

WYCHE, BURGESS, FREEMAN & PARHAM

C. GRANVILLE WYCHE
ALFRED F. BURGESS
C. THOMAS WYCHE
DAVID L. FREEMAN
JAMES C. PARHAM, JR.
JAMES M. SHOEMAKER, JR.
WILLIAM W. KEHL
CHARLES W. WOFFORD
LARRY D. ESTRIDGE
D. ALLEN GRUMBINE
CARY H. HALL, JR.
CARL F. MULLER

PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW

GREENVILLE, SOUTH CAROLINA 29603

POST OFFICE BOX 10207
44 EAST CAMPERDOWN WAY
CABLE ADDRESS: JURAL
TELEPHONE 803-242-3131

9704-A
September 18, 1978
RECORDATION NO. 8-265A132
Filed & Recorded
NO. SEP 22 1978

SEP 22 1978 - 2:30 PM

INTERSTATE COMMERCE COMMISSION

Date.....
Fee \$..... 100

Washington, D. C.

9704
SEP 22 1978 - 2:30 PM

INTERSTATE COMMERCE COMMISSION

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I.C.C. OPERATION BR.

Interstate Commerce Commission
12th & Constitution Avenues, N.W.
Washington, D. C. 20423

Attention: Mrs. Lee, Room 1227

Dear Mrs. Lee:

Enclosed herewith for filing is the original and two copies of the following:

Security Agreement dated as of August 30, 1978 by Middletown & New Jersey Railway Co., Inc., in favor of National Railway Utilization Corporation, covering 75 70-ton 50' XM Boxcars, bearing Numbers MNJ 120485 - MNJ 120559 (both inclusive).

Also enclosed for filing is the original and two copies of the following:

Lease Agreement dated as of August 30, 1978 between National Railway Utilization Corporation, Lessor, and Middletown & New Jersey Railway Co., Inc., Lessee, covering 75 70-ton, 50' 6" boxcars bearing numbers MNJ 120485 - MNJ 120559 (both inclusive).

The address for National Railway Utilization Corporation is 1100 Centre Square East, 1500 Market Street, Philadelphia, Pa. 19102. The address for Middletown & New Jersey Railway Co., Inc. is 140 East Main Street, Middletown, New York 10940.

Please file the Security Agreement first, followed by the Lease Agreement.

Our check in the amount of \$100 is enclosed to cover the filing fee. Please return the original and one copy of each document to William W. Kehl, Esquire, P. O. Box 10207, Greenville, S. C. 29603, with the recording certification data stamped thereon.

Very truly yours,

William W. Kehl
William W. Kehl /w

WWK:ebw
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

9/26/78

OFFICE OF THE SECRETARY

William W. Kehl, ESQ.
P.O. Box 10207
Greenville, S.C. 29603

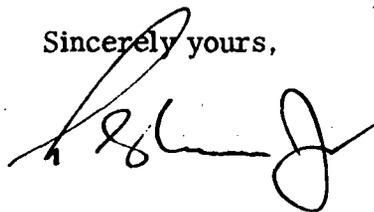
Dear Sir:

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 9/22/78 at 2:30pm

and assigned recordation number(s) 9704 & 9704-A

Sincerely yours,



H.G. Homme, Jr.,
Acting Secretary

Enclosure(s)

SE-30-T
(2/78)

SECURITY AGREEMENT dated as of August 30, 1978, by
MIDDLETOWN & NEW JERSEY RAILWAY CO., INC. (debtor) in favor of NATIONAL
RAILWAY UTILIZATION CORPORATION (NRUC).

W I T N E S S E T H:

WHEREAS, pursuant to the terms of that certain Lease Agreement
NRUC dated of even date herewith, debtor agreed to lease from NRUC certain
70-ton, fifty-foot boxcars as described in Exhibit A attached hereto.

WHEREAS, debtor desires to give NRUC a security interest in certain
collateral hereafter described in order to secure the obligations of debtor
under said Lease Agreement.

