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RECORDATION NO. _____ Filed & Recorded

CHATTEL MORTGAGE

APR 25 1973 - 3 50 PM

INTERSTATE COMMERCE COMMISSION

This CHATTEL MORTGAGE, dated as of January 22, 1973 by and between XTRA, INC., a Massachusetts corporation (hereinafter called the "Mortgagor") and FIRST NATIONAL CITY BANK, a national banking association (hereinafter called the "Mortgagee"),

W I T N E S S E T H :

WHEREAS, the Mortgagor has entered into a Loan Agreement dated as of January 22, 1973 with the Mortgagee (said Loan Agreement being hereinafter called the "Loan Agreement"), under which the Mortgagee has agreed to make a loan (the "Loan") to the Mortgagor on or before May 1, 1973 in the principal amount of \$2,400,000 on the terms and conditions therein set forth; and

WHEREAS, the Mortgagor entered into a Lease Agreement dated as of September 6, 1972 (hereinafter called the "Lease") bearing recordation No. 6792 filed and recorded on November 10, 1972 with the Interstate Commerce Commission, with John F. Nash and Robert C. Haldeman, Trustees of the property of LEHIGH VALLEY RAILROAD COMPANY, Debtor, and the successors of said Trustees, or either of them (hereinafter called the "Lessee"), providing for the lease, on the terms therein set forth by the Mortgagor to the Lessee of the Locomotives; and

WHEREAS, the obligation of the Mortgagor to repay the Loan is to be evidenced by its promissory note in the form of Exhibit A to the Loan Agreement (the promissory note of the Mortgagor evidencing the Loan, as the same may at any time be renewed or extended, being hereinafter called the "Note"); and

WHEREAS, a condition to the making of the Loan is the execution and delivery by the Mortgagor of this Chattel Mortgage;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, and in order to secure the payment when due of the principal of and interest payable on the Note and the performance and observance by the Mortgagor of all obligations on its part to be performed or observed under the Loan Agreement, the parties hereto agree as follows:

ARTICLE 1. GRANT OF MORTGAGE AND SECURITY

INTEREST. The Mortgagor hereby mortgages, sells, assigns, conveys, transfers and sets over unto the Mortgagee and hereby grants the Mortgagee a security interest in

(a) twelve Diesel-Electric Locomotives identified in Annex A attached hereto (hereinafter called the "Locomotives");

(b) all replacement power components, including, without limitation, engines, transmissions and parts thereof now or hereafter

installed in the Locomotives;

(c) all electrical equipment and components thereof now or hereafter installed in the Locomotives;

(d) all parts installed or replacements made by the Lessee to the Locomotives (except for communications, signal and automatic control equipment or devices having a similar use installed in any Locomotive by the Lessee with the consent of the Mortgagor, provided that such equipment is removed by the Lessee before such Locomotive is returned to the Mortgagor and all damage resulting from such installation and removal is repaired by the Lessee); and

(e) the proceeds of all of the foregoing.

All of the foregoing components, equipment, parts, replacements and proceeds thereof now and hereafter installed in or used in connection with the Locomotives being included in the term "Locomotives" as used in this Chattel Mortgage.

TO HAVE AND TO HOLD the Locomotives, together with all rights, titles, interests, powers, privileges and preferences appertaining or incidental thereto, unto the Mortgagee, its successors and assigns, forever, subject, however, to the terms, covenants and conditions hereinafter set forth.

ARTICLE 2. TITLE TO THE LOCOMOTIVES. Except for the mortgage and security interest granted to the Mortgagee hereby, the Mortgagor warrants that (i) the Mortgagor is or will be the owner of the Locomotives (whenever acquired or mortgaged to the Mortgagee, as the case may be), free and clear of all liens, charges and encumbrances; (ii) the Mortgagor has good right and lawful authority to execute and deliver this Chattel Mortgage and will defend its title to the Locomotives against all claims; and (iii) no consent or approval of any governmental body or regulatory authority (Federal, state or local) is or was required in connection with the execution and delivery by the Mortgagor of this Chattel Mortgage which has not been obtained.

