LAW OFFICES OF
DECHERT PRICE & RHOADS
888 17th STREET, N. W.
WASHINGTON, D. C. 20006
TELEX 84 5324 • BARDEP
(202) 872-8600

3400 CENTRE SQUARE WEST
1500 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

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

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

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

RECORDATION NO. 9605-F Filed 1425

November 12, 1980

NOV 12 1980 -3 49 PM

INTERSTATE COMMERCE COMMISSION

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

RECORDATION NO. 9605-F Filed 1425

NOV 12 1980 -3 49 PM

INTERSTATE COMMERCE COMMISSION

NOV 12 3 33 AM '80
DOCKET FILES BRANCH

Dear Secretary Mergenovich:

Pursuant to 49 U.S.C. §11303 and the Commission rules and regulations, I enclose for filing and recordation four copies of the following documents:

(1) Security Agreement dated August 1, 1978, between Girard Leasing Corporation and First Peoples Bank of New Jersey; and

(2) Assignment of Lease executed August 7, 1978, between Girard Leasing Corporation and First Peoples Bank of New Jersey which is identified as Exhibit A to the aforementioned Security Agreement between the same parties.

These documents relate to boxcars subject to an Equipment Lease Agreement between Girard Leasing Corporation (Lessor) and National Railway Utilization Corporation/Pickens Railroad Company (Lessee) dated July 27, 1978 and filed with the Commission on July 28, 1978 and assigned Recordation Number 9605.

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

(1) Security Agreement:

0-317A130

No. 1 NOV 12 1980
Date
Fee $60.00
ICC Washington, D. C.

(a) Secured Party:

First Peoples Bank of New Jersey
Cuthbert and MacArthur Drive
Haddon Twp., N.J. 08108

(b) Debtor:

Girard Leasing Corporation
3 Girard Plaza
Philadelphia, PA 19101

Barbara E. Asford

(2) Assignment of Lease:

(a) Assignor:

Girard Leasing Corporation
3 Girard Plaza
Philadelphia, PA 19101

(b) Assignee:

First Peoples Bank of New Jersey
Cuthbert and MacArthur Drive
Haddon Twp., NJ 08108

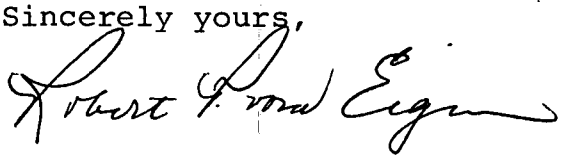
The aforementioned Security Agreement and Assignment of Lease agreement create a security interest in or assign the right, title and interest in lease payments made in connection with the following boxcars:

Fifty-Two (52) 50'6" 70-ton XM rated boxcars bearing Road Numbers PT 200048 through PT 200099 inclusive.

Please file and record the Security Agreement and the Assignment of Lease agreement cross-indexing them one to the other and to the Equipment Lease Agreement, and indexing said documents under the names of the Secured Party/Assignee, the Debtor/Assignor and the Lessee under the Equipment Lease Agreement on file. A check is enclosed for $60.00 as prescribed pursuant to 49 C.F.R. §1116.3(d).

Please stamp all four copies of the Security Agreement and the Assignment of Lease agreement and the attached copies of this transmittal letter with your official recording stamp. You will wish to retain two copies of each of the documents and the original of the transmittal letter for your file. Please return the remaining copies of this transmittal letter and the Security Agreement and the Assignment of Lease agreement to the bearer of this letter.

Sincerely yours,



Robert P. vom Eigen

RPvE:dn

Encls:

Interstate Commerce Commission
Washington, D.C. 20423

11/12/80

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 11/12/80 at 3:40pm, and assigned re-recordation number(s).

9605-E & 9605-F.

Sincerely yours,

Agatha L. Mergenovich

Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. 9605-F Filed 1425

SECURITY AGREEMENT

NOV 12 1980 -3 40 PM

INTERSTATE COMMERCE COMMISSION

THIS SECURITY AGREEMENT made August 1, 1978 between GIRARD LEASING CORPORATION, a Pennsylvania corporation with its principal place of business at 3 Girard Plaza, Philadelphia, Pennsylvania 19101 (the "Debtor") and First Peoples Bank of New Jersey with an office at Cuthbert and Mac Arthur Drive, Haddon Twp., N.J. 08108 (the "Lender").

