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February 28, 1980

RECORDATION NO. 11464-A Filed 1425

FEB 28 1980 - 2 50 PM

No. **0-059A082**

Date **FEB 28 1980**

Fee \$ 10.00

ICC Washington, D. C.

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
12th and Constitution Avenue,
Washington, D. C. 20423

Dear Sirs:

Pursuant to the provisions of Section 11303 of the Interstate Commerce Act, as revised and recodified by Public Law 95-473, and the regulations of the Interstate Commerce Commission promulgated thereunder, we are transmitting for filing and recording originals or executed counterparts of an Assignment of Lease Agreement dated as of January 18, 1980 (the "Assignment") by and between Pickens Railroad Company ("Pickens"), as lessor and assignor, and The First National Bank of Maryland ("FNB"), as assignee, and acknowledged by National Railway Utilization Corporation ("NRUC").

The above-referenced document has not heretofore been recorded with the Interstate Commerce Commission. However, the Assignment assigns the interest of Pickens in and to a Lease Agreement dated as of November 1, 1979 (the "Agreement") by and between NRUC, as lessee, and Pickens, as lessor, which was filed with the Interstate Commerce Commission on February 1, 1980 and assigned Recordation No. 11464. The Assignment should be filed as a subpart of the Agreement and assigned Recordation No. 11464-A. In addition, the Agreement and the Assignment should be cross referenced to a Conditional Sale Agreement dated as of November 1, 1979 (Recordation No. 11087) by and between NRUC, as vendor, and Pickens, as vendee, which relates to the same equipment covered by the Agreement.

Donald Chew
Charles M. ...

*ADMITTED IN D. C. ONLY

Interstate Commerce Commission
February 28, 1980
Page Two.

PIPER & MARBURY

A general description of the equipment covered by the Assignment and the related Lease Agreement is contained in Exhibit A attached to this letter.

The names and addresses of the parties to the transactions are listed below:

National Railway Utilization Corporation
1100 Centre Square East
1500 Market Place
Philadelphia, Pennsylvania 19102

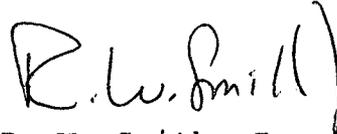
Pickens Railroad Company
402 Cedar Rock Street
Pickens, South Carolina 29671

The First National Bank of Maryland
25 South Charles Street
Baltimore, Maryland 21201

Please accept for recordation two counterparts of the document, stamp the remaining counterparts with the appropriate recordation number and return a copy of the document with your fee receipt and letter confirming receipt to my delivering messenger.

The necessary filing and recordation fees for these documents are submitted herewith.

Very truly yours,



R. W. Smith, Jr.

RWSJr/id
Enclosures

RECORDATION NO. 11464-A Filed 1425

FEB 28 1980 - 2 30 PM

(17)

INTERSTATE COMMERCE COMMISSION
ASSIGNMENT OF LEASE AGREEMENT dated as of

January 18, 1980 (hereinafter called "this Assignment"),
by and between Pickens Railroad Company (the "Vendee"),
and The First National Bank of Maryland (the "Assignee").

WHEREAS, the Vendee entered into a Conditional
Sale Agreement dated as of November 1, 1979 (the "Condition-
al Sale Agreement") with National Railway Utilization Corpora-
tion ("NRUC"), as Vendor, providing for the sale to the Vendee
by NRUC of the units of railroad equipment described in the
Exhibit A thereto (the "Equipment"); and

WHEREAS, the Vendee, as lessor and NRUC, as lessee,
have entered into a Lease Agreement dated as of November 1,
1979 (the "Lease Agreement"), providing for the lease of the
Equipment by the Vendee to NRUC; and

WHEREAS, NRUC and the Vendee have requested the
Assignee to provide financing with respect to the Vendee's
purchase of the Equipment by purchasing the Conditional Sale
Agreement and executing with NRUC an Agreement and Assignment
(the "Agreement and Assignment") of even date herewith; and

WHEREAS, the Assignee has agreed to provide such
financing and to execute the Agreement and Assignment, provided
that the Vendee as additional security and consideration for
the financing execute this Assignment;

NOW, THEREFORE, in consideration of the premises and

of the payments to be made and the mutual promises, covenants and agreements set forth herein, the parties hereto do hereby agree as follows:

1. The Vendee hereby assigns, transfers and sets over unto the Assignee, as collateral security for the payment and performance of the Vendee's obligations under the Conditional Sale Agreement, all of the Vendee's right, title and interest, powers, privileges, and other benefits under the Lease Agreement, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Vendee from NRUC under or pursuant to the provisions of the Lease Agreement, whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys being hereinafter called the Payments), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an event of default specified in the Lease Agreement, and to do any and all other things whatsoever which the Vendee is or may become entitled to do under the Lease Agreement. In furtherance of the foregoing assignment, the Vendee hereby irrevocably authorizes and empowers the Assignee in its own

name or the name of its nominee, or in the name of the Vendee or as its attorney, to ask, demand, sue for, collect and receive any and all sums to which the Vendee is or may become entitled under the Lease Agreement, and to enforce compliance by NRUC with all the terms and provisions thereof.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Assignee to any obligation, or transfer, or pass, or in any way affect or modify the liability of the Vendee under the Lease Agreement, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Vendee to NRUC shall be and remain enforceable by NRUC, its successors and assigns, against, and only against, the Vendee or persons other than the Assignee.

3. To protect the security afforded by this Assignment the Vendee agrees as follows:

(a) The Vendee will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease Agreement provides are to be performed by the Vendee; without the written

consent of the Assignee, the Vendee will not anticipate the payments under the Lease Agreement or waive, excuse, condone, forgive or in any manner release or discharge NRUC thereunder of or from the obligations, covenants, conditions and agreements to be performed by NRUC, including, without limitation, the obligation to make the payments in the manner and at the time and place specified therein, or enter into any agreement amending, modifying or terminating the Lease Agreement, and the Vendee agrees, and NRUC hereby acknowledges, that any amendment, modification or termination thereof without such consent shall be voidable at the option of the Assignee.

(b) At the Vendee's sole cost and expense, the Vendee will appear in and defend every action or proceeding arising under, growing out of, or in any manner connected with the obligations, duties or liabilities of the Vendee under the Lease Agreement.

(c) Should the Vendee fail to make any payment or to do any act which this Assignment requires the Vendee to make or so do, then the Assignee, but without obligation to do so, after first making written demand upon the Vendee and affording the Vendee a reasonable period of time within which to make such payment or do such act, but without releasing the

Vendee from any obligation hereunder, may make or do the same in such manner and to such extent as the Assignee may deem necessary to protect the security hereof, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the right to perform and discharge each and every obligation, covenant and agreement of the Vendee contained in the Lease Agreement; and in exercising any such powers, the Assignee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and the Vendee will reimburse the Assignee for such costs, expenses and fees.

4. The Vendee does hereby constitute the Assignee the Vendee's true and lawful attorney, irrevocably, with full power (in the name of the Vendee, or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all payments due and to become due under or arising out of the Lease Agreement to which the Vendee is or may become entitled, to enforce compliance by NRUC with all the terms and provisions of the Lease Agreement, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute

any proceedings which to the Assignee may deem to be necessary or advisable.

5. All rights to the Lease Agreement and the payments due thereunder granted to the Assignee pursuant to this Assignment are deemed to be included within the term Additional Security as that term is defined in the Conditional Sale Agreement, and any reference to the Additional Security in the Conditional Sale Agreement, the Agreement and Assignment, and any related documents, including all representations, warranties and agreements of the Vendee, shall apply with equal force and effect (as between the parties executing this Assignment) to the rights of the Vendee under the Lease Agreement, including the right to all payments due thereunder, which have been assigned and granted to the Assignee as additional security pursuant to this Assignment.

6. The Vendee will furnish the Assignee with an opinion of Counsel that this Assignment has been duly authorized, executed and delivered by the Vendee and is a legal and valid agreement binding on the Vendee.

7. The Vendee will, from time to time, do and perform any other act and will execute, acknowledge, deliver and file, register, deposit and record (and will refile, reregister, rerecord or redeposit

whenever required) any and all further instruments required by law or reasonably requested by the Assignee in order to confirm or further assure, the interests of the Assignee hereunder.

8. The Assignee may assign all or any of the rights assigned to it hereby or arising under the Lease Agreement, including, without limitation, the right to receive any payments due or to become due, provided, however, that the Assignee does not assign its rights hereunder to any assignee other than a permitted assignee to any rights it may have under the Conditional Sale Agreement.

In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

9. This Assignment shall be governed by the laws of the State of Maryland, but the parties shall be entitled to all rights conferred by Section 11303 of the Interstate Commerce Act.

10. The Vendee shall cause copies of all notices received in connection with the Lease Agreement to be promptly delivered to the Assignee at 25 South Charles Street, Baltimore, Maryland 21201,

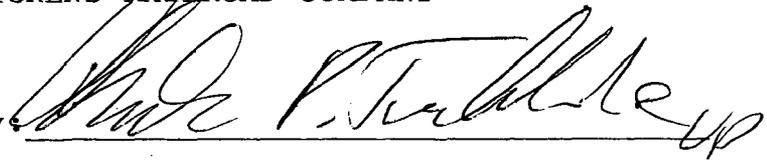
Attn: Arthur E. Jones, Jr., or at such other address as the Assignee shall designate.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed in their respective corporate names by duly authorized officers, and their respective corporate seals to be hereunder affixed and duly attested, all as of the date first above written.

