

LAW OFFICES OF

DECHERT PRICE & RHOADS

888 17th STREET, N. W.
WASHINGTON, D. C. 20006
TELEX 84 5324 • BARDEP
RECORDATION NO. 9630 Filed 1422
(202) 872-8600

ELEVEN BROADWAY
NEW YORK, N. Y. 10004
(212) 425-3510

SUITE 1760
ENERGY CENTER ONE
717 SEVENTEENTH STREET
DENVER, COLORADO 80202
(303) 623-1777

800 NORTH THIRD STREET
HARRISBURG, PA. 17102
(717) 233-7947

3400 CENTRE SQUARE WEST
1507 MARKET STREET
PHILADELPHIA, PA. 19102
(215) 972-3400

38 SQUARE DE MEEUS, BTE 1
1040 BRUSSELS, BELGIUM
(02) 511 80 40

PRINCES HOUSE
95 GRESHAM STREET
LONDON, EC2V 7NA, ENGLAND
01. 606. 8598

NOV 3 1980 -4 00 PM

November 3, 1980
INTERSTATE COMMERCE COMMISSION

0-308A140

Agatha L. Mergenovich, Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

No. 1 NOV 3 1980

Date.....

Fee \$ 10.00

ICC Washington, D. C.

Dear Secretary Mergenovich:

Pursuant to 49 U.S.C. §11303 and the Commission's rules and regulations, I enclose for filing and recordation five copies of an Equipment Lease Termination Agreement dated October 16, 1980 between Girard Leasing Corporation and National Railway Utilization Corporation, and approved by American Security Bank, N.A.

This document relates to boxcars subject to an Equipment Lease Agreement between Girard Leasing Corporation (Lessor) and National Railway Utilization Corporation/Pickens Railroad Company (co-Lessees) filed with the Commission on August 8, 1978 at 10:25 A.M. and assigned recordation number 9630. That Equipment Lease Agreement was supplemented by two Rental Schedules filed with the Commission on August 21, 1978 at 9:00 A.M. and on August 30, 1978 at 9:25 A.M. and assigned recordation numbers 9630A and 9630B. Moreover, the Lessor assigned the right, title and interest in the aforementioned Equipment Lease Agreement to American Security Bank, N.A. in three Assignment of Lease Agreements dated August 14, 1978, August 28, 1978 and September 7, 1978 and filed with the Commission on October 30, 1980 and assigned collectively recordation number 9630E.

The names and addresses of the parties to the aforementioned document to be filed are as follows:

(1) Lessor:

Girard Leasing Corporation
3 Girard Plaza
Philadelphia, PA 19101

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FEE COLLECTED
NOV 3 1980

Barbara L. Reynold

Agatha L. Mergenovich, Secretary
November 3, 1980
Page Two

(2) Lessee:

National Railway Utilization Corporation
1100 Centre Square East
1500 Market Street
Philadelphia, PA 19102

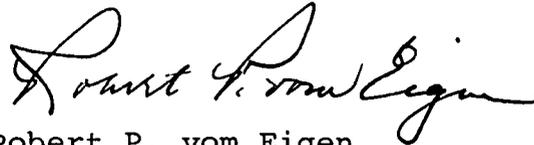
The Equipment Lease Termination Agreement establishes the procedures for terminating the aforementioned Equipment Lease as it relates to each of the following boxcars:

Ninety-four (94) 50'6" 70-ton XM rated boxcars manufactured by Southern Iron and Equipment Co., a Division of Evans Transportation Company, and bearing Road Numbers MNJ 120941 through MNJ 120984; NSL 155100 through NSL 155124; and NSL 155125 through NSL 155149 (each number inclusive).

Please file and record the Equipment Lease Termination Agreement cross-indexing it to the Equipment Lease Agreement, to the Rental Schedules and to the Assignment of Lease Agreements, and indexing said documents under the names of the Lessor, the Lessee and the Assignee under the Assignment of Lease Agreements already on file. A check is enclosed for \$10.00 as prescribed pursuant to 49 C.F.R. §1116.3(d).