To secure the payment of the Debtor's promissory note of even date herewith payable to the order of the Lender in the principal amount of $ 499,934.00 (the "Note"), and to further secure Debtor's obligations hereunder and the obligations of the Lessee under the Lease referred to in paragraph 1 below, Debtor hereby assigns, transfers, mortgages and pledges to Lender, and grants to Lender a security interest in the following and in all proceeds thereof ("Collateral"):

1- all of the Debtor's right, title and interest in the equipment lease dated July 27, 1978 (the "Lease") in which NATIONAL RAILWAY UTILIZATION CORPORATION & PICKENS RAILROAD COMPANY re lessees ("Lessee") and Debtor is lessor and all rentals and other monies payable thereunder or receivable by the Debtor under or in connection therewith, including all proceeds of insurance, condemnation and requisition proceedings, and sales or other dispositions of the property subject thereto, and all the Debtor's rights, powers and remedies herein and thereunder (but none of its duties or obligations thereunder, if any), including all the Debtor's rights to give and receive any notice, consent, waiver, demand or approval under or in respect of such Lease, to exercise any election or option thereunder or in respect thereof, to accept any surrender of the property subject to the Lease, to execute and deliver any bill of sale for any such property, and to do all other things which the Debtor is entitled to do under such Lease; and

2- subject to the interest therein and rights of the Lessee under the Lease, all the equipment which may at any time be leased to the Lessee pursuant to the Lease (the "Equipment") and all the Debtor's right, title and interest in the Equipment and in all parts, fittings, accessories, accessions, substitutions and replacements therefor or thereof.

In furtherance of the foregoing, Debtor has executed an assignment ("Assignment") dated the date hereof and annexed hereto as Exhibit A and the Debtor hereby irrevocably constitutes and appoints Lender as its attorney-in-fact, with full power of substitution and revocation, in the name of the Debtor or otherwise to demand, enforce, collect, receive and receipt and give releases for any payment or indemnity becoming due or arising under the Lease or any policy of insurance relating to the Equipment or any Collateral (including any return of insurance premiums), to endorse and collect any checks, drafts or other instruments payable to the Debtor therefor, and to do and take all such other actions as are referred to above relating to the Lease, the Equipment or other Collateral to file any claims or institute any proceeding for the foregoing which Lender deems necessary, and to compromise any such demand, claim or action.

So long as any amount remains owing on the Note, without Lender's prior written consent, the Debtor will not grant any consent under the Lease, give any notice thereunder or otherwise exercise any rights of the lessor thereunder, or agree to any release of any obligation of the Lessee thereunder or to any modification or termination thereof. The Debtor hereby consents to and waives notice of the granting by Lender as assignee and secured party hereunder of indulgences to Lessee or extensions of time for payment of any obligations of Lessee under the Lease, Lender's taking or

releasing of any security for the obligations of the Lessee under the Lease, Lender's acceptance of partial payments on the Lease or settlement, compromising or compounding of any obligation of any person, primarily or secondarily liable on or with respect to the Lease, all in such manner and at such time or times as Lender may reasonably deem advisable.

A. REPRESENTATIONS AND WARRANTIES - Debtor represents and warrants that:

1- there have been delivered to and accepted by the Lessee pursuant to the Lease, units of Equipment having an aggregate acquisition cost equal to at least 121% of the principal amount of the Note. The Lease provides for the payment, on or before the installment payment dates of the Note, of rentals in amounts at least equal to the amounts of such installments of principal and interest under the Note. The original Lease has been delivered to Lender;

2- the Debtor has good and marketable title to the units of Equipment referred to in sub-paragraph 1 above, subject only to the interests therein of the Lessee under the Lease;

3- the Debtor has executed and delivered to Lender schedules describing in detail sufficient to identify them, the units of Equipment referred to in sub-paragraph 1 above;

4- no event has occurred which is an Event of Default (or with the passage of time or the giving of notice or both would be such an Event of Default) hereunder or under the Lease;

5- Debtor is a corporation validly existing under the laws of the Commonwealth of Pennsylvania; it is duly qualified and authorized to do business wherever the nature of its property or its activities requires such qualification and authorizations; it has full power, authority and legal right to borrow the amount evidenced by the Note, to execute and deliver this Agreement and the Note, and to perform and observe the terms and provisions of the Agreement and the Note; this Agreement and the Note, when issued for value, will constitute valid and binding obligations of the Debtor enforcable (within legal limits imposed by Federal Bankruptcy Laws or laws relating to or affecting creditor's rights generally) in accordance with the respective terms hereof and thereof;

6- the making and performance by the Debtor of this Agreement and the borrowing and execution and delivery of the Note have been duly authorized by all necessary corporate action and will not violate any provision of law or of the Debtor's by-laws or constitute a default under or result in the creation of any lien, charge or encumbrance upon any property or assets of the Debtor pursuant to -- any agreement, indenture or other instrument to which the Debtor is a party or by which it may now be bound;

7- there are no actions, suits, or proceedings pending or, to the knowledge of the Debtor, threatened, against or affecting the Debtor in any court or by or before any government department, agency or instrumentality in which any adverse decision might materially affect the ability of the Debtor to perform its obligations hereunder and under the Note; and

8- without Lender's prior written consent so long as the Note remains unpaid, Debtor will not grant any consent under the Lease, give any notice thereunder or otherwise exercise any rights of the Lessor thereunder, or agree to any release of any obligation of the Lessee thereunder or to any modification or to any termination thereof.

B. DOCUMENTATION - The Debtor will execute and deliver to Lender such documents identifying the Equipment as Lender may from time to time reasonably request. In addition, the Debtor will execute, acknowledge, deliver, file and record all such documents, including financing statements, and take all such other action as may be necessary or as Lender may reasonably request, to perfect and continue perfected under applicable laws the security interests granted hereby as first lien security interests in the Collateral, and the Debtor hereby irrevocably constitutes and appoints Lender its attorney-in-fact for such purposes, with full power of substitution. The Debtor also will execute and deliver such instruments and take all such other action as Lender may reasonably request to effectuate the purposes of this Agreement and to secure the rights and remedies conferred upon Lender hereunder.

C. DEFAULT - Each of the following will constitute an event of default hereunder ("Event of Default"):

1- the failure by Debtor to pay any amount of principal of or interest on the Note when due, whether at the maturity thereof or by reason of any requirement for the prepayment thereof, by acceleration or otherwise, and such failure shall continue for 5 days after Lender shall have given the Debtor written notice thereof;

2- the failure by Debtor to pay any amount or perform any other obligation when due hereunder, and such failure shall continue for 30 days after Lender shall have given the Debtor written notice thereof;

3- the occurrence of an Event of Default under the Lease (as defined therein);

4- the adjudication of the Debtor as bankrupt or insolvent, of the entry of an order appointing a receiver or trustee for the Debtor or any of its property or approving a petition seeking reorganization, arrangement, composition, adjustment of the debts, liquidation or dissolution under the Bankruptcy Act or any similar law of the United States or any state or other competent jurisdiction, or the filing by the Debtor of a petition or answer seeking or consenting to any of the foregoing, or the making by the Debtor of a general assignment for the benefit of creditors; and

5- the occurrence of a breach of any of the Representations and Warranties under paragraph A hereof.

D. REMEDIES - At any time after the occurrence of an Event of Default and while the same remains uncured, Lender may declare, by written notice to the Debtor, the entire unpaid balance of the principal of the Note and interest accrued thereon to be immediately due and payable, and, in addition, Lender shall have and may exercise all the rights and remedies of a secured party under the applicable Uniform Commercial Code, including the right, subject to prior rights of the Lessee under the Lease, to take possession of any equipment or other Collateral not then in Lender's possession and to dispose of it, or the Debtor's interest therein, at public or private sale, at which Lender, subject to the provisions of applicable law, may be the purchaser.

Any notice or any such sale required by law shall be reasonably and sufficiently given if given to the Debtor at least 15 days prior to the date thereof at the address and in the manner herein provided for notices. The proceeds shall be applied to the cost and expenses of collection and retaking as set forth in paragraph G and then shall be applied to the obligations secured by this Agreement in accordance with the provisions of paragraph F and Debtor will be entitles to any surpluses thereafter. No delay or omission on Lender's part to exercise any right hereunder will impair any such right or be construed as a waiver of any default or any acquiescence therein.

No waiver of any default hereunder will affect any later default or impair any of Lender's right hereunder. No single, partial or full exercise of any rights by Lender will preclude further or other exercise thereof. The remedies provided for herein shall not be deemed exclusive, but are cumulative and in addition to all other remedies available under applicable law.

E. LIMITATION OF THE DEBTOR'S LIABILITY - Subject only to a default by the Debtor under sub-paragraph 5 of paragraph C and notwithstanding any other provision of this Agreement or of the Note, it is understood and agreed that all payments to be made by the Debtor under or pursuant to this Agreement and to the Note will be made only from the "income and proceeds from the Equipment" (as defined in this paragraph) and the Debtor's liability hereunder and under the Note will be limited thereto. For recovery upon default by the Debtor in the payment or performance of any of its obligations hereunder and under the Note, Lender will have resort solely to the "income and proceeds from the Equipment" and not to any other property of the Debtor. Lender will not proceed for the collection of any amount payable thereunder and under the Note, against, or execute upon, any other assets of the Debtor. Any judgement entered in any action for recovery of any amount due hereunder and under the Note against the Debtor will not be a lien against any other property of the Debtor, and Lender agrees to 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 the Debtor. As used herein the term "income and proceeds from the Equipment" means

1- if an Event of Default shall have occurred hereunder and while it shall be continuing so much of the following amounts as are indefeasibly received by the Debtor under the Lease or by the Lender prusuant to Assignment of the Lease (the "Assignee") at any time after such occurrence and during the continuance thereof; (a) all amounts of rentals and late charges in respect thereof paid pursuant to the Lease and all other amounts paid pursuant to the Lease for or with respect to any Equipment, and (b) any and all payments or proceeds so received by the Debtor under the Lease or the Lender as Assignee for or with respect to the Equipment as the result of the sale, lease or other disposition thereof and after deducting all costs and expenses of such sale, lease or other disposition (including sales and transfer taxes, legal fees and expenses, and storage and delivery charges), and

2- at any other time, only that portion or the amounts referred to in the foregoing clauses (1)(a) and (1)(b) as are indefeasibly received by the Debtor or the Lender as Assignee and shall equal the portion of the unpaid principal balance of the Note, accrued interest thereon and all other amounts payable by the Debtor hereunder, to the extent then due thereunder or hereunder; it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Debtor or the Lender as Assignee when no such Event of Default had occurred and was continuing and which exceeded the amount required to discharge the portion of the unpaid principal balance of the Note, accrued interest thereon and amounts payable by the Debtor hereunder due and payable on the date when such amounts were received by the Debtor or the Lender as Assignee or were required to be paid to it pursuant to the Lease.

Nothing herein contained shall limit, restrict, or impair Lender's right to accelerate payment of the Note upon the occurrence of an Event of Default, to bring suit and obtain a judgement against the Debtor on the Note or this Agreement for the full amount of the unpaid principal of the Note, interest thereon and all other amounts payable by the Debtor pursuant hereto (provided that the liability of the Debtor on any such judgement and the satisfaction thereof shall be limited as hereinabove provided), or to exercise (subject to the rights of Lessee under the Lease) Lender's rights and remedies hereunder with respect to the Collateral, including the Equipment and the Lease (including the right to enforce Lender's rights under the Lease and to dispose of the Equipment and the Lease and to recover from the proceeds thereof the full amount of the unpaid principal of the Note, interest thereon and all other amounts payable by the Debtor pursuant hereto).

F. PREPAYMENT OF NOTE - If any amount shall become due and payable to the Debtor or the Lender as Assignee pursuant to Section 14 of the Lease because of the loss, theft, damage or destruction of any units of Equipment, then, thereupon, a like aggregate amount will be immediately due and payable on account of the principal of and interest accrued on the Note. In the event of any partial prepayment of the principal of the Note pursuant to this first sentence of paragraph F, the amount of each installment payment thereon thereafter coming due will be reduced by an amount which bears the same proportion to the amount of such installment which would have been due in the absence of such prepayment as the amount of such principal prepayment bears to the unpaid balance or such principal outstanding immediately prior to such prepayment. All amounts received or collected by Lender as a result of exercising any of the remedies afforded Lender under paragraph D hereof shall first be used to pay all unpaid principal and accrued interest under the Note and any surplus shall be paid to Debtor.

