



NATIONAL RAILWAY UTILIZATION CORP.
 860 Suburban Station / 1617 John F. Kennedy Blvd., Phila., Pa. 19103 / (215) 569-2220
 TWX: 710-620-0498 NRUC PHA

November 4, 1977

RECORDATION NO. **9056** Filed & Recorded **7-311A161**

NOV 7 1977 - 3 10 PM

NOV 7 1977

Secretary **INTERSTATE COMMERCE COMMISSION**
 Interstate Commerce Commission
 12th and Constitutional Avenues, N.W.
 Washington, D. C. 20423

Date
 FCS **50**
 ICC Washington, D. C.

NOV 7 1977
 RECEIVED

Dear Sir:

Enclosed herewith for filing please find original and two copies of Security Agreement, together with our check in the amount of \$50.00 in payment of the filing fee.

The parties to this Agreement are:

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

INTERSTATE
 COMMERCE COMMISSION
 RECEIVED
 NOV 7 1977

First Security State Bank, Trustee
 79 South Main Street
 Salt Lake City, Utah 84111

ADMINISTRATIVE SERVICES
 U.S. MAIL FRANCH

The equipment covered by the Security Agreement is Eight (8) 70-ton, 50 foot, 6 inch boxcars bearing Road Numbers NSL 100939 through NSL 100946, both inclusive.

Please return the certified copies to William W. Kehl, P. O. Box 10207, Greenville, S. C. 29603, with the recording data stamped thereon.

Very truly yours,

William W. Kehl

William W. Kehl

WWK:ebw

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

11/7/77

OFFICE OF THE SECRETARY

William W. Kehl
Natl. RYW. Utilization Corp.
1617 John F. Kennedy Blvd.
Philadelphia, Pa. 19103

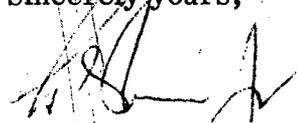
Dear

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 **11/7/77** at **3:10pm** and assigned recordation number(s)

9066

Sincerely yours,


H.G. Homme, Jr.
Acting Secretary

Enclosure(s)

SE-30-T
(6/77)

RECORDATION NO. 9056 Filed & Recorded

NOV 7 1977-8 10 PM

SECURITY AGREEMENT INTERSTATE COMMERCE COMMISSION

AGREEMENT dated as of October 19, 1977
by NATIONAL RAILWAY UTILIZATION CORPORATION,
a South Carolina corporation (said corporation
being hereinafter called NRUC) in favor of
FIRST SECURITY STATE BANK, a state banking
corporation, not in its individual capacity but
solely as Trustee pursuant to a Trust Agreement
dated as of March 15, 1975, with ITEL Leasing
International, Inc. (said Trustee being herein-
after called the Trustee).

W I T N E S S E T H :

WHEREAS, pursuant to the terms of that certain
Lease of Railroad Equipment dated as of March 15, 1975 (the
Lease), with Trustee, Pickens agreed to deliver a security
interest in twelve new and unused standard gauge railroad
boxcars; and

WHEREAS, Pickens has heretofore delivered a security
interest in four such boxcars, and

WHEREAS, Pickens is a wholly owned subsidiary of
NRUC; and

WHEREAS, NRUC and Pickens desire to preserve
certain arrangements set forth in the Lease; and

WHEREAS, NRUC desires to give the Trustee a
security interest in eight new and unused standard gauge

railroad boxcars as required in the lease and in exchange for the release by the Trustee of certain collateral heretofore given by Track One Company to secure Pickens' obligations under the Lease;

NOW, THEREFORE, NRUC and Pickens hereby agree as follows:

1. Creation of Security Interest. In consideration of the financial accommodations given, to be given, or continued, by means of the lease financing described above, NRUC hereby creates in favor of the Trustee a security interest in the Collateral described in Paragraph 2 immediately below.