On or prior to the time of delivery of each Locomotive to the Mortgagor, the Manufacturer has agreed to cause to be placed on each side of each Locomotive the Manufacturer's Serial Number and the Railroad's Road Number. At all times thereafter, the Mortgagor will use its best efforts to cause each Locomotive to bear the numbers so assigned to it, and will not change, or permit the Lessee to change, the number of any Locomotives except in accordance with a statement of a new number to be substituted therefor which previously shall have been filed with the Manufacturer by the Mortgagor and filed, recorded or deposited in all public places where this Chattel Mortgage shall have been filed, recorded or deposited.

The Mortgagor will not allow the name of any person, association or corporation to be placed on the Locomotives as a designation that might be interpreted as a claim of ownership; provided, however, that the Mortgagor may cause the Locomotives to be marked as contemplated by Sections 6 and 7 of the Lease and to be lettered with the names, initials or insignia customarily used by the Lessee on equipment of the same or a similar type for convenience of identification of the rights to use and operate the Locomotives under the Lease.

ARTICLE 4. INSURANCE. The Mortgagor will, at the Mortgagor's own cost and expense, insure, or will cause the Lessee, at the Lessee's own cost and expense, to insure each Locomotive from the date hereof or from the time of delivery and acceptance thereof (as the case may be) and at all times thereafter until the Mortgagor's obligations under this Chattel Mortgage with respect to such Locomotive have been discharged, against loss, damage or destruction thereof caused by fire, lightning, wreck, derailment, collision, flood, tornado, cyclone, sabotage, riot or civil commotion, such insurance, in the case of each Locomotive, to be in an amount satisfactory to the Mortgagee, except that such coverage may be limited so that no loss amounting to less than \$25,000 on each Locomotive shall be payable. All such insurance shall be

taken for the benefit of the Mortgagor, in an insurance company or companies satisfactory to the Mortgagee. All insurance proceeds received by the Mortgagor with respect to any Locomotive shall after notice to the Mortgagee:

(a) so long as no Event of Default under this Chattel Mortgage shall have occurred and be continuing, be applied by the Mortgagor, in the case of repairable damage to such Locomotive, to the proper repair of such damage; or

(b) be applied by the Mortgagor, at its option, in the case of the loss, destruction or damage beyond repair of such Locomotive, (i) towards the satisfaction of the Mortgagor's obligation to make the payment required by Article 5 hereof or (ii) so long as no Event of Default under this Chattel Mortgage shall have occurred and be continuing, towards the purchase of a replacement Locomotive, which shall in all respects be subject to the mortgage and security interest of the Mortgagee hereunder.

ARTICLE 5. LOSS, THEFT OR DESTRUCTION OF LOCOMOTIVES. In the event that any Locomotive shall be worn out, lost, stolen, destroyed or damaged beyond economic repair, from any cause whatsoever, or shall be requisitioned, taken over or nationalized by any governmental authority under the power of eminent domain or otherwise (except by

a Reorganized Company, as defined in the Lease) (such occurrence being hereinafter called a "Casualty Occurrence"), prior to the payment of the full amount of the Note, together with interest thereon, and all other payments required hereby or by the Loan Agreement, the Mortgagor shall promptly (after it has knowledge of such Casualty Occurrence) and fully inform the Mortgagee in regard thereto and shall, within 30 days after the occurrence of such Casualty Occurrence, file with the Mortgagee a certificate setting forth the Casualty Value (as hereinafter defined) of such Locomotive. If the Mortgagor receives notice of any Casualty Occurrence under the Lease, such notice to the Mortgagee shall be given the date such notice is given to the Mortgagor under the Lease. When the aggregate Casualty Value of Locomotives having suffered a Casualty Occurrence (exclusive of Locomotives having suffered Casualty Occurrences with respect to which payment shall have been made to the Mortgagee pursuant to this Article 5) shall exceed \$25,000, the Mortgagor shall, within 90 days after such Casualty Occurrence or within 15 days of receipt of any payment from the Lessee pursuant to Section 10 of the Lease, whichever shall occur first, at its option (i) promptly pay to the Mortgagee a sum equal to the aggregate Casualty Value of such Locomotives as of the date of such payment, or (ii) after notice to the Mortgagee, apply a sum equal to the aggregate Casualty Value of such Locomotives as of the date of such application to the purchase

of replacement Locomotives which shall in all respects be subject to the mortgage and security interest of the Mortgagee hereunder.