G. COLLECTION EXPENSES - Subject to the provisions of the preceding paragraph F hereof, in addition to all other amounts payable hereunder and under the Note, the Debtor will pay all Lender's reasonable expenses, including attorney's fees, incurred in enforcing its rights and remedies hereunder, under the Note or under the Lease. If Lender brings suit (or files any claim or petition in any bankruptcy, reorganization, insolvency or other proceeding) to enforce any of its rights (or other recovery or relief) in such action (or other proceeding), Lender may recover, in addition to all other amounts payable hereunder and thereunder, its reasonable expenses in connection therewith, including in such judgement (or other form of award).

H. COLLECTION OF RENTALS - Until Lender may give Debtor and Lessee notice to the contrary, Debtor will on behalf of itself and Lender collect and receive from the Lessee all rentals and other money payable pursuant to the Lease, and the Debtor may take all such action as may be necessary or desirable to demand, enforce, collect, receive and receipt for all such payments and to otherwise enforce compliance by Lessee with all terms and provisions of the Lease. Upon the Debtor's indefeasible receipt of any such payment or other "income and proceeds from the Equipment" (as defined in paragraph E hereof) Debtor will promptly remit to Lender so much thereof as may equal any amount then due and payable under the Note, and Debtor may retain the balance. If pursuant to the rights herein granded, Lender shall indefeasibly collect or receive any "income and proceeds from the Equipment" (as so defined), then, so long as no Event of Default hereunder shall have occurred and be continuing, Lender will remit promptly to Debtor the amount so collected or received which exceeds amounts then due under the Note or hereunder.

I. NOTICES - All notices, declarations, requests, consents and other communications given hereunder or in connection herewith or with the Note shall be in writing and delivered or deposited in the United States mail, registered or certified, postage prepaid, addressed to Debtor or to Lender at their respective address stated above or to such other address as either may hereafter specify by written notice to the other.

J. APPLICABLE LAW - This Agreement is being delivered and is intended to be performed in the Commonwealth of Pennsylvania. This Agreement and the Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Commonwealth of Pennsylvania.

K. SUCCESSORS AND ASSIGNS - This Agreement will bind and inure to the benefit of the respective successors and assigns of the parties hereto, including any holder, as such, of the Note. By acceptance of an assignment hereof or of the Note, each of the Lender's successors or assigns (including any holder, as such, of the Note) will be deemed to have agreed to be bound by the provisions hereof and of the Note and Lender's undertakings hereunder and thereunder, especially including the provisions of the section headed "Limitation of the Debtor's Liability".

EXECUTED the date first above written.

GIRARD LEASING CORPORATION

By D. A. Wingley
(Authorized Signature)

Title Vice President

FIRST PEOPLES BANK OF NEW JERSEY

By William J. Mu
(Authorized Signature)

Title Vice President & Comptroller

AFFIDAVIT

Commonwealth of Pennsylvania :
: ss.
County of Philadelphia :

The undersigned, a Notary Public in and for the aforesaid State and County, hereby certifies that the foregoing Security Agreement has been compared with the original and is a true and correct copy.

Diane R. Butler
Notary Public

My Commission Expires: August 31, 1981

[Notarial Seal]

Dated: October 29, 1980

Commonwealth of Pennsylvania :
: ss.
County of Philadelphia :

On this 29th 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 GIRARD LEASING CORPORATION, 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 as of the date thereof and remains 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

State of New Jersey :
: ss.
County of :

On this 7th day of November, 1980 before me appeared William T. Moyer, to me personally known, who being by me duly sworn, says that he is Vice President & Comptroller of FIRST PEOPLES BANK OF NEW JERSEY, said Corporation, 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 as of the date thereof and remains the free act and deed of said Corporation.

Sandra L. Davis
Notary Public

[NOTARIAL SEAL]

My Commission Expires:

SANDRA L. DAVIS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires January 21, 1985