

GENERAL DISCOUNT CORPORATION
COMMERCIAL FINANCING

REGISTRATION NO. 8393 Filed & Recorded

June 29, 1976

JUL 1 10 10 AM
INTERSTATE COMMERCE COMMISSION

100 STATE STREET
BOSTON, MASSACHUSETTS 02109
RECEIVED
JUL 1 9 44 AM '76
I.C.C. OPERATION BR.
Date JUL 1 1976
Fees \$ 50

Secretary
Interstate Commerce Commission
Washington, D. C. 20423

ICC Washington, D. C.

Re: Pickens Railroad Company

Dear Sir:

1. Pursuant to Title 49, Code of Federal Regulations, Part 1116, General Discount Corporation encloses for filing the original and two certified copies of a Revolving Credit Agreement dated as of June 30, 1976 between General Discount Corporation as lender and Pickens Railroad Company as borrower dated as of June 30, 1976 (the "Revolving Credit Agreement"). The Revolving Credit Agreement includes the grant of a security interest in certain railroad rolling stock as more fully set forth below. The obligations of Pickens Railroad Company under the Revolving Credit Agreement are guaranteed by National Railway Utilization Corporation under a certain Guaranty Agreement with General Discount Corporation dated as of June 30, 1976 and transmitted to the Secretary of the Interstate Commerce Commission for filing pursuant to 49 C.F.R., Part 1116, by letter of even date herewith.

2. Information concerning this transaction required to be included in this letter of transmittal pursuant to 49 C.F.R. Section 1116.4 is as follows:

(a) Names and Addresses of Parties to the Transaction:

- (1) Mortgagor: Pickens Railroad Company
402 Cedar Rock Street
P. O. Box 216
Pickens, South Carolina 29671

*Counterpart -
Michael J. Evans*

June 29, 1976

(2) Mortgagee: General Discount Corporation
100 State Street
Boston, Massachusetts 02109

(3) Guarantor: National Railway Utilization
Corporation
P. O. Box 1946
Greenville, South Carolina 29602

(b) General Description of the Equipment

Covered by the Revolving Credit Agreement:
The equipment is seventy-two (72) seventy-ton railroad freight cars bearing (i) the consecutive serial numbers 55128 through 55199, inclusive, as designated by Pickens Railroad Company, and (ii) the marking "General Discount Corporation, Conditional Vendor.";

(c) There are no prior recordations of the Revolving Credit Agreement itself; however, the Revolving Credit Agreement incorporates by reference certain provisions of a Conditional Sale Agreement dated as of December 1, 1974 between Pickens Railroad Company, Metal Fabricators, Inc. and National Railway Utilization Corporation (Recordation No. 7737 at 10:15 a.m. on December 10, 1974) covering the same Equipment as amended by a certain Amendment Agreement dated as of June 30, 1976 between Pickens Railroad Company and General Discount Corporation to be recorded simultaneously herewith. The rights of Metal Fabricators, Inc. as Vendor under the Conditional Sale Agreement were transferred to North Carolina National Bank by an Assignment and Agreement dated as of December 1, 1974 (Recordation No. 7737-A at 10:15 a.m. on December 10, 1974), and these rights of North Carolina National Bank have in turn been transferred to General Discount Corporation by transfer of even date to be recorded simultaneously herewith.

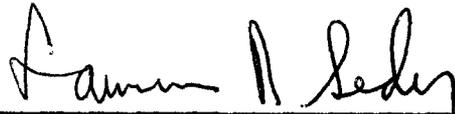
Secretary -- 3

June 29, 1976

3. The original of the Revolving Credit Agreement should be returned to:

William F. McCarthy
Ropes & Gray
225 Franklin Street
Boston, Massachusetts 02110

Having knowledge of the matters set forth herein,



Lawrence R. Seder
President
General Discount Corporation

Interstate Commerce Commission

OFFICE OF THE SECRETARY
Washington, D.C. 20423

July 7, 1976

Dear Sir:

The enclosed document was recorded pursuant to the provisions of Section 20c of the Interstate Commerce Act, 49 U.S.C. 20c, on **July 1, 1976** at **9:50am** and assigned recordation number **8395**

Sincerely yours,


Secretary

Encl.

