

Law Offices
Donald J. Balsley, Jr.

Suite 519, Oliver Building
535 Smithfield Street
Pittsburgh, Pennsylvania 15222
(412) 765-1760

RECORDATION NO. 10551-F
Filed 1425

JAN 9 1986 -2 40 PM January 7, 1986

INTERSTATE COMMERCE COMMISSION

Re: Dollar Bank, Federal Savings Bank
Lease Financing Corporation
File 0201

RECORDATION NO. 10551-F
Filed 1425

JAN 9 1986 -2 40 PM AND DELIVER

INTERSTATE COMMERCE COMMISSION

Ms. Mildred E. Lee
Interstate Commerce Commission
12th & Constitution Avenues, N.W.
Room 2303
Washington, D.C. 20423

No. C-009A0000
Date JAN 9 1986
Fee \$ 20.00

Dear Ms. Lee:

ICC Washington, D. C.

There are enclosed for recordation with the Interstate Commerce Commission the following documents.

- (1) Assignment by Lease Financing Corporation to Dollar Bank, Federal Savings Bank.
- (2) Assignment and Note Purchase Agreement among Dollar Bank, Federal Savings Bank, Lease Financing Corporation, and Provco Leasing Corporation.

The next two recordation numbers are 10551-E and 10551-F.

There is enclosed my check in the amount of \$20.00 made payable to the Interstate Commerce Commission to cover the filing fee with respect to this recordation as well as the original and two counterparts of each document.

You are requested to confirm the recordation of these documents upon the copy of this transmittal letter. There is enclosed a self-addressed, stamped envelope for your convenience in returning the confirmation to me.

Very truly yours,

Donald J. Balsley, Jr.
Donald J. Balsley, Jr.

DJB:llh
Enclosures

ICC OFFICE OF
THE SECRETARY
JAN 9 2 38 PM
MOTOR OPERATOR

Interstate Commerce Commission
Washington, D.C. 20423

1/13/86

OFFICE OF THE SECRETARY

Donald J. Balsley, Jr.
Suite 519, Oliver Building
535 Smithfield Street
Pittsburgh, PA. 15222

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 1/9/86 at 2:40pm, and assigned re-
recording number(s). 10551-E & 10551-F

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. 10551-E
Filed 1025

JAN 9 1986 -2 40 PM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT AND
NOTE PURCHASE AGREEMENT

COUNTERPART

WHEREAS, National Railway Utilization Corporation, now known as NRUC Corporation, hereinafter referred to as "NRUC," Pickens Railroad Company, hereinafter referred to as "Pickens," Lease Financing Corporation, hereinafter referred to as "LFC," and Dollar Savings Bank, now known as Dollar Bank, Federal Savings Bank, hereinafter referred to as "Dollar Bank," entered a Participation Agreement dated as of June 29, 1979, filed and recorded with the Interstate Commerce Commission, hereinafter referred to as "Commission," pursuant to Section 20c of the Interstate Commerce Act, hereinafter referred to as "Act," on July 26, 1979, and assigned recordation number 10551-A; and

WHEREAS, LFC, as Lessor, and Pickens and NRUC, as Lessee, entered a Lease of Railroad Equipment dated as of June 29, 1979, and an Amendment to Lease Railroad Equipment, dated July 16, 1979, filed and recorded with the Commission pursuant to Section 20c of the Act on July 26, 1979, and assigned recordation number 10551-B; and

WHEREAS, LFC, as Debtor, and Dollar Bank, as Secured Party, entered a Security Agreement dated as of June 29, 1979, filed and recorded with the Commission pursuant to Section 20c of the Act on July 26, 1979, and assigned recordation number 10551-C; and

WHEREAS, LFC, as Assignor, and Dollar Bank, as Assignee, entered an Assignment of Lease, dated as of June 29, 1979, filed and recorded with the Commission pursuant to Section 20c of the Act on July 26, 1979, and assigned recordation number 10551-D; and

WHEREAS, LFC, as Maker, executed a Promissory Note (Non-Recourse), dated June 29, 1979, whereby LFC promised to pay to the order of DOSAB and CO., as Nominee of Dollar Bank, as Payee, the principal sum of One Million Six Hundred Thousand Dollars (\$1,600,000) together with interest thereon at an annual rate of 11.5% in 61 consecutive quarterly installments beginning on August 1, 1979, and continuing on the same day of each quarter thereafter to and including August 1, 1974, a copy of which is attached hereto as Appendix A and incorporated herein by this reference; and

WHEREAS, Dollar Bank, as Secured Party, filed and recorded with the Secretary of the Commonwealth of Pennsylvania and the Prothonotary of Delaware County, Pennsylvania, Financing Statements pursuant to the Uniform Commercial Code, hereinafter referred to as the "Code;" and

WHEREAS, during the first half of 1980, NRUC became in default under substantially all of its Conditional Sale Agreements and Leases for boxcars by reason of its failure to

make payment and to comply with financial covenants of certain such agreements; and

WHEREAS, NRUC proposed in 1980 two alternative courses of action to its secured lenders and lessors whereby these parties could elect to accept return of their boxcar collateral and to receive stock of NRUC in satisfaction of their claims, which was known as Alternative One, or to leave their boxcars with NRUC and receive a pass-through of revenues earned and collected after deduction of a management fee, which was known as Alternative Two; and

WHEREAS, LFC, as Lessor, elected Alternative Two; and

WHEREAS, NRUC renegotiated the terms of Alternative Two with the Secured Parties and Lessors in 1983; and

WHEREAS, NRUC and the secured lenders and lessors entered the 1983 Alternative Two Modification Agreement, whereby the indebtedness to Secured Lenders and Lessors continued to accrue interest and was payable as follows: (a) quarterly payments of collected car-hire revenues less operating costs and a daily Management Fee to NRUC of \$3.36 per boxcar; (b) annual payments in an amount equal to eighty percent of NRUC's net cash flow, as defined, until the net daily Management Fee to NRUC would be reduced to \$2.00 per boxcar; and (c) additional annual payments in an amount equal to forty percent of remaining cash flow; all unpaid indebtedness was due December 31, 1997; and the secured lender or lessor could take possession of its boxcars at any time prior to payment of the unpaid indebtedness by NRUC provided, however, in the event of such repossession, the unpaid indebtedness would be reduced by the fair market value of the boxcars reposessed or the present value of future lease payments less the present value of future lease payments less the present value of assumed earnings, as appropriate; and

WHEREAS, LFC, as Lessor, elected to take possession of thirteen (13) of the boxcars and to place these railcars with the Seaboard Systems Railroad Company, hereinafter referred to as "Seaboard;" and

WHEREAS, LFC, as Debtor, and Dollar Bank, as Secured Party, entered a letter agreement dated August 24, 1984, hereinafter referred to as "Seaboard Consent Letter," whereby Dollar Bank consented to the placement of the railcars with the Seaboard, (b) LFC agreed to pay to Dollar Bank four (\$4.00) dollars per day per railcar for the railcars placed with the Seaboard, (c) LFC granted Dollar Bank the power to withdraw the railcars from the Seaboard, (d) LFC agreed to place the railcars with a new Lessee in the event the Seaboard Lease were terminated, (e) Dollar Bank agreed to forego its right to foreclose on these railcars, and (f) LFC and Dollar Bank agreed that the terms and conditions would expire on July 15, 1986, subject to LFC's right to seek an

extension, a copy of which is attached hereto as Appendix B and incorporated herein by this reference; and

WHEREAS, NRUC filed a petition for relief under chapter 11 of the United States Bankruptcy Code on November 15, 1985, in the United States Bankruptcy Court for the District of South Carolina, hereinafter referred to as the "Bankruptcy Court," and

WHEREAS, LFC, as Lessor, notified NRUC that it was electing to take possession of thirty-six (36) of the boxcars which are subject to the Security Agreement, a copy of LFC's letter dated December 4, 1985, is attached hereto as Appendix C and incorporated herein by this reference; and

WHEREAS, the Bankruptcy Court confirmed NRUC's Plan of Reorganization on December 19, 1985; and

WHEREAS, LFC, as Lessor, is entitled to payments of cash and the issuance of shares of common stock of NRUC under the confirmed NRUC Plan of Reorganization and LFC, as Lessor, is obligated to leave the thirty-six (36) railcars which are identified in Appendix C with NRUC for the term of certain lease agreements between NRUC and the Illinois Central Gulf Railroad Company, subject to the payment of a portion of Net Collections as set forth in the Plan of Reorganization; and

WHEREAS, Dollar Bank, as Secured Party, and LFC, as Lessor, have immediately prior to this Assignment and Agreement executed an Assignment whereby Dollar Bank released LFC from all of the terms and provisions of the Seaboard Consent letter and LFC granted, assigned, transferred, and set over to Dollar Bank any and all of its rights, claims, or entitlements to the distributions, including cash and/or securities, which may be made by NRUC pursuant to its Plan of Reorganization, and

WHEREAS, Dollar Bank and Provco Leasing Corporation, hereinafter referred to as "Provco," have agreed to the sale of the Non-Recourse Promissory Note and an assignment of all of Dollar Bank's interests therein.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, including the payment of Ten (\$10.00) Dollars to Dollar Bank by Provco, Dollar Bank hereby sells, assigns, transfers, and sets over without recourse unto Provco, as of the date set forth below, all of its right, title, and interest in and to the Lease of Railroad Equipment dated as of June 29, 1979, between LFC and Pickens and NRUC, the Amendment to said Lease dated July 16, 1979, the Security Agreement dated as of June 19, 1979, between LFC and Dollar Bank and Promissory Note (Non-Recourse) dated June 29, 1979.

This Assignment and Note Purchase Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and

delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. The Parties hereto further agree to execute the documents contemplated hereby and any other documents which may be necessary to effect the transactions contemplated hereby.

THIS ASSIGNMENT AND NOTE REPURCHASE AGREEMENT is executed on the dates indicated below.

(Corporate Seal)

ATTEST:

Betty J. Stait
Secretary

Dated: _____

DOLLAR SAVINGS BANK,
now known as DOLLAR BANK,
FEDERAL SAVINGS BANK

By: [Signature]

Title: Vice President

(Corporate Seal)

ATTEST:

Nancy L. Gillson
Asst. Secretary

Dated: AS of Dec. 31, 1985

LEASE FINANCING CORPORATION

By: [Signature]

Title: VP

(Corporate Seal)

ATTEST:

Nancy L. Gillson
Secretary

Dated: AS of Dec. 31, 1985

PROVCO LEASING CORPORATION

By: [Signature]

Title: PRESIDENT

AFFIDAVIT

STATE OF Pennsylvania)
) ss:
COUNTY OF Allegheny)

On this 31st day of December, 1985, before me personally appeared Robert Tommasone, to me personally known who, being by me duly sworn, says that he is Vice President of Dollar Bank, Federal Savings Bank, 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.

Sandra M. Wise
Notary Public

My Commission Expires: SANDRA M. WISE, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES FEB. 20, 1989
Member, Pennsylvania Association of Notaries



AFFIDAVIT

STATE OF Pennsylvania)
) ss:
COUNTY OF Delaware)

On this 2nd day of January, 1985⁶, before me personally appeared Herbert H. Brown, to me personally known who, being by me duly sworn, says that he is Vice President of Lease Financing 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.

Anna Mary O'Hora
Notary Public

My Commission Expires:

ANNA MARY O'HORA, Notary Public
Radnor Twp., Delaware Co.
My Commission Expires May 28, 1988

AFFIDAVIT

STATE OF Pennsylvania)
)
COUNTY OF Delaware) ss:

On this 2nd day of January, 1985, before me personally appeared Richard E. Caruso, to me personally known who, being by me duly sworn, says that he is President of Prova Leasing 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.

Anna Mary O'Hara
Notary Public

My Commission Expires:

ANNA MARY O'HORA, Notary Public
Radnor Twp., Delaware Co.
My Commission Expires May 28, 1988

file

071979

PROMISSORY NOTE
(NON-RECOURSE)

\$1,600,000

Radnor, Pennsylvania
June 29, 1979

LEASE FINANCING CORPORATION ("Maker"), a Pennsylvania corporation, for value received, hereby promises to pay to the order of DOSAB & CO. ("NOMINEE"), nominee of DOLLAR SAVINGS BANK ("Payee"), c/o Dollar Savings Bank, P. O. Box 987, Pittsburgh, Pennsylvania 15230, or at such other place in the United States as the holder hereof may from time to time designate in writing to the Maker, the principal sum of ONE MILLION SIX HUNDRED THOUSAND DOLLARS (\$1,600,000) together with interest thereon at an annual rate of 11.5% in 61 consecutive quarterly installments beginning on August 1, 1979 and continuing on the same day of each quarter thereafter to and including August 1, 1994 in the following amounts:

On August 1, 1979, a payment in the amount of the interest accrued for each day from and including July 27, 1979 to August 1, 1979;

On November 1, 1979 and on the same day of each quarter annual period thereafter to and including August 1, 1994, a payment of principal and interest in the amount applicable to such payment date as set forth on Schedule A attached hereto.

Interest hereunder shall be computed on the basis of a 360-day year of twelve 30-day months.

This Note is secured under and is subject to the terms of a security agreement between Maker and Payee dated as of the date hereof ("Security Agreement"), which assigns and grants to Payee a security interest in that certain lease under which National Railway Utilization Corporation and Pickens Railroad Company are lessees and Maker is lessor, dated as of June 29, 1979, as amended, Lease No. Y179-1290.3 (the "Lease"), and in the units of railway rolling stock which are the subject of such Lease. Reference is hereby made to the Security Agreement for the terms on which this Note is secured and payable. Presentment, notice of dishonor and protest are hereby waived by Maker and all sureties, guarantors and endorsers hereof.

If any installment due hereunder is not paid on the due date thereof, an amount equal to interest at a rate per annum equal to 15% (or the maximum per annum rate of interest permitted by law, whichever is less) shall be due and payable on such installment from and including the date such installment was due until such installment is paid.

All sums received by Maker or by Nominee (or Payee) as assignee pursuant to Section 7 of the Lease, as well as the net proceeds received upon any sale or disposition of any of the equipment in respect of which this Note was issued, shall be applied to the prepayment of this Note in accordance with the provisions of the Security Agreement. In the event of any prepayment of this Note pursuant to the provisions of this paragraph, the amount of the installments thereafter coming due hereunder shall be reduced by an amount which bears the same proportion to the installments which would have been due hereunder, except for such prepayment, as the proportion of the principal amount so prepaid bears to the total remaining principal balance hereof due and owing immediately prior to such prepayment. Except as hereinbefore provided, this Note shall not be prepayable in whole or in part.

ANYTHING HEREIN TO THE CONTRARY NOTWITHSTANDING, EXCEPT AS PROVIDED IN THE NEXT PARAGRAPH OF THIS NOTE, THIS NOTE IS A NON-RECOURSE OBLIGATION OF THE MAKER AND THE LIABILITY OF THE MAKER TO MAKE PAYMENTS OF PRINCIPAL OF AND INTEREST ON THIS NOTE IS LIMITED SOLELY TO "INCOME AND PROCEEDS FROM THE EQUIPMENT" AS DEFINED IN THE SECURITY AGREEMENT AND NO HOLDER OF THIS NOTE SHALL HAVE RECOURSE TO THE MAKER OR TO ANY OTHER ASSETS OF THE MAKER IN THE EVENT THAT SUCH INCOME AND PROCEEDS OF EQUIPMENT SHALL NOT BE SUFFICIENT FULLY TO DISCHARGE THE LIABILITY OF THE MAKER HEREUNDER. For recovery upon default by Maker in the payment of amounts due hereunder, including without limitation any interest due or any installment not paid when due, the holder hereof shall have resort to the "income and proceeds from the Equipment" and not to any other of Maker's property. Nothing herein shall restrict the holder hereof from instituting a suit or obtaining a judgment against Maker or from exercising any other right or remedy under the Security Agreement, provided, however, any judgment entered in any action for recovery of amounts due hereunder against Maker shall not be a lien against any other property of Maker, and such holder shall execute and deliver all documents and take all such other action as may be necessary to release of record from any such lien such other property of Maker.

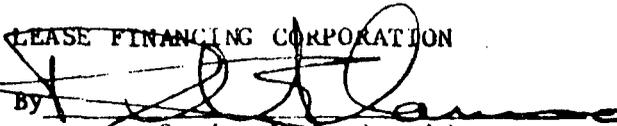
Nothing contained in the foregoing shall be deemed to limit or release Maker from any direct and personal liability of Maker to Agent for Maker's breach of its representations, warranties and agreements contained in Paragraph A. of the Security Agreement. The terms of this Note and all rights and obligations hereunder shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

EXECUTED and delivered as of the date first above written.

(Corporate Seal)

Attest:


Secretary

LEASE FINANCING CORPORATION
By 
Senior Vice President

SCHEDULE A
LEASE FINANCING CORPORATION
P R O M I S S O R Y N O T E

PAYMENT NUMBER	DUE DATE	RENT	TO LFC	TOTAL P&I	INTEREST	PRINCIPAL	BALANCE
							160000.00
	YEAR 79						
1	11 1	57781.92	1508.58	56273.34	46000.00	10273.34	1589726.66
	ANNUAL TOTALS	57781.92	1508.58	56273.34	46000.00	10273.34	
	YEAR 80						
2	2 1	57781.92	1508.58	56273.34	45704.64	10568.70	1579157.96
3	5 1	57781.92	1508.58	56273.34	45400.79	10872.55	1568285.41
4	8 1	57781.92	1508.58	56273.34	45088.21	11185.13	1557100.28
5	11 1	57781.92	1508.58	56273.34	44766.63	11506.71	1545593.57
	ANNUAL TOTALS	231127.68	6034.32	225093.36	180960.27	44133.09	
	YEAR 81						
6	2 1	57781.92	1508.58	56273.34	44435.82	11837.52	1533756.05
7	5 1	57781.92	1508.58	56273.34	44095.49	12177.85	1521578.20
8	8 1	57781.92	1508.58	56273.34	43745.37	12527.97	1509050.23
9	11 1	57781.92	1508.58	56273.34	43385.19	12888.15	1496162.08
	ANNUAL TOTALS	231127.68	6034.32	225093.36	175661.87	49431.49	
	YEAR 82						
10	2 1	57781.92	1508.58	56273.34	43014.66	13258.68	1482903.40
11	5 1	57781.92	1508.58	56273.34	42633.47	13639.87	1469263.53
12	8 1	57781.92	1508.58	56273.34	42241.33	14032.01	1455231.52
13	11 1	57781.92	1508.58	56273.34	41837.91	14435.43	1440796.09
	ANNUAL TOTALS	231127.68	6034.32	225093.36	169727.37	55365.99	
	YEAR 83						
14	2 1	57781.92	1508.58	56273.34	41422.89	14850.45	1425945.64
15	5 1	57781.92	1508.58	56273.34	40995.94	15277.40	1410668.24
16	8 1	57781.92	1508.58	56273.34	40556.71	15716.63	1394951.61
17	11 1	57781.92	1508.58	56273.34	40104.86	16168.48	1378783.13
	ANNUAL TOTALS	231127.68	6034.32	225093.36	163080.40	62012.96	
	YEAR 84						
18	2 1	57781.92	1508.58	56273.34	39640.01	16633.33	1362149.80
19	5 1	57781.92	1508.58	56273.34	39161.81	17111.53	1345038.27
20	8 1	57781.92	1508.58	56273.34	38669.85	17603.49	1327434.78
21	11 1	57781.92	1508.58	56273.34	38163.75	18109.59	1309325.19
	ANNUAL TOTALS	231127.68	6034.32	225093.36	155635.42	69457.94	
	YEAR 85						
22	2 1	57781.92	1508.58	56273.34	37643.10	18630.24	1290694.94
23	5 1	57781.92	1508.58	56273.34	37107.48	19165.86	1271529.08
24	8 1	57781.92	1508.58	56273.34	36556.46	19716.88	1251812.20
25	11 1	57781.92	1508.58	56273.34	35989.60	20283.74	1231528.46
	ANNUAL TOTALS	231127.68	6034.32	225093.36	147396.64	77796.72	

SCHEDULE A
LEASE FINANCING CORPORATION
PROMISSORY NOTE

YEAR 86								
26	2	1	57781.92	1508.58	56273.34	35406.44	20806.90	1210061.56
27	5	1	57781.92	1508.58	56273.34	34806.52	21406.82	1189194.74
28	8	1	57781.92	1508.58	56273.34	34189.35	22063.99	1167110.75
29	11	1	57781.92	1508.58	56273.34	33554.43	22718.91	1144391.84
ANNUAL TOTALS			231127.68	6034.32	225093.36	137956.74	87136.62	
YEAR 87								
30	2	1	57781.92	1508.58	56273.34	32901.27	23372.07	1121019.77
31	5	1	57781.92	1508.58	56273.34	32229.32	24044.02	1096975.75
32	8	1	57781.92	1508.58	56273.34	31538.05	24735.29	1072240.46
33	11	1	57781.92	1508.58	56273.34	30826.91	25446.43	1046794.03
ANNUAL TOTALS			231127.68	6034.32	225093.36	127495.55	97597.81	
YEAR 88								
34	2	1	57781.92	1508.58	56273.34	30095.33	26178.01	1020616.02
35	5	1	57781.92	1508.58	56273.34	29342.71	26930.63	993685.39
36	8	1	57781.92	1508.58	56273.34	28568.46	27704.88	965980.51
37	11	1	57781.92	1508.58	56273.34	27771.94	28501.40	937479.11
ANNUAL TOTALS			231127.68	6034.32	225093.36	115778.44	109314.92	
YEAR 89								
38	2	1	57781.92	1508.58	56273.34	26952.52	29320.82	908156.29
39	5	1	57781.92	1508.58	56273.34	26109.55	30163.79	877994.50
40	8	1	57781.92	1508.58	56273.34	25242.34	31031.00	846963.50
41	11	1	57781.92	1508.58	56273.34	24350.20	31923.14	815040.35
ANNUAL TOTALS			231127.68	6034.32	225093.36	102654.61	122438.75	
YEAR 90								
42	2	1	57781.92	1508.58	56273.34	23432.41	32840.93	782199.43
43	5	1	57781.92	1508.58	56273.34	22488.23	33765.11	748414.32
44	8	1	57781.92	1508.58	56273.34	21516.91	34756.43	713057.89
45	11	1	57781.92	1508.58	56273.34	20517.66	35755.68	677902.21
ANNUAL TOTALS			231127.68	6034.32	225093.36	87955.21	137138.15	
YEAR 91								
46	2	1	57781.92	1508.58	56273.34	19489.69	36783.65	641118.56
47	5	1	57781.92	1508.58	56273.34	18432.16	37841.18	603277.38
48	8	1	57781.92	1508.58	56273.34	17344.22	38929.12	564348.26
49	11	1	57781.92	1508.58	56273.34	16225.01	40048.33	524299.93
ANNUAL TOTALS			231127.68	6034.32	225093.36	71491.08	153602.28	
YEAR 92								
50	2	1	57781.92	1508.58	56273.34	15073.62	41199.72	483100.21
51	5	1	57781.92	1508.58	56273.34	13889.13	42384.21	440716.00
52	8	1	57781.92	1508.58	56273.34	12670.59	43607.75	397113.25
53	11	1	57781.92	1508.58	56273.34	11417.01	44856.33	352250.92