2. Collateral. The collateral of this Security Agreement is each and all the boxcars of the following description:

<u>Quantity</u>	<u>Type of Equipment</u>	<u>Railroad's Car Numbers (all inclusive)</u>
8	70-ton, 50-foot 6-inch boxcars	Road Numbers NSL100939 thru NSL100946

and all additions and accessions thereto, substitutions thereof and all proceeds from their sale or other disposition.

3. Title Representation. NRUC represents and warrants that it has good title to the Collateral and that there is no other security interest, lien or encumbrance in or on the Collateral nor will any other security interest, lien or encumbrance be allowed by it to attach against the Collateral during the continuance of this Agreement.

4. Obligation of NRUC. NRUC will cause Pickens to pay to the Trustee all sums due and perform all covenants which it is obligated to pay and perform under the

Lease. Such obligation of NRUC shall be limited to its interest in said Collateral and NRUC shall have no other liability hereunder.

5. Location of Collateral. The Collateral will be kept at all times within the boundaries of the United States of America, will be kept open to inspection by or on behalf of the Trustee at reasonable times and places and, subject to the provisions of this Agreement, shall not be removed from the United States of America unless NRUC notifies the Trustee in writing, the Trustee consents in writing in advance of its removal to another location, and NRUC performs, at its own expense, all acts necessary to assure that the Trustee will have a perfected security interest in Collateral in such other location.

6. Covenants. NRUC covenants and represents as follows:

(a) NRUC will warrant and defend the Collateral against the claims and demands of all persons and the Collateral will remain railroad property subject to the jurisdiction of the Interstate Commerce Commission.

(b) NRUC agrees that, at its own cost and expense, it will maintain and keep each unit of the Collateral in good order and repair, ordinary wear and tear excepted.

(c) NRUC shall not dispose of the Collateral or any interest therein except as authorized in this Agreement or in writing by the Trustee, and NRUC shall keep the Collateral free from unpaid charges, including taxes, and from liens,

encumbrances, and security interests.

(d) NRUC shall execute alone or with the Trustee a financing statement or other document or procure any document, and pay all connected costs, necessary to protect the security interest of the Trustee in this Agreement against the interests of third persons.

7. Default. Any misrepresentation or misstatement in connection with this Agreement on the part of NRUC or any non-compliance or non-performance of Pickens' obligations under the Lease shall constitute a default hereunder. In addition, NRUC shall be in default if a proceeding under any of the provisions of the Bankruptcy Act shall be instituted by or against NRUC or an application shall be made for the appointment of a receiver of NRUC's property, or if NRUC shall make an assignment for the benefit of creditors or if a meeting of NRUC's creditors shall be called, or if any of NRUC's property shall be attached.

8. 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 Utah; provided, however, that the parties shall be entitled to all additional rights conferred by Section 20 C of the Interstate Commerce Act.

9. Inspection of Records. The Trustee may, at any reasonable time, enter upon NRUC's premises to inspect NRUC's books and records pertaining to the Collateral or its proceeds, and NRUC shall, if requested, in good faith assist the Trustee in making such inspection.

10. Benefits. No promises, agreements, representations or warranties shall be binding upon the Trustee unless made a part of this Agreement in writing. This Agreement shall inure to the benefit of and bind the successors and assigns of the parties hereto.

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

NATIONAL RAILWAY UTILIZATION CORPORATION

By: *John A. Mariscotti*

Printed Name JOHN A. MARISCOTTI

Title Exec. Vice President

Attest:

By: *S. W. Stozepel*

Title: *Assistant Secretary*

STATE OF SOUTH CAROLINA)
COUNTY OF GREENVILLE)

On this 19th day of October, 1977 before me personally appeared John A. Mariscotti, to me personally known, who, being by me duly sworn, says that he is Executive Vice President of the National Railway Utilization 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Edmund B. Wood
Notary Public

(Notarial Seal)

My Commission Expires: 5/6/81

I, Elizabeth B. Wood, hereby certify that I am a duly qualified and acting Notary Public in and for the State of South Carolina, and that I have compared the enclosed copies of the Security Agreement with the original document and certify that they are true and correct copies in all respects.



Notary Public for South Carolina

(NOTARIAL SEAL)

My Commission Expires: 5/6/81