Please stamp all five copies of the Equipment Lease Termination Agreement and the attached copies of the transmittal letter with your official recording stamp. You will wish to retain two copies of the document and the original of the transmittal letter for your file. Please return the remaining copies of this transmittal letter and Equipment Lease Termination Agreement to the bearer of this letter.

Sincerely yours,



Robert P. vom Eigen

RPvE:dn

Encls:

Interstate Commerce Commission
Washington, D.C. 20423

11/3/80

OFFICE OF THE SECRETARY

Robert P. Vom Eigen
Dechert Price & Rhoads
888 17th Street, N.W.
Washington, D.C. 20006

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **11/3/80** at **4:00pm**, and assigned re-
recording number(s) **9630-F**.

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

NOV 3 1980 - 4 20 PM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE TERMINATION AGREEMENT

This Equipment Lease Termination Agreement is entered into as of this 16th day of October, 1980 between Girard Leasing Corporation, a Pennsylvania corporation ("Lessor") and National Railway Utilization Corporation, a South Carolina corporation ("Lessee").

BACKGROUND

A. Lessor and Lessee entered into an Equipment Lease Agreement dated as of August 8, 1978 and recorded with the Interstate Commerce Commission on August 8, 1978 and bearing recordation number 9630 filed 1425 (the "Lease").

B. The Lease provides for the lease of ninety-four (94) 50'6" 70-ton XM rated boxcars, as more fully described in Exhibit "A" attached hereto (the boxcars hereinafter being referred to individually as a "Unit" and collectively as the "Equipment"), by Lessor to Lessee.

C. The Lease is in default on account of, among other things, Lessee's failure to meet rental payment obligations on and after April 1, 1980. Lessee has informed Lessor that it has been and is unable to pay its debts as they have matured and has proposed to Lessor that the Lease be terminated - with Lessee providing its full cooperation and assistance in returning the Equipment to Lessor - subject to certain exculpations and waivers demanded by Lessee.

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INTERSTATE COMMERCE COMMISSION

D. Lessor, in anticipation of entering into this Agreement and recovering possession of the Equipment, has entered into a Management Agreement for the Equipment with North American Car Corporation ("NAC").

E. Lessor and Lessee desire to terminate the Lease pursuant to the terms and conditions of this Agreement.

TERMS

WHEREFORE, Lessor and Lessee, intending to be legally bound, hereby agree as follows:

1. The Lease shall terminate as to each Unit upon its return by Lessee to Lessor in the manner set forth herein.

2. Lessee shall, as promptly as possible, return the Units to such locations as Lessor designates. Lessee shall notify Lessor of the location and availability of each Unit and coordinate the return of the Units in accordance with the directions of Lessor from time to time. As to Units not in service and stored at Lessee's owned facilities, the Lease shall terminate upon their departure therefrom. As to Units not in service and stored at third-party storage facilities, the Lease shall terminate upon (a) their departure from such third-party storage facilities or (b) the contemporaneous sending of telegrams by Lessee and Lessor, or NAC on Lessor's behalf, respectively relinquishing and assuming

control of and responsibility for the Units. As to Units in service, the Lease shall terminate upon the Unit being "captured" and way-billed collect to Lessor's designated location.

3. Subject to the provisions of paragraph 4 hereof, Lessor shall release Lessee and its subsidiary and affiliated corporations, through a form of release (the "Release") substantially in the form attached hereto and marked as Exhibit "B", from the obligations imposed by the Lease with said Release becoming effective as to each Unit 366 days after the Lease is terminated as to such Unit, provided, however, that Lessee and its subsidiary and affiliated corporations are not being released from (a) Lessee's representations and warranties as made in Section 8 of the Lease as of the date such representations and warranties were made, (b) Lessee's obligations under Section 10 of the Lease to pay fees and taxes, (c) Lessee's obligations under section 14 of the Lease to forward any reimbursements for loss, damage or destruction to Units unless such Units were repaired prior to April 1, 1980 and the bills for all such repairs have been paid, (d) Lessee's obligations relating to Unit "pass-through" earned subsequent to March 31, 1980 as described in subparagraph 6.3 and (e) Lessee's obligation under paragraph 7.2 hereof to insure the Units up

to the time of their arrival at Lessor's designated location or turnover at third-party storage facilities as set forth in paragraph 2 hereof. So long as there are no defaults of Lessee in fulfilling its obligations hereunder, Lessor shall not take any action to exercise its rights under the Lease during the 366 day periods.

