

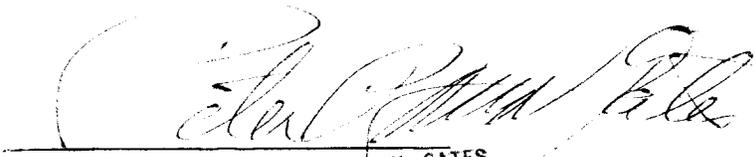
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REGISTRATION NO. \_\_\_\_\_ Filed & Recorded

APR 21 1972 - 10 50 AM

INTERSTATE COMMERCE COMMISSION

The undersigned, PETER P. McN GATES, a notary public in and for the state of New York, does hereby certify that he has compared the annexed conformed copy of the Chattel Mortgage dated as of April 20, 1972 from Auto-Train Corporation to United States Trust Company of New York to the original document of which it is a copy, and the annexed is a true and correct copy of the said original in all respects.



April 20, 1972

PETER P. McN. GATES  
Notary Public, State of New York  
No. 316171600  
Qualified in New York County  
Commission Expires March 22, 1974

6565 ✓

CHATTEL MORTGAGE

THIS CHATTEL MORTGAGE, dated as of April 20, 1972 from AUTO-TRAIN CORPORATION, a Washington corporation, with its principal place of business at 1801 K Street, N.W., Washington D. C., (hereinafter called the "Mortgagor"), to UNITED STATES TRUST COMPANY OF NEW YORK, a New York corporation, with its principal office at 45 Wall Street, New York, N.Y. 10005 (hereinafter called the "Mortgagee").

W I T N E S S E T H

WHEREAS, the Mortgagor is the legal and beneficial owner of the railroad equipment described on Schedule A hereto attached and made a part hereof, free and clear of all liens and encumbrances, except as otherwise specified on Schedule A; and

WHEREAS, the Mortgagor and the Mortgagee have entered into a certain Credit Agreement of even date herewith (hereinafter called the "Credit Agreement") providing for the making of advances to the Mortgagor by the Mortgagee of up to \$1,500,000, in the aggregate at any time outstanding;

NOW, THEREFORE, in consideration of the Mortgagee's commitment to make such advances and to secure payment by the Mortgagor of all indebtedness and obligations of any kind at any time incurred under the Credit Agreement including, without limitation, the payment of the Debit Balance from time to time existing thereunder, and interest thereon (all such indebtedness and obligations being hereinafter called the "Liabilities"):

1. Security Interest. To secure the prompt and punctual payment of the Liabilities when due, whether by acceleration or otherwise, the Mortgagor hereby grants, bargains, sells, transfers, conveys and mortgages unto the Mortgagee, its successors and assigns, and gives the Mortgagee a security interest in, the equipment listed on Schedule A together with any and all additions, accessions, and attachments thereto, and any and all replacements and substitutions thereof, whether now or hereafter acquired or existing (hereinafter called the "Mortgaged Property") and in and to any and all proceeds arising therefrom.

2. Use of Mortgaged Property. Until default in the payment of the Liabilities when due (whether by acceleration or otherwise) the Mortgagor shall have the

right to retain possession of the Mortgaged Property, to use the same in its normal business and to collect and enjoy the rents, revenues, income and profits thereof, except as may otherwise be provided by separate agreement.

3. Covenants of the Mortgagor. The Mortgagor covenants, agrees and warrants, without limiting other covenants and provisions hereof or any covenants and provisions of the Credit Agreement or any other document delivered by Mortgagor in connection therewith, as follows:

3.1. At the time of the execution and delivery of this instrument, the Mortgagor owns and is possessed of the Mortgaged Property, subject to no prior lien, charge, encumbrance or security interest except as described on Schedule A hereto annexed, and has full power and authority to grant, bargain, sell, transfer, convey and mortgage, and give a security interest in, the same as herein provided, except as to any Mortgaged Property which is stated in Schedule A to be subject to a conditional sale agreement or other title retention arrangement, as to which this Chattel Mortgage is intended to convey all interest now or hereafter held by Mortgagor therein. The Mortgagor hereby does and will forever warrant and defend the title to and possession of the Mortgaged Property against the claims and demands of all persons whomsoever, except the Mortgagee and except as to claims of the holders of the

presently outstanding liens or encumbrances described on Schedule A hereto annexed. Except as the context may otherwise require, the terms "liens" and "encumbrances" as used herein shall include the interest of any seller under a conditional sale agreement, whether or not title has been retained by such seller.

