder and all proceeds of insurance, condemnation and requisition proceedings and sale or other dispositions of any of the property subject thereto payable to or receivable by the Assignor under or in connection therewith, and all rights, powers and remedies (but none of the duties or obligations, if any) of Assignor under the Lease, including, exclusively on the part of the Assignee, all rights of the Assignor to give and receive any notice, consent, waiver, demand or approval under or in respect of the Lease, to exercise any election or option thereunder or in respect thereof, to accept any surrender of any property subject thereto, to execute and deliver any bill of sale for any such property, and to do all other things which Assignor is entitled to do under the Lease.

Assignor authorizes Assignee to do every act and thing in the name of the Assignor, Assignee or otherwise which Assignee may deem advisable to enforce the terms of the Lease, and the Assignor hereby irrevocably appoints Assignee the true and lawful attorney for the Assignor with full power of substitution and revocation, together with full power and authority in the name of the Assignor, Assignee or otherwise, to demand, enforce, collect, receive, receipt and give releases for any moneys due or to become due under or arising out of the lease or any policy of insurance or indemnity relating to the property subject thereto or the Lease (including any returns of premium), to endorse all checks and other instruments payable to Assignor, and to do and take all such other actions as are referred to in the preceding paragraph relating to the Lease or such property, to file any claims or institute any proceedings for the foregoing which Assignee deems necessary, and to compromise any such demand, claim or action.

COMMONWEALTH OF PENNSYLVANIA :

SS:

COUNTY OF :

On this _____ day of _____, 1979, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is _____ of GIRARD LEASING CORPORATION, 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 its Board of Directors, and on behalf of S&R Boxcar Co. (a partnership of which said corporation is the General Partner) by authority duly vested in said corporation as such General Partner, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation and of said partnership.

[Notarial Seal]

Notary Public

My Commission expires:

CONSENT AND AGREEMENT

The undersigned, NATIONAL RAILWAY UTILIZATION CORPORATION, a South Carolina corporation, and PICKENS RAILROAD COMPANY, a South Carolina corporation, the lessees (hereinafter collectively called the Lessee) named in the Lease (hereinafter called the Lease) referred to in the foregoing Assignment of Lease (hereinafter called the Assignment), hereby (a) acknowledges receipt of a copy of the Assignment and (b) consents to all the terms and conditions of the Assignment and agrees that:

(1) Lessee will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys provided for in the Lease (which moneys are hereinafter called the Payments) due and to become due under the Lease or otherwise in respect of the Equipment leased thereunder, directly to the Assignee or to whomsoever the Assignee may from time to time direct.

(2) the Assignee shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Assignee were named therein as the Lessor;

(3) the Assignee shall not, by virtue of the Assignment, be or become subject to any liability or obligation under the Lease or otherwise; and

(4) the Lease shall not, without the prior written consent of the Assignee, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Assignment, or of any of the rights created by either thereof.

This Consent and Agreement shall be deemed to be a contract made and effected under the laws of the Commonwealth of Pennsylvania and, for all purposes, shall be construed in accordance with the laws of said Commonwealth.

Dated: May 7, 1979 NATIONAL RAILWAY UTILIZATION CORPORATION

By _____
Vice President

PICKENS RAILROAD COMPANY

By _____
Vice President