4. The Release set forth in paragraph 3, above, is subject to Lessee's commitment that should any lessor or secured lender of Lessee who, like Lessor, has agreed to terminate a lease or loan and take back boxcar equipment and who was a lessor or secured lender to Lessee on March 31, 1980, receive any payment or credit (other than Unit pass-through or insurance settlements) from or on behalf of Lessee on account of a lease or secured financing existing on March 31, 1980 in a greater proportion of its unsatisfied obligations than that received by Lessor, Lessor shall be promptly notified and shall receive an additional payment in order to reach such greater proportion.

5. Lessor shall pay to Lessee on a Unit basis, prior to delivery and termination of the Lease on a Unit basis:

5.1 (a) With respect to repairs of Units while in storage, repair charges incurred and paid by Lessee subsequent to March 31, 1980 and up to the date of this

Agreement, and thereafter such repair charges as are authorized in writing by Lessor, and (b) with respect to repairs of Units while in service, all repair charges incurred and paid by Lessee subsequent to March 31, 1980;

5.2 Third-party (non-Lessee) storage charges incurred by Lessee subsequent to March 31, 1980; and

5.3 All charges relating to movement in or out of storage incurred subsequent to March 31, 1980.

5.4 Provided that Lessor designates to Lessee the location to which Units coming out of service are to be waybilled "collect," Lessor shall not be obligated under any circumstance to make payments to Lessee subsequent to such Unit Lease termination payments contemplated by this paragraph 5.

6. In consideration for Lessor's release as set forth in this Agreement:

6.1 Lessee shall return each Unit to Lessor as provided herein free and clear of all liens and encumbrances other than liens and encumbrances created by Lessor;

6.2 Lessee shall issue in favor of Lessor immediately upon approval of the Interstate Commerce Commission (which approval has been sought by Lessee, at Lessee's sole cost and expense) and under no circumstance later than 180

20,032

days from the date of this Agreement ~~18,391~~ shares of Lessee's common stock; and

6.3 Lessee shall promptly pay to Lessor on a quarterly basis beginning October 15, 1980 all income or revenue ("Car-Hire Revenues") of Lessee attributable to those Units ("In-Service Units"), for the period commencing April 1, 1980 and concluding upon the delivery of each Unit to a location designated by Lessor less:

6.3.1 \$3.00 per day per In-Service Unit for each day that Lessee receives Car-Hire Revenue for such In-Service Units ("Management Fee") provided, however, Lessor shall under no circumstance be directly liable to Lessee for payment of the Management Fee but that the Management Fee shall be payable solely out of Car-Hire Revenues for such Units during such quarter or if Car-Hire Revenues are insufficient for Lessee to receive its Management Fee, then the unpaid portion of the Management Fee shall be accrued and deducted from future Car-Hire Revenues of Lessee; and

6.3.2 reclaims, if any.

7. Lessee represents and warrants to Lessor that:

7.1 Full and complete inspection reports (the "Inspection Reports") for all Units in storage completed by Lessee's personnel or authorized representatives have been delivered to Lessor and that to the best of Lessee's knowledge,

information and belief, such Units are (a) in good condition, reasonable wear and tear excepted, and as described in the inspection reports except for the repairs deemed necessary in the Inspection Reports and (b) in conformance with the Interchange Rules of the American Association of Railroads unless noted to the contrary on Schedule I attached hereto and made a part hereof.

7.2 Lessee shall keep in full force and effect all insurance required under the Lease until each Unit is delivered to such location designated by Lessor or turned over to Lessor at a third-party storage facility.

7.3 Lessee shall forthwith take all steps necessary to cancel all per diem leases and subleases, if any, of the Units including, but not limited to, the Middletown and New Jersey per diem lease.

