

WASHINGTON
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RECORDATION NO. Filed 1425
AUG 17 1979 - 3 45 PM

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LOS ANGELES
MIAMI
PARIS
ASSOCIATED OFFICE

HOWARD L. MEYERS
DIAL DIRECT (215) 491-9536
INTERSTATE COMMERCE COMMISSION

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August 17, 1979

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Interstate Commerce Commission
Washington, D.C.

INTERSTATE COMMERCE COMMISSION

Re: Maintenance-of-Way Equipment to be leased to
Consolidated Rail Corporation

Gentlemen:

Enclosed herewith for recordation are the following documents and instruments in connection with the financing of the above-referenced maintenance-of-way equipment:

Howard L. Meyers

1. Participation Agreement, dated as of August 15, 1979, among MTV Leasing Corporation ("MTV"), Consolidated Rail Corporation ("Conrail") and The Ohio National Life Insurance Company ("Ohio National");
2. Equipment Lease Agreement, dated as of August 15, 1979, between MTV, as lessor, and Conrail, as lessee;
3. Security Agreement, dated as of August 15, 1979, between MTV, as debtor, and Ohio National, as secured party; and
4. Lease Assignment, dated as of August 15, 1979, between MTV, as assignor, and Ohio National, as assignee, with the Consent thereto of Conrail.

The equipment covered by the foregoing agreements is as follows:

Two (2) locomotive cranes - 30 Ton with magnet generator and magnet - Model 5030 DE; Identification Nos. CL-3043 and CL-3044

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Howard L. Meyers

MORGAN, LEWIS & BOCKIUS.

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35 Backhoe/Loaders - J.I. Case Model 580C-CK with
1 yard 80" bucket, 11 L-16 Tires, 10 Ply Front,
17.5 x 24 Tires, 6 Ply Rear; Identification Nos.
EF 5582-EF 5616

The filing fee for the above transaction accompanies this
letter of transmittal.

Kindly acknowledge your receipt of the enclosed documents
and the filing fee by affixing your customary stamp to a copy of
this letter and returning it to the undersigned.

Very truly yours,



HLM:smo

Enclosures

cc: Henry Koch, Esq.
Joseph T. Rowan, Esq.

10754 B

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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT
between
MTV LEASING CORPORATION
and
THE OHIO NATIONAL LIFE INSURANCE COMPANY

Dated as of August 15, 1979

Filed and recorded with the Interstate Commerce Commission pursuant to
49 U.S.C. 11303 on _____, recordation number _____.

In furtherance of the foregoing, Debtor has executed a Lease 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. Notwithstanding the foregoing, the Lender hereby agrees with the Debtor that the Lender will not, so long as no Event of Default under the Lease or this Agreement shall have occurred and is continuing, without the prior written consent of the Debtor, seek to avail itself of or to enforce any of the rights, powers, privileges, authorizations or benefits hereinabove granted. In the event of any such exercise in accordance with the foregoing, the Debtor hereby consents to 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 the settlement, compromise or compounding of any obligations 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. Lender shall as soon as practicable after the exercise of any of the powers, rights and privileges herein granted to it, give to Debtor written notice of the same, but the failure of Lender to give such notice shall not relieve, modify or affect the obligations of Debtor hereunder.

A. REPRESENTATION AND WARRANTIES - Debtor represents, warrants and agrees that

1. There have been delivered to and accepted by the Lessee pursuant to the Lease, units of Equipment having an aggregate Acquisition Cost (as stated in the Lease) equal to at least 133.33% of principal amount of the Notes. The Lease provides for the payment, on or before the installment payment dates of the Notes, of rentals in amounts at least equal to the amounts of such installments of principal and interest under the Notes. The counterpart of the Lease, including the Rental Schedules which have been designated as chattel paper under the Uniform Commercial Code has been delivered to Lender;

2. The Debtor has good and marketable title to the units of Equipment referred to in subparagraph 1 above, and such units are and will continue to be free and clear of all liens, claims and encumbrances except the rights of the Lessee under the Lease, and the interests of the Lender;
3. The Debtor and the consolidated group of which it is a member have, to the Debtor's knowledge, filed all tax returns, federal, state, municipal or otherwise, required to be filed and are not in default in respect of the due and punctual payment of any taxes payable thereunder, and no liens for the nonpayment of taxes by Debtor or such consolidated group exists upon any property, including the Equipment, of the Debtor;
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, duly organized and in good standing 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 qualifications and authorizations; it has full power, authority and legal right to borrow the aggregate amount evidenced by the Notes, to execute and deliver this Agreement, the Notes, the Participation Agreement, the Lease, the Lease Assignment and the Purchase Agreement Assignment, and to perform and observe the terms and provisions thereof; this Agreement, the Participation Agreement, the Lease, the Lease Assignment and the Purchase Agreement Assignment, and the Notes when issued for value, will constitute valid and binding obligations of the Debtor enforceable (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, the Participation Agreement, the Lease, the Lease Assignment and the Purchase Agreement Assignment, and the borrowing and execution and delivery of the Notes have been duly authorized by all necessary corporate action and will not violate any provision of law or of the Debtor's articles of incorporation or 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 decisions might materially affect the ability of the Debtor to perform its obligations hereunder, under the Notes, the Participation Agreement, the Lease, the Lease Assignment and the Purchase Agreement Assignment; and