NOW, THEREFORE, debtor hereby agrees as follows:

1. Creation of Security Interest. In order to better secure the obligations of debtor to NRUC now existing or hereafter arising under the terms of said Lease Agreement, debtor hereby creates in favor of NRUC a security interest in the collateral described in Paragraph 2 immediately below.
2. Collateral. The collateral of this Security Agreement is all Lessee's right, title, and interest in and to the contract rights, CHATTEL PAPER, accounts, rentals, fees, charges, income and other proceeds arising from or in connection with the use of the Boxcars described in Exhibit A.
3. Covenants. Debtor covenants and represents as follows:
 - (a) Debtor will warrant and defend the collateral against the claims and demands of all persons.
 - (b) Debtor shall execute alone, or with NRUC, a financing statement or other document or procure any document necessary to protect the security interest of NRUC against the interest of third persons.

SEP 22 1978 -2 30 PM

INTERSTATE COMMERCE COMMISSION

4. Representations and warranties of Debtor. Debtor represents and warrants as follows:

(a) Debtor is a corporation legally incorporated, validly existing and in good standing under the laws of the state of its incorporation, with adequate corporate powers to own its properties, to carry on its business as now conducted and to enter the Security Agreement and to execute and deliver said Lease Agreement to NRUC.

(b) The Lease and the Security Agreement have been duly authorized, executed and delivered by debtor and constitutes a legal, valid and binding obligation of debtor, enforceable in accordance with their terms.

5. Default. Any misrepresentation on this statement in connection with this Agreement on the part of debtor or any noncompliance or nonperformance of debtor's obligations hereunder shall constitute a default. In addition, debtor shall be in default if any of the following events shall occur:

(a) Failure to comply with the terms and conditions of said Lease Agreement.

(b) The filing of a proceeding under any of the provisions of the Bankruptcy Act or any similar state law by or against debtor, or an application for the appointment of a receiver of debtor's property, or the making of an assignment for the benefit of creditors or the calling of a meeting of debtor's creditors or the attachment of any of debtor's property, or if debtors shall become insolvent.

6. Remedies and governing law. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of New York. Upon breach hereunder or under the terms of said Lease Agreement, NRUC shall have all the rights provided the secured party under the Interstate Commerce Act and under the Uniform Commercial Code as adopted in New York.
7. Inspection of records. NRUC may at any reasonable time, enter upon debtor's premises to inspect debtor's books and records pertaining to the collateral or its proceeds and debtor shall, if requested, in good faith assist NRUC in making such inspections.
8. Benefits. No promises, agreements, representations, or warranties shall be binding upon NRUC unless made part of this Agreement in writing. This Agreement shall inure to the benefit of and by the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, debtor has executed this instrument on the day and year first above written.

MIDDLETOWN & NEW JERSEY RAILWAY CO., INC.

ATTEST:

Edith Shilling
Edith Shilling, Asst. Secretary

BY:

Henry T. Casperson
President and General Manager

NATIONAL RAILWAY UTILIZATION CORPORATION

ATTEST:

Charles R. Turnburke
Charles R. Turnburke, Asst. Secretary

BY:

John H. Pegg
President

STATE OF ~~PENNSYLVANIA~~)
South Carolina
COUNTY OF ~~PHILADELPHIA~~)
Greenville

On this 30th day of August, 1978, before me personally appeared John H. Rees, to me personally known, who, being by me duly sworn, says that he is President of National Railway Utilization Corporation, and Charles P. Turnburke, to me personally known to be the Assistant Secretary of said corporation; that the seal 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 they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Elizabeth B. Wood
Notary Public

My Commission Expires: 5/6/81

STATE OF NEW YORK)
COUNTY OF ORANGE)

On this 30th day of Aug, 1978, before me personally appeared Pierre T. Rasmussen, to me personally known, who, being by me duly sworn, says that he is the President of Middletown & New Jersey Railway Co., Inc., and Edith Shilling, to me personally known to be the Assistant Secretary of said corporation; that the seal 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 they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Thomas R. Barone
Notary Public
THOMAS R. BARONE
Notary Public - State of New York
Commission Expires March 1980

My Commission Expires: _____

EXHIBIT A

DESCRIPTION OF CAR: 50 ft. XM General Purpose Boxcar

NUMBER OF CARS: Seventy-five (75)

REPORTING NUMBERS AND MARKS: MNJ 120485 - MNJ 120559
(both inclusive)

TERM: Ten (10) years from the date of delivery and acceptance
of each Boxcar covered by this Schedule.

SPECIFICATIONS DESIGNATED BY LESSEE:

Middletown & New Jersey Railway markings