3.2. The Mortgagor will be responsible for recording and re-recording, registering and re-registering, and filing and re-filing this Chattel Mortgage and each and every chattel mortgage supplemental hereto and such other instruments from time to time as may be requested by the Mortgagee in all such jurisdictions and offices as may be required (or as the Mortgagee may request), and Mortgagor will take all other or further action as shall be required by law or requested by Mortgagee, in order that the lien hereof as a fully perfected first lien (except to the extent of presently outstanding liens or encumbrances described in Schedule A as from time to time in existence) on all of the Mortgaged Property as security for payment of the Liabilities, and all rights and remedies of the Mortgagee hereunder, may be established, confirmed, maintained and protected; and the Mortgagor will furnish to the Mortgagee evidence satisfactory to the Mortgagee of every such recording, registering, filing or other action.

3.3. Subject to the presently outstanding liens or encumbrances described in Schedule A (except to the extent the same are reduced or discharged), (i) this Chattel Mortgage always will be kept a fully perfected first lien upon the Mortgaged Property as from time to time constituted; (ii) the Mortgagor will not create or suffer to be created any lien or charge prior to or upon a parity with the lien of this Chattel Mortgage upon the Mortgaged Property or any part thereof or upon the income therefrom or proceeds thereof; and (iii) the Mortgagor will from time to time pay or cause to be paid as they become due and payable all taxes, assessments and governmental charges lawfully levied or assessed or imposed upon the Mortgaged Property or any part thereof or upon any income therefrom or proceeds thereof, and also all taxes and assessments and governmental charges lawfully levied or assessed or imposed upon the security interest and lien of the Mortgagee in the Mortgaged Property, so that the lien of and security interest created by this Chattel Mortgage shall at all times be wholly preserved at the cost of the Mortgagor and without expense to the Mortgagee; and the Mortgagor will not suffer any other matter or thing whatsoever whereby the lien of or security interest created by this Chattel Mortgage might be impaired. The Mortgagor

shall promptly pay when due (whether at maturity, by acceleration or otherwise) all sums secured by any lien or encumbrance described on Schedule A and upon the payment of the same shall cause said lien or encumbrance to be discharged and cease to exist. As and to the extent that each lien or encumbrance described in Schedule A is reduced or discharged, the lien of this Chattel Mortgage shall be and become a fully perfected first lien on the Mortgaged Property thereby effected. The Mortgagor shall not consent to, suffer or permit the extension or continuance of any such existing lien or encumbrance beyond the date fixed for its termination, or the modification of the terms of any indebtedness secured thereby, without the prior written consent of the Mortgagee.

3.4. The Mortgagor will indemnify and protect the Mortgagee against all claims arising out of or connected with the ownership or use of any of the Mortgaged Property.

3.5. The Mortgagor shall maintain insurance upon all the Mortgaged Property as set forth in Paragraph 6.07 of the Credit Agreement. All policies and other

contracts for such insurance with respect to the Mortgaged Property shall provide that the proceeds of such insurance shall be payable to the Mortgagee and the Mortgagor as their interests may appear (by means of a standard mortgagee clause, without contribution); and each such policy or other contract shall contain an agreement by the insurer that, notwithstanding any right of cancellation or material change reserved to such insurer, such policy or contract shall continue in force for the benefit of the Mortgagee for at least 30 days after written notice to the Mortgagee of the cancellation or material change.

3.6. In case of the occurrence of an Event of Loss with respect to any railroad rolling stock constituting part of the Mortgaged Property, the Mortgagor shall immediately notify the Mortgagee and shall promptly pay to the Mortgagee an amount which bears the same proportion to the Debit Balance then outstanding under the Credit Agreement as the cost of such Mortgaged Property, as set forth on Schedule A hereto attached, reduced by the then outstanding amount, if any, of any presently existing lien or encumbrance thereon described on Schedule A,

or the book value as of the date of the acquisition of any such Mortgaged Property with respect to which the cost is not therein set forth, bears to the total of such cost and book value of all of the Mortgaged Property, reduced by the total amount of all presently existing liens and encumbrances as set forth on Schedule A. Notwithstanding the foregoing, the Mortgagor's obligations to make payments to the Bank under this Section 3.6 shall not commence until the total of such cost and book value of all Mortgaged Property with respect to which an Event of Loss occurs shall equal or exceed \$50,000 (but the computations of any amount owed by the Mortgagor to the Mortgagee hereunder shall include all prior Events of Loss for which no payment had then been made). As used in this Section the term "Event of Loss" with respect to any property shall mean any of the following events with respect to such property: (i) the actual or constructive total loss of such property; (ii) such property shall be destroyed, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever; or (iii) the condemnation, confiscation, theft or seizure of, or requisition of title to or use of, such property. Any such payment shall be deemed for all purposes a prepayment of

the Debit Balance under the Credit Agreement, except that the same need not be in an aggregate amount of \$100,000 or an integral multiple thereof, and the Maximum Commitment, as that term is used in the Credit Agreement, shall thereupon be reduced by the amount of any such payment for all purposes under the Credit Agreement.