SCHEDULE A
LEASE FINANCING CORPORATION
PROMISSORY NOTE

Page 3 of 3

YEAR 93							
54	2 1	57781.92	1508.58	56273.34	10127.39	46145.95	306110.97
55	5 1	57781.92	1508.58	56273.34	8800.69	47472.65	258638.32
56	8 1	57781.92	1508.58	56273.34	7435.85	48837.49	209800.83
57	11 1	57781.92	1508.58	56273.34	6031.77	50241.57	159559.26
ANNUAL TOTALS		231127.68	6034.32	225093.36	32395.70	192697.66	
YEAR 94							
58	2 1	57781.92	1508.58	56273.34	4587.33	51686.01	107873.25
59	5 1	57781.92	1508.58	56273.34	3101.36	53171.98	54701.27
60	8 1	57781.92	1507.99	56273.93	1572.66	54701.27	.00
ANNUAL TOTALS		173345.76	4525.15	168820.61	9261.35	159559.26	
GRAND TOTALS		3466915.20	90514.21	3376400.99	1776400.99	1600000.00	

Dollar Bank

Oliver Building, 535 Smithfield Street, Pittsburgh, PA 15222 • 412/261-4900

August 24, 1984

James C. Ebbert, Vice President
Lease Financing Corporation
Three Radnor Corporate Center
Radnor, PA 19087

Re: Lease No. Y179-1290.3 Lease Financing Corporation,
Lessor, National Railway Utilization Corp.,
Pickens Railroad Company, Lessees

Dear Mr. Ebbert:

Dollar Savings Bank ("Dollar") has recently advised Lease Financing Corporation ("LFC") that it has consented to a Lease Agreement between Brae Transportation Corp. ("Brae") and Seaboard Systems Railroad Company ("Seaboard and "Seaboard Lease") whereby Seaboard has agreed to lease certain railcars which are presently owned by Dollar.

LFC desires to enter into a Management Agreement with Brae. The Agreement between LFC and Brae will be the same as the Management Agreement between Dollar and Brae. The Agreement will require Brae to place the railcars identified on Schedule A hereto under the Seaboard Lease.

Since LFC requires the consent of Dollar in order to place the cars through Brae, LFC and Dollar have engaged in various conversations in an effort to reach an arrangement under which LFC may place the cars with the Seaboard Lease.

This letter is to confirm that the following agreement has been reached:

1. Dollar consents to the placement of the railcars identified on Schedule A hereto with the Seaboard pursuant to the Seaboard Lease and LFC agrees that all revenues receivable by LFC as a result of the Lease will be payable to Dollar. The revenues received by Dollar will be applied against LFC's outstanding indebtedness under the Participation Agreement dated as of June 29, 1979, among National Railway Utilization Corp., Pickens Railroad Company, and Lease Financing Corporation ("Participation Agreement").
2. LFC shall pay to Dollar the amount of four (\$4.00) dollars per day per railcar as identified on Schedule A hereto as compensation for Dollar's expenses with respect to the movement of said railcars to the Seaboard, the remarking of said cars with the railmarks of Seaboard, the repair of said railcars, expenses

Appendix B

James C. Ebbert
Vice President

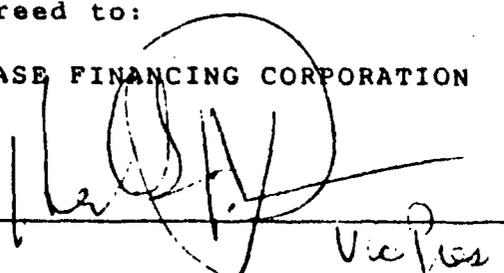
incident to the review and negotiation of the Seaboard Lease as incurred by Dollar, and then to past due accounts. LFC shall pay the amount to Dollar on a monthly basis, in advance, with the first payment to be made on or before September 1, 1984, and successive monthly payments being made on or before the first day of the successive months. The monthly amount shall be computed for only those railcars listed on Schedule A hereto and, in the event any railcars suffer a Casualty Occurrence as set forth in the Participation Agreement, LFC shall no longer be obligated to make any payment with respect to said railcar.