8. Lessee shall cooperate with Lessor in executing and recording all documents and doing all acts which Lessor reasonably believes necessary to carry out the purposes and intentions of this Agreement including meeting with and cooperating with NAC as requested. Lessee shall take all actions necessary to cause the return of the Equipment to locations designated by Lessor. Units in third-party storage shall be delivered within thirty (30) days from the receipt by Lessee of Lessor's turnover instructions. Units in Lessee-

owned or leased storage facilities shall be delivered immediately but under no circumstances more than sixty (60) days from the receipt by Lessee of Lessor's turnover instructions.

Unless Lessor delivers "recapture" instructions to Lessee for In-Service Units, such Units shall be delivered to Lessor immediately, but under no circumstance more than ten (10) days from their return to Lessee.

9. Lessee irrevocably assigns to Lessor all its right, title and interest in and to all credits, claims, insurance claims or causes of action Lessee now has or may hereafter acquire against any party or entity by reason of, or in any manner related to, the Equipment (including but not limited to, damage credits but excluding that portion of any credit or claim necessary to reimburse Lessee for its out-of-pocket costs with respect thereto), and shall cooperate with and assist Lessor with respect to prosecuting or enforcing any such claims or causes of action. Lessee shall promptly remit to Lessor any amounts received by Lessee to which Lessee is entitled under this paragraph and Lessor shall promptly remit to Lessee any amounts received by Lessor to which Lessee is entitled under this paragraph.

10. This Agreement shall not be binding on Lessor unless and until approved by Lessor's Equipment lender, American Security Bank, N. A.

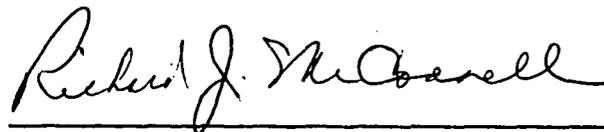
IN WITNESS WHEREOF, Lessor and Lessee have caused
this Agreement to be executed on the day and year above
written.

NATIONAL RAILWAY UTILIZATION
CORPORATION ("Lessee")



Sr VP

GIRARD LEASING CORPORATION
("Lessor")



PRESIDENT

Approved:

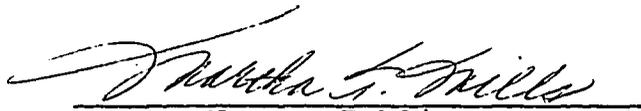
AMERICAN SECURITY BANK, N.A.



Vice President

Commonwealth of Pennsylvania :
County of Philadelphia : ss.

On this 31st day of October, 1980 before me appeared CD Vinson, to me personally known, who being by me duly sworn, says that he is Sr Vice President of Natl Railway Utilization Corp. that the foregoing instrument was signed 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.


Notary Public

[NOTARIAL SEAL]

My Commission Expires:

MARTHA T. MILLS
Notary Public, Phila., Phila. Co.
My Commission Expires March 5, 1984

Commonwealth of Pennsylvania :
County of Philadelphia : ss.
:

On this 31st day of October, 1980 before me appeared Richard J. McConnell, to me personally known, who being by me duly sworn, says that he is President of Gilbert Leasing Corp, that the foregoing instrument was signed 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.

Diane A. Baxter
Notary Public

[NOTARIAL SEAL]

My Commission Expires:

DIANE A. BAXTER, NOTARY PUBLIC
PHILADELPHIA, PHILADELPHIA COUNTY,
MY COMMISSION EXPIRES AUG. 31, 1981
Member, Pennsylvania Association of Notaries

EQUIPMENT SUBJECT TO LEASE NO. M-039,
DATED AUGUST 8, 1978 BETWEEN GIRARD
LEASING CORP. (LESSOR) AND NATIONAL
RAILWAY UTILIZATION CORP. (LESSEE)
RECORDED WITH INTERSTATE COMMERCE
COMMISSION ON AUGUST 8, 1978, AND
BEARING RECORDATION NUMBER 9630.