8. Without Lender's prior written consent so long as the Notes remain unpaid, Debtor will not grant any waiver or consent under the Lease, give any notice thereunder or otherwise exercise any rights, powers, or remedies of the Lessor thereunder, or agree to any release of any obligation of the Lessee thereunder or to any modification, amendment or any termination thereof.

9. Debtor is not an entity subject to the jurisdiction of the Interstate Commerce Commission.

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 (or caused to be filed and recorded) 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 Notes 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 five days after Lender shall have given the Debtor written notice thereof;

2. The failure by Debtor to pay any other amount or perform any other obligation required by this Agreement, the Lease, the Lease Assignment and the Participation Agreement, 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); or

4. The adjudication of the Debtor as bankrupt or insolvent, or 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 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 making by the Debtor of a general assignment for the benefit of creditors.

5. The occurrence of a breach by Debtor of any of its representations, warranties and agreements under paragraph A hereof and such failure shall continue for 30 days after Lender shall have given Debtor written notice thereof.

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 Notes 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 hereof and then shall be applied to the obligations secured by this Agreement in accordance with the provisions of paragraph I hereof and Debtor will be entitled to any surpluses thereafter. No delay or omissions 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 rights 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 - It is understood and agreed that all payments to be made by the Debtor under or pursuant to this Agreement and to the Notes will be made only from the "income and proceeds from the Equipment" (as defined in this paragraph) and the Debtor's liability hereunder, under the Notes and all other documentation to the transaction shall be limited thereto. For recovery upon default by the Debtor in the payment or performance of any of its obligations hereunder, under the Notes and other documentation to the transaction. 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 Notes against, or execute upon, any other assets of the Debtor. Any judgment entered

in any action for recovery of any amount due hereunder and under the Notes 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. **I**f 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 as Assignee pursuant to the Assignment at any time after such occurrence and during the continuance thereof; (a) all amounts paid pursuant to the Lease, including all rentals, late charges in respect thereof, and amounts in respect of Events of Loss (as defined in the Lease), 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 (c) any and all sums received by Debtor under Section 4 of the Lease; and

2. **A**t 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 Notes, accrued interest thereon and all other amounts payable by the Debtor hereunder, to the extent then due thereunder or hereunder (including prepayments in respect of Events of Loss); 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 Notes, 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 Notes upon the occurrence of an Event of Default, to bring suit and obtain a judgment against the Debtor on the Notes or this Agreement for the full amount of the unpaid principal of the Notes, interest thereon and all other amounts payable by the Debtor pursuant hereto (provided that the liability of the Debtor on any such judgment 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 Notes, interest thereon and all other amounts payable by the Debtor pursuant hereto).

F. PREPAYMENT OF NOTES - If any amount shall become due and payable to the Debtor or the Lender as Assignee pursuant to Section 3.5 of the Lease because of an Event of Loss, then, thereupon, a like aggregate amount will be immediately due and payable on account of the principal of and interest accrued on the Notes issued in connection with the acquisition of the equipment suffering such loss. In the event of any partial prepayment of the principal of the Notes pursuant to the first sentence of this 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 principal balance outstanding immediately prior to such prepayment, and the Debtor shall promptly prepare and distribute to the holder of the Notes revised schedules of payment reflecting such prepayment.

G. COLLECTION EXPENSES - Subject to the provisions of the preceding paragraph E hereof, in addition to all other amounts payable hereunder and under the Notes, the Debtor will pay all Lender's reasonable expenses including attorney's fees, incurred in enforcing its rights and remedies hereunder, under the Notes 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), Lender may recover in such action (or other proceeding), in addition to all other amounts payable hereunder and thereunder, its reasonable expenses in connection therewith, and the same shall be included in such judgment (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 Notes, and Debtor may retain the balance. If pursuant to the rights herein granted, 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 Notes or hereunder.