Form SERS 30
(Rev. 1970)

Pickens Railroad Company
402 Cedar Rock Street
P.O. Box 216
Pickens, South Carolina 29671

REVOLVING CREDIT AGREEMENT

June 30, 1976

General Discount Corporation
100 State Street
Boston, Massachusetts 02109

Attention: Lawrence R. Seder

Dear Sir:

The undersigned Pickens Railroad Company, a South Carolina corporation, ("Pickens") desires to enter an agreement with you pursuant to which you would make available to Pickens a revolving credit on the terms and conditions hereinafter set forth. Accordingly, Pickens hereby agrees with you as follows:

1. Revolving Credit. You will in your sole discretion advance to Pickens hereunder up to \$320,000 (hereinafter referred to as the "Maximum Credit") in accordance with the terms hereof. The term of this Agreement shall commence on the date hereof and shall be terminable, in your sole discretion, upon thirty (30) days' written notice to Pickens at its address set forth below and, in any event, shall terminate, without notice, if an Event of Default shall occur. Upon such termination, the full amount of all advances outstanding hereunder, plus interest determined in accordance with Section 2 hereof and other charges hereunder, shall be immediately due and payable.

8395
RECORDATION NO. Filed & Recorded
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INTERSTATE COMMERCE COMMISSION

2. Interest. On the first business day of each month, Pickens shall pay to you interest in arrears for the month then ending on the unpaid principal balance of advances hereunder at a rate of ^{11% (ELEVEN)} ~~17%~~ per annum. Interest shall be computed daily on the basis of a 360-day year consisting of twelve months each of thirty (30) days.

You may, in addition to your other remedies hereunder, require payment of a delinquency charge of two per cent (2%) per month of the amount of any payment due hereunder which remains unpaid more than five (5) days after its due date as set forth above, to the extent that such charge is not prohibited by applicable law.

3. Security. Pickens hereby creates in you for your benefit a security interest in and hereby assigns and transfers to you, all its right, title and interest in seventy-two (72) seventy-ton, fifty foot freight cars designated by Pickens with the Serial Numbers 55128 through 55199 (the "Equipment"), and all proceeds thereof, to secure the payment of any sums from time to time owed by Pickens to you hereunder and to secure payment or performance of any other obligations of Pickens to you of any sort, direct or indirect, now existing or hereafter arising, whether absolute or contingent or due or to become due, whether or not arising under this Agreement. Pickens further agrees that all of the Equipment shall at all times be free and clear of all security interests, liens, charges

or encumbrances or assignments in favor of any person, except for (i) the rights of the Vendor or its assignee under a certain Conditional Sale Agreement dated December 1, 1974, as amended and (ii) your security interest created hereunder.

4. Incorporation by Reference of Provisions of Conditional Sale Agreement. The provisions of Articles 5, 9, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 24 and 25 of the Conditional Sale Agreement dated as of December 1, 1974 by and between Pickens as "Railroad", Metal Fabricators, Inc. ("MFI") as "Vendor" and National Railway Utilization Corporation ("NRUC") as "Builder", as said provisions are amended by an Amendment Agreement between Pickens and General Discount Corporation as Vendor of even date herewith (the "Conditional Sale Agreement"), are incorporated herein by reference with the same force and effect as though set forth at length herein, with the following modifications:

(a) the term "Vendor" as used therein shall be deemed a reference to you as the lender under this Revolving Credit Agreement;

(b) the term "Railroad" as used therein shall mean "Pickens";

(c) the term "Agreement" as used therein shall be deemed a reference to this Revolving Credit Agreement;

(d) the term "Purchase Price" as used therein shall mean the principal amount of advances made pursuant to Section 1 hereof from time to time outstanding, together with interest thereon; and

(e) the term "Event of Default" as used therein shall mean an Event of Default as defined in Section 6 hereof.

5. Casualty Occurrence. In the event that Pickens becomes obligated pursuant to Article 8 of the Conditional Sale Agreement to pay to the Vendor thereunder the Casualty Value of a unit or units of Equipment, (i) Pickens will simultaneously therewith pay to you, in respect of the principal amount of advances hereunder then outstanding, and (ii) the Maximum Credit as established under Section 1 hereof shall be reduced by, an amount which bears the same ratio to the principal amount of advances then outstanding hereunder as the number of units as to which said Casualty Value is to be paid bears to seventy-two.

6. Event of Default. As used herein the term "Event of Default" shall mean an event of default, as that term is defined in the Conditional Sale Agreement, or the existence of any breach of any agreement, representation or warranty herein contained.