<u>SCHEDULE NO.</u>	<u>LEASE COMMENCEMENT DATE</u>	<u>NUMBER OF CARS</u>	<u>ROAD NUMBERS</u>	<u>ACQUISITION COST</u>
S-01	8/8/78	44	MNJ-120941 through MNJ-120984 inclusive	\$1,565,476
S-02	8/21/78	25	NSL-155100 through 155124 inclusive	\$ 926,950
S-03	8/31/78	25	NSL-155125 through 155149 inclusive	\$ 926,950

EXHIBIT "A"

[RELEASE FROM LESSOR TO LESSEE
TO BE NEGOTIATED AT A LATER TIME]

EXHIBIT "B"

SCHEDULE OF ESTIMATED COST
TO REPAIR EQUIPMENT TO MEET
THE INTERCHANGE RULES OF THE
AMERICAN ASSOCIATION OF RAILROADS

<u>CAR #</u>	<u>CONTRACT #</u>	<u>ESTIMATED COST TO REPAIR</u>
MNJ120941	1478	419.75
MNJ120964	1478	11.00
MNJ120973	1478	113.53
MNJ120974	1478	45.57
MNJ120980	1478	235.01
NSL155105	2278	Defect Card*
NSL155124	2278	45.27
NSL155137	2278	<u>59.63</u>
	Total:	929.76

*Car received recently - defect card - Railroad
responsibility - Norfolk & Western

SCHEDULE I

OUT - OF - SERVICE EQUIPMENT
INSPECTION REPORTS

ST. LAWRENCE REPAIR DIVISION

CAR REPAIR ESTIMATE

IC: 235.01
 Date 8-13-80
 Inspected by: SAM

CAR NO. 120980

INITIAL MNJ BUILT 8-78 BY SIECO

LIGHTWEIGHT 62500 TRUCK CAPACITY 154000 CLASS Xm

J.P.B.I. NO A.P.B.I. 8-78 I.D.T. 2-8-79

WHEELS 33 BEARINGS 6X11

CUSTOMER _____

DATE COMPLETE _____

INVOICE # _____

Total Labor Hours 221.86
 Total Material Est. 38.65
 Work Authorization _____
 Date Authorized _____

Loc.	Qty.	Description	Labor Hrs.	Material Cost	Remarks
B/E	1	END LADDER	84.80		BENT
	2	LADDER STILE BRACKET	8.00	15.00	BENT
A/E	1	END LADDER	84.80		BENT
	1	LADDER STILE BRACKET	4.00	7.50	BENT
B/R	1	TOP SECURITY HASP	5.95	15.00	MISSING
A/R		HENNESSY DOOR OPENER	3.40	1.15	DISCONNECTED
		IDTOS	30.91		out of date
			221.86	38.65	260.51

NATIONAL RAILWAY UTILIZATION CORPORATION

NSC REPAIR DIVISION

Page 1 of 1

CAR REPAIR ESTIMATE

Date 12-9-80

CAR NO. NSC 155130

Inspected by: S. SKYDUR
R. G. Hill

INITIAL _____ BUILT _____ BY _____

LIGHTWEIGHT _____ TRUCK CAPACITY _____ CLASS _____

J.P.B.I. _____ A.P.B.I. _____ I.D.T. _____

WHEELS _____ BEARINGS _____

CUSTOMER _____

DATE COMPLETE _____

INVOICE # _____

Total Labor Hours _____

Total Material Est. _____

Work Authorization _____

Date Authorized _____

Loc.	Qty.	Description	Labor Hrs.	Material Cost	Remarks
		FIT FOR INTERCHANGE			

Authorized Repair Shop Rep. _____

NATIONAL RAILWAY UTILIZATION CORPORATION

NSL

REPAIR DIVISION

CAR REPAIR ESTIMATE

CAR NO. NSL 155131

Inspected by: S. Snyder
Refill

INITIAL _____ BUILT _____ BY _____

LIGHTWEIGHT _____ TRUCK CAPACITY _____ CLASS _____

J.P.B.I. _____ A.P.B.I. _____ I.D.T. _____

WHEELS _____ BEARINGS _____

CUSTOMER _____

DATE COMPLETE _____

INVOICE # _____

Total Labor Hours _____
Total Material Est. _____
Work Authorization _____
Date Authorized _____

Loc.	Qty.	Description	Labor Hrs.	Material Cost	Remarks
		<i>FIT FOR INTERCHANGE</i>			