3. LFC agrees that Dollar may direct LFC to direct Brae to withdraw the cars set forth as Schedule A hereto from the Seaboard Lease and that upon Dollar giving such direction, LFC will so direct Brae.
4. LFC agrees that Dollar may place the cars identified on Schedule A hereto with a new Lessee in the event the Seaboard Lease is terminated or the cars are returned to LFC pursuant to the foregoing paragraph.
5. Dollar Agrees that it will not exercise its right under the Participation Agreement whereby it may foreclose upon those cars which are subject to said agreement during the term of this agreement.
6. The terms and conditions of this agreement will expire on July 15, 1986, unless LFC notifies Dollar at least sixty (60) days prior to said date that it wishes to extend this agreement. In the event that LFC so notifies Dollar, the parties shall enter into good faith negotiations for an extension of this agreement, but, in the event that no agreement is reached prior to July 15, 1986, this agreement shall terminate as of said date.

If the foregoing conforms to LFC's understanding of our agreement, we would appreciate your confirming this by executing a copy of this letter and returning it to me.

The above is hereby
agreed to:

LEASE FINANCING CORPORATION

By  Vice President

Very truly yours,



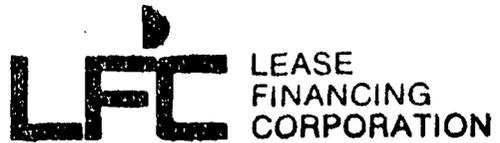
Robert Tommasone
Vice President-Credit

SCHEDULE "A"

MISS 205132
205134
205136
205141
205142
205143
205144
205146
205153
205172

NSL 205178

PT 205137
205140



Three Radnor Corporate Center, Suite 400
Radnor, Pennsylvania 19087

Telephone: (215) 964-2000
Telecopier: (215) 527-0170
TWX: 510-662-3832
Telex: 83-4700

December 4, 1985

John A. Mariscotti, President
NATIONAL RAILWAY UTILIZATION CORP.
100 North 20th Street, 2nd Floor
Philadelphia, Pennsylvania 19103

85

Ann Hampton
PICKENS RAILWAY COMPANY
P. O. Box 216
402 Cedar Rock Street
Pickens, South Carolina 29671

POST DEPT.

Dear Mr. Mariscotti & Ms. Hampton:

Subject to the adoption of the Plan of Reorganization proposed by NRUC Corporation, formerly known as National Railway Utilization Corporation (hereinafter referred to as "NRUC") by the United States Bankruptcy Court for South Carolina and the provision of paragraph 9(b) of the 1983 Alternative Two Modification Agreement, Lease Financing Corporation (hereinafter referred to as "LFC") hereby notifies you that it is electing to take possession of the thirty-six (36) railcars identified on the attached Appendix, subject to the existing Management Agreement between NRUC and LFC and the existing Equipment Lease Agreement between NRUC and Illinois Central Gulf Railroad Company.

Very truly yours,

Herbert H. Brown
Vice President and General Counsel

dlf
att.

cc: David T. Sykes, Esquire
Duane, Morris & Hackscher
1500 One Franklin Plaza
Philadelphia, Pennsylvania 19102

Robert Tommasone ✓
Vice President-Credit
Dollar Bank
P. O. Box 987
Pittsburgh, Pennsylvania 15230

Appendix C

APPENDIX

Thirty-six (36) 50-foot, 70-ton XM Boxcars subject to NRUC Contract #1479,
and marked as follows:

ICG	501602 - 501626
ICG	502113 - 502117
ICG	502119
ICG	502121
ICG	502173 - 502176