The Casualty Value of any Locomotive suffering a Casualty Occurrence shall be deemed to be that proportion of the original purchase price thereof reduced by payments made pursuant to the Note applied pro rata to such Locomotive as of the date payment is made with respect to such Casualty Occurrence.

Any moneys paid to the Mortgagee pursuant to the first paragraph of this Article 5 shall be applied immediately upon receipt thereof by the Mortgagee to prepay the installments of the Note thereafter falling due in the inverse order of their maturities, after payment by the Mortgagor of all interest then accrued and unpaid on each installment or portion thereof so prepaid, but without premium. In the event that any moneys are paid to the Mortgagee pursuant to the first paragraph of this Article 5 the Mortgagor will pay to the Mortgagee, on the date of application of such moneys to the prepayment of the Note as provided above, interest then accrued and unpaid on the Note.

In order to facilitate the sale or other disposition of any Locomotive suffering a Casualty Occurrence, the Mortgagee shall upon request of the Mortgagor, after payment by the Mortgagor to the Mortgagee of a sum equal to

the Casualty Value of such Locomotive, execute and deliver to the Mortgagor's vendee, assignee or nominee a bill of sale (without warranties) for such Locomotive, and such other documents as may be required to release such Locomotive from the terms and scope of this Chattel Mortgage, in such form as may be reasonably requested by the Mortgagor.

ARTICLE 6. MAINTENANCE AND REPAIR. The Mortgagor will at all times maintain, or will cause the Lessee at all times to maintain, the Locomotive in first class condition and repair and in good and efficient working order, reasonable wear and tear excepted, and acceptable for use in unrestricted interchange, at its own expense.

ARTICLE 7. COMPLIANCE WITH LAWS AND RULES. During the term of this Chattel Mortgage the Mortgagor will comply, or will use its best efforts to cause the Lessee or any other user of all or part of the Locomotives to comply, in all respects with all laws of the jurisdictions in which operations of the Mortgagor or the Lessee or such user involving the Locomotives may extend and with all lawful rules of the Federal Railroad Administration and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Mortgagor or the Lessee or such user or over the Locomotives, to the extent that such laws and rules affect the operation, maintenance or use of the Locomotives. In the event that such

laws or rules require the alteration of the Locomotives, the Mortgagor will conform or use its best efforts to cause the Lessee or any other user of all or part of the Locomotives to conform, therewith at its own expense, and will maintain, or will use its best efforts to cause the Lessee or such user to maintain, the same in proper condition for operation under such laws and rules; provided, however, that the Mortgagor may, in good faith, contest the validity and application of any such law or rule in any reasonable manner which does not, in the opinion of the Mortgagee, adversely affect the property or rights of the Mortgagee hereunder.

ARTICLE 8. REPORTS AND INSPECTIONS. On or before May 1 in each year, commencing with the year 1974, and on such other dates as the Mortgagee may from time to time reasonably request including July 1, 1973, the Mortgagor will furnish to the Mortgagee an accurate report, certified by a duly authorized agent of the Mortgagor or the Lessee (or officer of the Mortgagor as referred to and defined in the Lease), stating as of a recent date (but, in the case of each annual statement, not earlier than the preceding December 31, and in the case of any other such statement, not earlier than a date 90 days preceding the date of such statement):

(a) (i) The Manufacturer's Serial Numbers and the Railroad's Road Numbers of the Locomotives then subject hereto, (ii) the Manufacturer's Serial Numbers

and the Railroad's Road Numbers of all Locomotives that have become worn out, lost, stolen, destroyed, irreparably damaged or rendered permanently unfit for use since the date of the previous report (or since the date hereof in the case of the first such report), and (iii) the Manufacturer's Serial Numbers and the Railroad's Road Numbers of all Locomotives being repaired or awaiting repairs, and

(b) That all Locomotives then subject hereto have been maintained in accordance with Article 6 hereof or, if such be the case, are then being repaired in accordance with Article 6 hereof and that the legend required by the Lease has been preserved or repainted on each Locomotive. In addition, the Mortgagor will furnish to the Mortgagee, promptly upon receipt thereof from the Lessee, copies of each and every report received by the Mortgagor from the Lessee pursuant to the provisions of the Lease. The Mortgagee shall have the right, by its agents, to inspect the Locomotives and the Mortgagor's records with respect thereto once in every year, but no failure by the Mortgagee or its agents to make any such inspection shall be deemed a waiver of the Mortgagee's rights under this Chattel Mortgage.

ARTICLE 9. POSSESSION AND USE. The Mortgagor, so long as no Event of Default under this Chattel Mortgage shall have occurred and be continuing, and, as contemplated by the next succeeding paragraph, the Lessee, shall be entitled to the possession of the Locomotives and the use thereof upon the lines of railroad owned or operated by the Lessee, or over which the Lessee has trackage rights, and upon connecting and other railroads in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Chattel Mortgage.

The Mortgagor may lease the Locomotives to the Lessee as permitted by, and for use as provided in, the Lease; provided, however, that if and only if the Lessee shall be in default under the Lease, the rights of the Lessee (and any permitted assigns) shall be subordinated and junior in rank to the rights, and shall be subject to the remedies, of the Mortgagee under this Chattel Mortgage and, so long as no such default shall be continuing, the Lessee shall be entitled to possession and use of the Locomotives; and provided, further, that so long as no Event of Default under this Chattel Mortgage shall have occurred and be continuing, the Mortgagor shall have the sole right to enforce the Lease against the Lessee and shall also have the right to waive any default by the Lessee thereunder. The Mortgagor may also lease the Locomotives to any

other entity with the prior written consent of the Mortgagee, provided that the rights of such other entity are made expressly subordinate to the rights and remedies of the Mortgagee under this Chattel Mortgage. A copy of such lease shall be promptly furnished to the Mortgagee.

ARTICLE 10. PROHIBITION AGAINST LIENS. The Mortgagor will pay or satisfy and discharge any and all sums claimed by any party from, through or under or against the Mortgagor or its successors or assigns which, if unpaid, might become a lien or a charge upon the Locomotives, or any thereof, equal or superior to the title of the Mortgagee thereto, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Mortgagee, adversely affect the property or rights of the Mortgagee hereunder.

This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent nor subject to penalty for nonpayment, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's, employees' or other like liens arising in the ordinary course of business and, in each case, not delinquent (such liens being herein called "Permitted Liens").

ARTICLE 11. EVENTS OF DEFAULT. The following events shall be Events of Default hereunder:

(a) The Mortgagor shall, for more than 10 days after the Mortgagee shall have demanded in writing performance thereof, fail or refuse to comply with any covenant, agreement, term or provision of this Chattel Mortgage on its part to be kept and performed or to make provision satisfactory to the Mortgagee for such compliance; or

(b) The Mortgagor shall commit an Event of Default under the Loan Agreement (as that term is defined therein).

ARTICLE 12. REMEDIES. If an Event of Default shall have occurred and be continuing as hereinbefore provided, then at any time after the entire indebtedness in respect of the Note shall be, or have been declared, immediately due and payable as provided in the Loan Agreement and during the continuance of such Event of Default, the Mortgagee may, upon such further notice, if any, as may be required for compliance with any requirement of law applicable to the action to be taken by the Mortgagee which cannot legally be waived by the Mortgagor in this Chattel Mortgage (all of such requirements which can be legally waived by the Mortgagor in this Chattel Mortgage being hereby waived

by it), but subject to the rights of the Lessee under the Lease referred to in Article 9 hereof, take or cause to be taken by its agent or agents immediate possession of the Locomotives, or any of them, without liability to return to the Mortgagor any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 11 expressly provided, and may remove the same from possession and use of the Mortgagor or the Lessee or anyone having such possession and use and for such purpose may enter upon the premises of the Mortgagor or the Lessee or where the Locomotives may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Lessee, with or without process of law.

In case the Mortgagee shall rightfully demand possession of the Locomotives in pursuance of this Chattel Mortgage and shall reasonably designate a point or points upon the lines of the Lessee for the delivery of the Locomotives to the Mortgagee, the Mortgagor shall, at its own expense, cause the Lessee, at its own expense, to forthwith assemble the Locomotives and place them upon such storage tracks of the Lessee as the Mortgagee may designate and to transport or cause to be transported the Locomotives or any thereof within a period not exceeding 100 days from the date that all Locomotives are so assembled, to any place or

places on the lines of the railroad operated by the Lessee or to any connecting carrier for shipment, all as directed by the Mortgagee. The assembling, delivery, storage and transporting of the Locomotives as hereinabove provided are in the essence of this Chattel Mortgage between the parties, and upon application to any court of equity having jurisdiction in the premises, the Mortgagee shall be entitled to a decree against the Mortgagor and/or the Lessee to assemble, deliver, store and transport the Locomotives. The Mortgagor hereby expressly waives any and all claims against the Mortgagee and its agent or agents for damages of whatever nature in connection with any retaking of any Locomotive in any reasonable manner.

Without in any way limiting the obligations of the Mortgagor under the provisions of the foregoing paragraph, the Mortgagor hereby irrevocably appoints the Mortgagee as the agent and attorney of the Mortgagor, with full power and authority at any time while the Mortgagor or the Lessee is obligated to deliver possession of any Locomotives to the Mortgagee to demand and take possession of such Locomotives in the name and on behalf of the Mortgagor or the Lessee from whosoever shall be at the time in possession of such Locomotives.

If an Event of Default shall have occurred and be continuing, as hereinbefore provided, then at any time

thereafter during the continuance of such Event of Default and after the entire indebtedness in respect of the Note shall be, or have been declared, immediately due and payable, as provided, in the Loan Agreement, the Mortgagee (after retaking possession of the Locomotives as hereinbefore in this Article 12 provided) may, subject to any mandatory requirements of law then in force applicable thereto which cannot legally be waived by the Mortgagor in this Chattel Mortgage (all of such requirements which can legally be waived by the Mortgagor in this Chattel Mortgage being hereby waived by it), at its election retain the Locomotives as its own in satisfaction of the entire amount of such indebtedness and make such disposition thereof as the Mortgagee shall deem fit, and in such event all the Mortgagor's rights in the Locomotives will thereupon terminate and all payments made by the Mortgagor may be retained by the Mortgagee as compensation for the use of the Locomotives by the Mortgagor; provided, however, that if the Mortgagor, within 20 days of receipt of notice of the Mortgagee's election to retain the Locomotives for its own use, as hereinafter provided, shall pay or cause to be paid to the Mortgagee the total unpaid balance of the Note (including, without limitation thereto, interest thereon then accrued and unpaid), and all other amounts payable by the Mortgagor under this Chattel Mortgage and not there-

tofore paid, then in such event absolute right to the possession of, title to and property in the Locomotives shall pass to and vest in the Mortgagor; or the Mortgagee with or without the retaking of possession thereof may, at its election, sell the Locomotives, or any thereof, free from any and all claims of the Mortgagor, or of any other party claiming from, through or under the Mortgagor at law or in equity, at public or private sale and with or without advertisement as the Mortgagee may determine, and pending any such sale the Mortgagee with or without retaking possession of the Locomotives may, but shall have no obligation to, lease from time to time any or all Locomotives to such persons or corporations on such terms and for such periods as it shall deem advisable, all subject to and in compliance with any requirements of law then in force and applicable to such sale which cannot legally be waived by the Mortgagor in this Chattel Mortgage (all of such requirements which can legally be waived by the Mortgagor in this Chattel Mortgage being hereby waived by it), and the proceeds of such sale, less the attorneys' fees and any other expenses incurred by the Mortgagee in taking possession of, removing, storing and selling the Locomotives, shall be applied as follows: first, to the payment of the costs and out-of-pocket expenses of such sale, including without limitation out-of-pocket expenses and

reasonable compensation of any agent of the Mortgagee, any expenses incurred by the Mortgagee in taking possession of, removing, storing or selling the Locomotives, and the reasonable fees and out-of-pocket expenses of counsel employed in connection with such sale or enforcement of the obligations which are secured by this Chattel Mortgage, second, to the payment of all interest accrued and unpaid on the Note to such application date, third, to the payment in full of the unpaid principal of the Note on such application date, fourth, to the payment of all other indebtedness of the Mortgagor hereunder or under the Loan Agreement and fifth, the balance, if any, shall be paid over to the Mortgagor. Written notice of the Mortgagee's election to retain the Locomotives for its own use may be given to the Mortgagor as provided in Article 16 hereof, at any time during a period of 30 days after the entire indebtedness in respect of the Note shall be, or have been declared, immediately due and payable as hereinbefore provided; and if no such notice shall have been given, the Mortgagee shall be deemed to have elected to sell the Locomotives in accordance with the provisions of this Article 12.

To the extent permitted by any requirements of law then in force and applicable thereto which cannot legally be waived by the Mortgagor in this Chattel Mortgage (all of such requirements which can legally be waived by the Mortgagor in this Chattel Mortgage being hereby waived by it), any sale hereunder may be held or conducted at such place or places and at such time or times as the Mortgagee may specify, in one lot and as an entirety, or in separate lots, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Mortgagee may determine in compliance with any such requirements of law which may not legally be waived herein by the Mortgagor, provided that the Mortgagor shall be given written notice of such sale as provided in any such requirements, but in any event not less than 10 days prior thereto, by registered mail addressed to the Mortgagor as provided in Article 16 hereof. If such sale shall be a private sale permitted by such requirements, it shall be subject to the right of the Mortgagor to purchase or provide a purchaser, within 10 days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. To the extent not prohibited by any such requirements of law, the Mortgagee may bid for

and become the purchaser of the Locomotives, or any thereof, so offered for sale without accountability to the Mortgagor (except to the extent of surplus money received as provided in this Article 12), and in payment of the purchase price therefor the Mortgagee shall be entitled, to the extent not prohibited as aforesaid, to have credited on account thereof all sums due to the Mortgagee from the Mortgagor hereunder.

Each and every power and remedy hereby specifically given to the Mortgagee shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Mortgagee, except as such exercise may be expressly limited herein. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or

others. No delay or omission of the Mortgagee in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein.

If, after applying all sums of money realized by the Mortgagee under the remedies herein provided, there shall remain any amount due to it under the provisions of this Chattel Mortgage, the Mortgagor shall pay the amount of such deficiency to the Mortgagee upon demand, and, if the Mortgagor shall fail to pay such deficiency, the Mortgagee may bring suit therefor and shall be entitled to recover a judgment therefor against the Mortgagor.

The Mortgagor will pay all reasonable expenses, including attorneys' fees, incurred by the Mortgagee in enforcing its remedies under the terms of this Chattel Mortgage. In the event that the Mortgagee shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Mortgagee may, to the extent permitted by law, recover reasonable expenses, including attorneys' fees, and the amount thereof shall be included in such judgment.

ARTICLE 13. APPLICABLE STATE LAWS. Any provision of this Chattel Mortgage prohibited by any applicable law of any state, or which by any applicable law of any state would convert this Chattel Mortgage into any instrument other than a Chattel Mortgage, shall as to such state be ineffective, without modifying the remaining provisions of this Chattel Mortgage. Where, however, the conflicting provisions of any applicable state law may be waived, they are hereby waived by the Mortgagor to the full extent permitted by law, to the end that this Chattel Mortgage shall be deemed to be a Chattel Mortgage and enforced as such.

Except as otherwise provided in this Chattel Mortgage, the Mortgagor, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell the Locomotives, or any thereof, any other requirements as to the time, place and terms of sale thereof, any other requirements with respect to the enforcement of the Mortgagee's rights hereunder, and any and all rights of redemption.

ARTICLE 14. EXTENSION NOT A WAIVER. No delay or omission in the exercise of any power or remedy herein provided, or otherwise available to the Mortgagee, shall impair or affect the Mortgagee's right thereafter to exercise the same. Any extension of time for payment hereunder, or other

indulgence duly granted to the Mortgagor, shall not otherwise alter or affect the Mortgagee's rights or the Mortgagor's obligations hereunder. The Mortgagee's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Mortgagor's obligations or the Mortgagee's rights hereunder with respect to any subsequent payments or defaults therein.