3.7. The Mortgagor agrees that the Mortgaged Property will not be maintained, used or operated in violation of any law or any rule, regulation or order of any government or governmental authority having jurisdiction or in violation of any certificate, license or registration relating to the Mortgaged Property issued by any such authority or in violation of any agreement creating any lien or encumbrance described in Schedule A. In the event that such laws, rules, regulations, orders or agreements require alteration of the Mortgaged Property, the Mortgagor will conform thereto or obtain conformance therewith at no expense to the Mortgagee and will maintain the same in proper operating condition under such laws, rules, regulations,

orders and agreements. The Mortgagor also agrees not to employ any of the Mortgaged Property, or suffer the Mortgaged Property to be located, in any area or jurisdiction without the continental United States.

3.8. The Mortgagor, at its own cost and expense, will within a reasonable time replace all appliances, spare parts, instruments, accessories, or other equipment or parts of whatever nature which may from time to time be a part of or installed on or attached to any of the Mortgaged Property and which may from time to time become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever. Any part or accessory so added, unless leased by the Mortgagor from others, shall become subject to the lien hereof and be deemed part of the Mortgaged Property for all purposes hereof so long as such part or accessory shall remain part of or installed on or attached to such Mortgaged Property.

3.9. The Mortgagor will not, without the prior written consent of the Mortgagee, transfer, sell, assign, lease or relinquish possession of, or suffer or

permit the foreclosure of any other lien or encumbrance upon, any of the Mortgaged Property.

4. Remedies upon Default. The Mortgagee at all times hereafter shall have and may exercise with respect to the Mortgaged Property all the rights and remedies given, allowed or permitted to a secured party by or under the Uniform Commercial Code of the State of New York (the "Code") (whether or not the Uniform Commercial Code is in effect in the jurisdiction where the rights and remedies are asserted). Without limiting the generality of the foregoing, upon non-payment of any of the Liabilities when due (whether by acceleration or otherwise) the Mortgagee shall have the following rights and remedies (subject only to the rights, if any, of the holders of any presently existing liens or encumbrances described on Schedule A and the rights, if any, of the Mortgagor expressly granted by the Code to the extent not waived by Mortgagor herein or modified hereby):

(a) The Mortgagee shall have the right and power to take possession of all or any part of the Mortgaged Property, and to exclude the Mortgagor and all persons claiming under the Mortgagor wholly or partly therefrom,

and thereafter to hold, store, use, operate, manage, control, lease, sell (by public or private sale), and otherwise deal with and dispose of the same in such manner as the Mortgagee in its sole discretion may determine.

(b) At the request of the Mortgagee, the Mortgagor shall promptly deliver or cause to be delivered to the Mortgagee or to an agent or representative designated by the Mortgagee all property to whose possession the Mortgagee shall at the time be entitled hereunder, and the Mortgagee, its agents and representatives, shall have the right at any time whatsoever to enter upon any or all of the Mortgagor's premises and property to exercise the Mortgagee's rights hereunder.

(c) Upon every such taking of possession, the Mortgagee may, from time to time, at the expense of the Mortgaged Property, make all such repairs, replacements, alterations, additions and improvements to and of the Mortgaged Property, and pay and discharge, in whole or in part, such liens or encumbrances existing with respect thereto, as to the Mortgagee may seem proper, and may exercise all other and further rights and powers of the Mortgagor in respect thereof as the

Mortgagee in its sole discretion shall deem best. The Mortgagee shall be entitled to collect and receive all rents, issues, profits, revenues and other income of the same and every part thereof and to apply the same to pay the expenses of holding and operating the Mortgaged Property and of conducting business therewith, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Mortgagee may be required or may elect to make, if any, for taxes, assessments, insurance and other proper charges upon the Mortgaged Property or any part thereof, and all other payments which the Mortgagee may be required or authorized to make under any provision of this Chattel Mortgage. The remainder of such rents, issues, profits, revenues and other income shall be applied in accordance with Section 6 hereof.