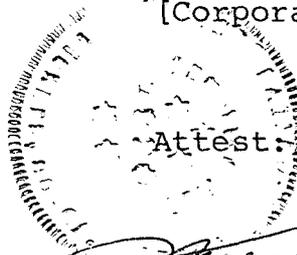
PICKENS RAILROAD COMPANY

[Corporate Seal]

By:



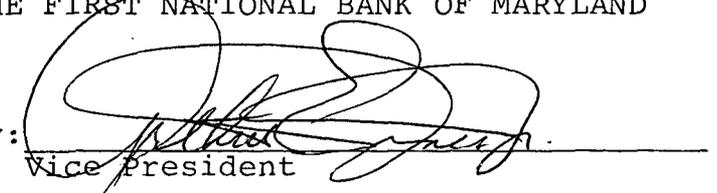
Attest:



Martha T. Mills
Asst. Sec.

THE FIRST NATIONAL BANK OF MARYLAND

By:



Vice President

Attest:

Arthur M. Black

Acknowledgement of Notice of Assignment

The foregoing Lease Assignment is hereby acknowledged by NRUC, and NRUC hereby agrees that upon written notice from the Assignee in accordance with Section 13 of the Lease Agreement, it will make all future payments due under the Lease Agreement directly to the Assignee at such location as may be specified by the Assignee. NRUC further acknowledges and agrees (i) that the rights of the Assignee in respect of such rentals and other sums due under the Lease Agreement shall not be subject to any defense, set-off, counter-claim or recoupment whatsoever arising by reason of any indebtedness or liability at any time owing by the Vendee to NRUC, (ii) that all rights of NRUC in and to the Equipment under the Lease Agreement is subordinate and junior to the rights of the Assignee under the Conditional Sale Agreement and (iii) that upon the occurrence of an event of default under the Conditional Sale Agreement the Assignee shall have complete right and authority to repossess the Equipment and terminate and exercise any remedies under the Lease Agreement.

NATIONAL RAILWAY UTILIZATION
CORPORATION

[Corporate Seal]

Attest:

By: 
Vice President 


Asst. Sec.

State of Pa.)
County of Phila.)

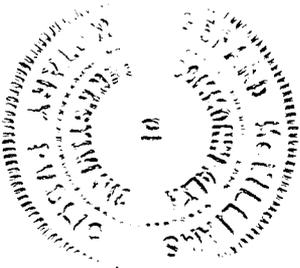
SS:

I HEREBY CERTIFY, that on this *6th* day of *February* ~~January~~, 1980, before the subscriber, a Notary Public in and for said City and State personally appeared *Charles P. Turnbucke*, who, being by me duly sworn, says that he is a Vice President of Pickens Railroad Company, 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.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this *6th* day of *February* ~~January~~, 1980.

Gerard New Williams
Notary Public

GERARD NEW WILLIAMS
Notary Public, Phila. Co.
1000 Locust St., Philadelphia, Pa. 19102

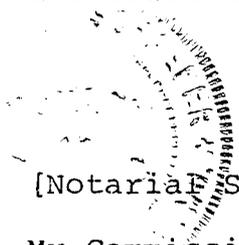


State of Maryland)
) SS:

City of Baltimore)
)
 On this 8th day of ~~January~~ February, 1980, before me

personally appeared Arthur E. Jones, Jr., to me personally known, who, being by me duly sworn, says that he is Vice President of The First National Bank of Maryland, that one of the seals affixed to the foregoing instrument was signed and sealed on behalf of said association 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 association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 8th day of ~~January~~ February, 1980.



[Notarial Seal]

Margaret Schuler
Notary Public

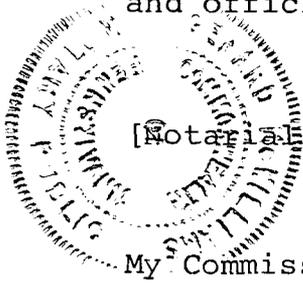
My Commission expires:

State of Pa)
) SS:
County of Phila)

I HEREBY CERTIFY, that on this 6th day of ~~January~~ February, 1980, before the subscriber, a Notary Public in and for said City and State personally appeared Charles P. Turnbucke, who, being by me duly sworn, says that he is a Vice President of 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.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this ~~6th~~ ^{February} day of January, 1980.



[Notary Seal]

Grandson Williams

Notary Public

GRANDSON WILLIAMS
No. 36.
12/31/82

My Commission Expires: