

Law Offices
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Pittsburgh, Pennsylvania 15222
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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. 009A000
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 '86
MOTOR OPERATED UNIT

RECORDATION NO. 10531-K
Filed 1425

JAN 9 1986 -2 40 PM

INTERSTATE COMMERCE COMMISSION

COUNTERPART

ASSIGNMENT

THIS ASSIGNMENT is made this 31st day of December, 1985, by Lease Financing Corporation, hereinafter referred to as "LFC," to Dollar Bank, Federal Savings Bank, formerly known as Dollar Savings Bank, hereinafter referred to as "Dollar Bank."

WHEREAS, National Railway Utilization Corporation, now known as NRUC Corporation, hereinafter referred to as "NRUC," Pickens Railroad Company, hereinafter referred to as "Pickens," LFC, and Dollar Bank entered a Participation Agreement dated as of June 29, 1979, 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, and

WHEREAS, LFC, as Debtor, and Dollar Bank, as Secured Party, entered a Security Agreement dated as of June 29, 1979, and

WHEREAS, LFC, as Assignor, and Dollar Bank, as Assignee, entered an Assignment of Lease, dated as of June 29, 1979, 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 repossessed or 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 A 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 B 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 B 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.

NOW, THEREFORE, in consideration of the premises herein Dollar Bank does hereby release LFC from all of the terms and provisions of the Seaboard Consent letter, LFC does hereby assign, transfer, and set over to Dollar Bank all of its right, title, and interest to any and all distributions, including cash and/or securities, which may be made by NRUC pursuant to its Plan of Reorganization and Dollar Bank hereby accepts such assignment.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date above written.

LEASE FINANCING CORPORATION

By: 

Printed Name: HERBERT H BROWN

Title: VP

DOLLAR BANK, Federal
Savings Bank

By: 

Printed Name: Robert Tommasone

Title: Vice 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, 1985, 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

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 A

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 Pres

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: 510-662-3632
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

DEPT. 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

dif
att.

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

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

Appendix B

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