(d) Any requirement of reasonable notice imposed by the Code or by any other law shall be deemed met if such notice is in writing and is mailed, telegraphed or delivered to the Mortgagor not less than five business days prior to the sale, disposition or other event giving

rise to such notice requirement.

5. Expenses. The Mortgagor shall pay or reimburse the Mortgagee for all expenses (including attorneys' fees and other legal expenses) reasonably incurred by the Mortgagee in connection with the exercise of rights and enforcement of remedies hereunder and the same shall be deemed a part of the Liabilities for all purposes of this Chattel Mortgage and the Mortgagor may apply the Mortgaged Property and the income therefrom and proceeds thereof to payment of or reimbursement for such expenses.

6. Application of Proceeds. Subject only to the rights of holders of prior liens or encumbrances, the proceeds of any sale or other disposition of the Mortgaged Property, or any part thereof, under this Chattel Mortgage together with any other sums then held by the Mortgagee hereunder, shall be applied as follows:

(a) First, to the payment of all costs and expenses of any kind or description incurred with respect to such sale or disposition, including without limitation all charges, expenses, liabilities and advances incurred or made by the Mortgagee, and all other costs and expenses

payable by the Mortgagor or chargeable against the Mortgaged Property under this Chattel Mortgage, and to the payment of all taxes, assessments or liens, if any, prior to the lien of this Chattel Mortgage, except any taxes, assessments or liens subject to which such sale shall have been made;

(b) Second, to the payment of all of the Liabilities then due and unpaid; and

(c) Third, the surplus, if any, shall be paid to the Mortgagor, its successors or assigns, or to whoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

7. Remedies not exclusive; Waiver; Partial Invalidity. No right, power or remedy conferred upon the Mortgagee hereby is intended to be exclusive of any other right, power or remedy, but every such right, power or remedy shall be cumulative and shall be in addition to every other right, power or remedy herein conferred or now or hereafter existing at law, in equity, by statute or otherwise. No course of dealing and no delay or omission on the part of the Mortgagee in exercising any

right, power or remedy shall operate as a waiver thereof or otherwise prejudice any of the Mortgagee's' rights, powers and remedies, nor shall any single or partial exercise by the Mortgagee of any right hereunder preclude any other or further exercise thereof. The invalidity of any term or provision hereof in any jurisdiction shall not invalidate any other term or provision in such or any other jurisdiction and shall not invalidate such term or provision in any other jurisdiction. The unenforceability of any of the remedies herein provided in any jurisdiction shall not affect any remedy in any other jurisdiction nor the right to the enforcement in such jurisdiction of any of the other remedies herein provided.

8. Waiver by Mortgagor. The Mortgagor agrees, to the full extent that it may lawfully so agree, that neither it nor anyone claiming through or under it, will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption law now or hereafter in force in any locality where any property subject to the lien hereof may be situated, in order to prevent, hinder

or delay the enforcement or foreclosure of this Chattel Mortgage, or the absolute sale or other disposition of the Mortgaged Property or any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat; and the Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may be lawful so to do, the benefit of all such laws, and any and all right to have any of the properties or assets comprising the Mortgaged Property marshalled upon any such sale, and agrees that the Mortgagee or any court having jurisdiction to foreclose the lien hereof may sell the Mortgaged Property as an entirety or in such parcels as the Mortgagee or such court may determine.

9. Successors and Assigns. This Chattel Mortgage shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that no assignment by Mortgagor of any right or interest hereunder shall be effective without the prior written consent of Mortgagee. The Mortgagee at any time upon written notice to the Mortgagor may

assign all or any part of the Mortgagee's right, title and interest under this Chattel Mortgage, including its right, title and interest with respect to the Mortgaged Property or any part thereof, to any person who acquires from the Mortgagee an interest in any of the Liabilities. To the extent of any such acquisition such person shall have all the rights and remedies of the Mortgagee hereunder.

10. Termination. If the Mortgagor shall pay and discharge all of the Liabilities, then upon written request of the Mortgagor this Chattel Mortgage and the lien, rights and interests hereby granted shall cease, determine and become null and void, and the Mortgagee shall at Mortgagor's expense cause satisfaction and discharge of this Chattel Mortgage to be entered upon the record, execute and deliver such instruments of satisfaction as may be necessary and pay and deliver all moneys and other personal property then held by the Mortgagee hereunder.

11. Definition of Terms. Except to the extent that the context may otherwise require, any terms defined in the Credit Agreement shall have the same meaning when used herein as the meaning given thereto

by the Credit Agreement.

12. Counterparts. This Chattel Mortgage may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and either of the parties hereto may execute this Agreement by signing any such counterpart.