ARTICLE 15. RECORDING. The Mortgagor will cause this Chattel Mortgage and any supplements hereto and any assignment hereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, and will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record any and all further instruments as may be required by law or reasonably requested by the Mortgagee for the purpose of proper protection, to the satisfaction of counsel for the Mortgagee, of its title to the Locomotives and its rights under this Chattel Mortgage or for the purpose of carrying out the intention of this Chattel Mortgage; and the Mortgagor will promptly furnish to the Mortgagee certificates or other evidences of such filing and recording or other actions, and an opinion or opinions of counsel for the Mortgagor with respect thereto, satisfactory to the Mortgagee.

ARTICLE 16. NOTICE. Any notice to or demand upon the Mortgagor pursuant hereto shall be deemed to be properly given or made if delivered or mailed, first class postage prepaid, to the Mortgagor, mailed or delivered to it, addressed to it at 150 Causeway Street, Boston, Massachusetts 02114, Attention: Finance & Accounting Department, if to the Mortgagee, mailed or delivered to it, addressed to it at 399 Park Avenue, New York, New York 10022, Attention: Surface Transportation Department; or, as to each party, at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Article 16. All notices, requests, demands and other communications provided for hereunder shall be effective when deposited in the mails or delivered to the telegraph company, addressed as aforesaid. An affidavit with respect to such mailing of any notice or demand by the person mailing the same shall be deemed to be conclusive evidence of the giving of such notice of the making of such demand.

ARTICLE 17. LAW GOVERNING. The terms of this Chattel Mortgage and the rights and obligations hereunder shall be governed by the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act, and to the recording provisions of any other

statute pursuant to which this Chattel Mortgage may be recorded.

ARTICLE 18. ARTICLE HEADINGS. All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Chattel Mortgage.

ARTICLE 19. MODIFICATION. No variation of this Chattel Mortgage and no waiver of any of its provisions or conditions shall be valid unless in writing and duly executed on behalf of the Mortgagee and the Mortgagor.

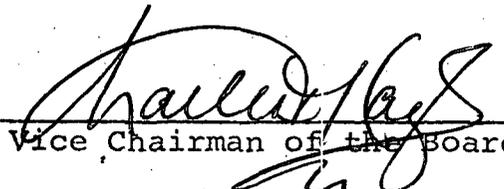
ARTICLE 20. EXECUTION. This Chattel Mortgage may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Chattel Mortgage is dated for convenience as of January 22, 1973, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be executed in their respective corporate names by their officers, or representatives, thereunto

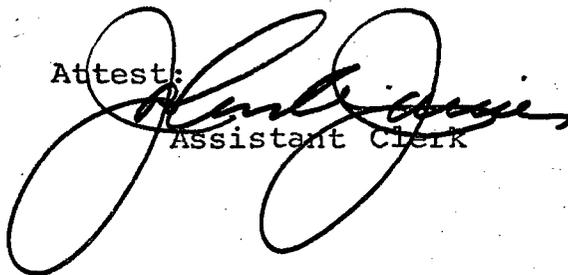
duly-authorized, and their respective corporate seals to be hereunto affixed, duly attested, all as of the date first above written.

XTRA, INC.

[CORPORATE SEAL]

By 
Vice Chairman of the Board

Attest:


Assistant Clerk

~~Commonwealth of Mass.~~
~~State of New York~~)
~~Suffolk~~) ss:
County of ~~New York~~)

On this 23rd day of April in the year 1973
before me personally came Charles H. Tager
to me known, who, being by me duly sworn, did depose and
say that he resides at Liverston Mass.;
that he is a Vice Chairman of the Board of XTRA, INC., the
corporation described in which executed the above 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, and that he signed his name thereto by like order.

Marion L. Cwell
Notary Public

[Notarial Seal]

ANNEX A

To Chattel Mortgage

<u>Model</u>	<u>Description</u>	<u>Units</u>	<u>Manufacturer's Serial Number</u>	<u>Railroad's Road No.</u>
GP 38-2	Diesel Electric General Purpose Locomotive 2000 H.P.	12	7386-1 to 7386-12	314 to 325