7. Notices. Any notices required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States mails, certified mail, return receipt requested and postage prepaid, addressed as follows:

- (a) if to you, the address first set forth herein; and
- (b) if to Pickens, at 402 Cedar Rock Street, P.O. Box 216, Pickens, South Carolina 29671

8. Representations and Warranties. Pickens hereby represents and warrants as follows:

A. Incorporation, etc. Pickens is a corporation duly organized, validly existing and in good standing under the laws of the state of South Carolina, has the requisite corporate power and authority to own its properties and to carry on its business as now being conducted and to enter into, execute and perform its respective obligations under this Revolving Credit Agreement, has duly authorized the execution, delivery and performance of this Revolving Credit Agreement, and is duly qualified as a foreign corporation in each jurisdiction wherein the character of the property owned or the nature of the activities conducted by Pickens makes such qualification necessary.

B. Valid Obligation. Pickens has taken all necessary corporate proceedings to authorize the execution, delivery and performance of this Revolving Credit Agreement, and said Revolving Credit Agreement constitutes the legal, valid and binding obligation of Pickens, enforceable in accordance with its terms, and the execution, delivery and performance of said Revolving Credit Agreement by Pickens will not violate any provision of law, any order of any court or other agency of government, or any indenture, agreement or other instrument to which Pickens is a party, or by or under which it or its property is bound, or be in conflict with, result in a breach of, or constitute (with due notice and/or lapse of time) a default under such indenture, agreement or other instrument, or result

in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon the property or assets of Pickens.

C. Title, etc. Pickens has good and marketable title to the Equipment, which is free and clear from any liens or encumbrances, other than (i) the interest of MFI as the Vendor under the Conditional Sale Agreement, which was assigned by MFI to NCNB and by NCNB to you, and (ii) a security interest granted by Pickens to First Security State Bank as Trustee for Itel Leasing International, Inc. under a certain security agreement dated as of March 15, 1975 which has been released by First Security State Bank. Pickens is not a party to any security or other agreement which grants or which purports to grant a security interest in the Equipment or the rights of either NRUC, MFI or Pickens under the Conditional Sale Agreement, except for (i) the assignment of the interest of MFI as Vendor under the Conditional Sale Agreement to NCNB under the Assignment, (ii) the transfer of NCNB's rights to you and (iii) the security interest granted by Pickens under the Itel Agreement.

D. Litigation. There is no action, suit or proceeding (whether or not purportedly on its behalf) pending or threatened against or affecting Pickens or any of its properties, in any court or before or by any governmental body or any arbitrator, which, if adversely determined will materially impair the ability of any of Pickens to perform its obligations under this Revolving Credit Agreement or which might, individually or in the aggregate with other such actions, suits or proceedings,

materially adversely affect the business, operations, affairs, properties or condition of Pickens or materially impair its right to carry on its business substantially as now conducted. There is no default by either Pickens under any applicable order, writ, injunction, decree, determination or award of any court, governmental body or arbitrator. For purposes of this paragraph, the term "governmental body" includes any federal, state, municipal or other governmental or inter-governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign; and the term "order" includes any judgment, order, writ, injunction, award, determination, direction, decree or demand.

E. Governmental Approvals, etc. No consent, approval or authorization of, or registration, declaration or filing with, any governmental authority, federal or state including without limitation approval by the Interstate Commerce Commission under § 20a of the Interstate Commerce Act of the United States, is required for the valid execution, delivery and performance by Pickens of this Revolving Credit Agreement.

Upon your accepting this Revolving Credit Agreement at your office in Boston, Massachusetts, as evidenced by the signature of your authorized officer below, this agreement shall become effective as of the date first written above.

Yours very truly,
Pickens Railroad Company

By *[Signature]*
Vice President

Accepted:
General Discount Corporation
By *[Signature]*
Lawrence R. Seder
President

[Signature]
[Signature]

ACKNOWLEDGMENTS

Suffolk, ss.

On this 30th day of June, 1976, before me personally appeared Lawrence R. Seder, to me personally known, who, being by me duly sworn, says that he is president of General Discount Corporation and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Lawrence R. Seder acknowledged said instrument was the free act and deed of said corporation.

Elisa M. Lopez
Notary Public

On this 30th day of June, 1976, before me personally appeared John A. Mariscotti, to me personally known, who, being by me duly sworn, says that he is Vice-President of Pickens Railroad Company, a South Carolina corporation, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said John A. Mariscotti acknowledged said instrument was the free act and deed of said corporation.

Elisa M. Lopez
Notary Public

ELISA M. LOPEZ, Notary Public
My Commission expires Nov. 22, 1979