IN WITNESS WHEREOF, the Mortgagor and the Mortgagee have caused this instrument to be duly executed, as of the day and year first above written.

AUTO-TRAIN CORPORATION

By S/ EUGENE K. GARFIELD  
President

[Corporate Seal]

ATTEST:

(S) SCIMOUR KLINMAN  
Secretary

UNITED STATES TRUST COMPANY  
OF NEW YORK

By B. TUCKER WHITE JR.  
Assistant Vice President

[Corporate Seal]

ATTEST:

S/ THOMAS TAYLOR  
Secretary

STATE OF NEW YORK )  
 )  
 ) SS.:  
COUNTY OF NEW YORK )

On the 20th day of April, 1972 before me personally appeared EUGENE K. GARFIELD, to me personally known, who being by me duly sworn, did depose and say that he resides at No. 4701 Wilkaid Ave, Cherry Chase, Maryland ; that he is the President of AUTO-TRAIN CORPORATION, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, that he signed his name thereto by like order, and that the execution of the foregoing instrument was the free act and deed of said corporation.

PETER P. Mc N. GATES

Notary Public

P. GATES  
Notary Public, State of New York  
No. 31 6471609  
Qualified in New York County  
Commission Expires March 30, 1974

(Notarial Seal)

STATE OF NEW YORK                    )  
  ):  SS.:  
COUNTY OF NEW YORK                )

On the 20th day of April, 1972 before me personally appeared B. TUCKER WHITE, JR., to me personally known, who being by me duly sworn, did depose and say that he resides at No. 7 Dwyer Road, Upper Montclair, New Jersey; that he is an Assistant Vice President of UNITED STATES TRUST COMPANY OF NEW YORK, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Trustees of said corporation, that he signed his name thereto by like order, and that the execution of the foregoing instrument was the free act and deed of said corporation.

**PETER P. Mc N. GATES**

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Notary Public

PETER P. McN. GATES  
Notary Public, State of New York  
No. 31-6471600  
Qualified in New York County  
Commission Expires March 30, 1974

(Notarial Seal)

SCHEDULE A

TYPE OF EQUIPMENT	MANUFACTURER	FROM WHOM ACQUIRED	NO. OF UNITS	SELLER'S IDENTIFICATION NUMBERS	AUTO-TRAIN'S IDENTIFICATION NUMBERS	ORIGINAL COST	CAPITAL EXPENDITURE	TOTAL COST OF EQUIPMENT
<b>PASSENGER CARRIERS</b>								
Full Dome Cars	Budd & Co.	AT & SF Railway Co.	10	508,509,511 513, 550-555	520, 521, 523-524 512-515, 510-511	\$1,350,000	\$1,072,783.97	\$2,422,783.97
Full Dome Cars	Budd & Co.	AT & SF Railway Co.	3	507,510,512	540,522,541	405,000 (1)	197,575.01	602,575.01
Half Dome Cars	Budd & Co.	Western Pacific Railroad Co.	7	811-817	460-463, 470-472	280,000		280,000.00
Sleepers	American Car & Foundry Co.	Seaboard Coast Line Railroad Company	6	1804, 1809, 1811, 1814, 1815, 1816	201 - 206	90,000 (2)		90,000.00
Sleepers	American Car & Foundry Co.	Union Pacific Railroad Company	5	1301 - 1305	301 - 305	30,000		30,000.00
Dining and Kitchen Dormitory Cars	Budd & Co. - 6 Pullman Standard - 4	Seaboard Coast Line Railroad Company	10	5990 - 5999	590 - 599	127,500 (3)	148,732.24	276,232.24
OTHER								
Steam Generators	AT & SF Railway Co.	AT & SF Railway Co.	3	136,137,138	136,137,138	225,000	16,370.03	241,370.03
Automobile Carriers	Canadian Car & Foundry Co.	Canadian National Railway	28	730025-730030, 730032,730033, 730035,730037, 730041-730044, 730046,730048, 730049-730053, 730055,730058- 730060,730062, 730063,730066	1 - 28	692,500	799,632.53	1,492,132.52

- (1) Cars purchased under conditional sale agreement. Amount of Seller's lien at February 29, 1972 equalled \$324,000. Title retained by Seller until payment in full.
- (2) Purchased by Seaboard Coast Line Railroad Company from AT & SF Railway Co. and sold to Auto-Train under conditional sale agreement. Amount of Seller's lien at February 29, 1972 equalled \$68,400.
- (3) Cars purchased under conditional sale agreement. Amount of Seller's lien at February 29, 1972 equalled \$95,200.