I. APPLICATION OF PAYMENTS - All payments indefeasibly received by the Lender and which are applied to the satisfaction of Debtor's obligations under the Notes and this Agreement shall be applied, first, to the payment of costs and expenses due to the Lender pursuant to paragraph G, if any, second, to the payment of all accrued interest on the Notes, and thereafter to payment of the principal and all amounts payable thereunder. Payments indefeasibly received by the Lender in excess of the amounts necessary to satisfy Debtor's obligations as aforesaid shall be remitted to Debtor.

J. EXCHANGE OF NOTES - Upon surrender of any Note at the office of the Debtor, the Debtor, at the request and at the expense of the Lender, will execute and deliver new Notes in exchange, in denominations requested by such Lender, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Such new Note shall be payable to such party as the Lender may request, shall be substantially in the form of the Note, with appropriate changes, shall be dated and bear interest at the same rate as the surrendered Note from the date to which interest has been paid on the surrendered Note. When issued, such Note shall be deemed to be included in the term "Note" as used herein. All provisions of this paragraph J shall be subject to applicable federal and state securities statutes and if registration is required for the exchange provided for herein, such registration shall be at Lender's own cost and expense.

K. MULTIPLE NOTES - If more than one Note is outstanding at the time any application of payments is made pursuant hereunder, the application shall be made on all outstanding Notes ratably in accordance with the principal amount remaining unpaid thereon and on the installments of each Note, respectively.

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

M. APPLICABLE LAW - This Agreement is being delivered and is intended to be performed in the Commonwealth of Pennsylvania. This Agreement and the Notes 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.

N. 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 Notes. By acceptance of an assignment hereof or of the Notes, each of the Lender's successors or assigns (including any holder, as such, of the Notes) will be deemed to have agreed to be bound by the provisions hereof and of the Notes and Lender's undertakings hereunder and thereunder, especially including the provisions of Section E, entitled "Limitation of the Debtor's Liability".

O. SEVERABILITY - If any provision of this Security Agreement is prohibited by, or is unlawful or unenforceable under, any applicable law of any jurisdiction, such provisions shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof; provided, however, that any such prohibition in any jurisdiction shall not invalidate such provision in any other jurisdiction; and provided further, that where the provisions of any such applicable law may be waived, they hereby are waived by Debtor to the full extent permitted by law to the end that this Security Agreement shall be deemed to be a valid and binding agreement in accordance with its terms.

EXECUTED the date first above written.

Attest:

(CORPORATE SEAL)

Ree. Carlson
Secretary

MTV LEASING CORPORATION

By

J. M. Jacques
President

Attest:

(CORPORATE SEAL)

Donald B. Bredt
Secretary

THE OHIO NATIONAL LIFE INSURANCE COMPANY

Joseph P. Brom, Vice Pres., Securities

By

Joseph P. Brom

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF Berks : ss:

On this 15th day of August, 1979, before me personally appeared [to me personally known, who, being by me] duly sworn, says that he is PRESIDENT of MTV LEASING CORPORATION that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

Susan B. Nichols
Notary Public

My Commission expires: 6/27/1981

STATE OF OHIO :
COUNTY OF Hamilton : ss:

On this 15th day of August, 1979, before me personally appeared Joseph F. Brom, to me personally known, who, being by me duly sworn, says that he is Vice President of THE OHIO NATIONAL LIFE INSURANCE COMPANY that one of the seals affixed to the foregoing 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.

(Notarial Seal)

Teresa Boothby
Notary Public

My Commission Expires:

Teresa Boothby
Notary Public, State of Ohio
My Commission Expires Oct. 16, 1982

LEASE ASSIGNMENT

For value received, MTV LEASING CORPORATION ("Assignor"), a Pennsylvania corporation, hereby assigns and transfers to THE OHIO NATIONAL LIFE INSURANCE COMPANY ("Assignee") all of Assignor's right, title and interest in and to the lease made as of August 15, 1979 (Lease No. MTV-052) and all rental schedules and supplements thereto ("Lease") of which CONSOLIDATED RAIL CORPORATION, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, is Lessee and Assignor is Lessor, together with all rentals and other moneys coming due or payable thereunder or receivable by the Assignor under or in connection therewith and including all proceeds of insurance, condemnation and requisition proceedings and the sale or other disposition of any of the property subject thereto, and all rights, powers and remedies (but none of the duties or obligations, if any) of Assignor under the Lease, including, exclusively on the part of the Assignee, all rights of the Assignor to give and receive any notice, consent, waiver, demand or approval under or in respect of the Lease, to exercise any election or option thereunder or in respect thereof, to accept any surrender of any property subject thereto, to execute and deliver any bill of sale for any such property, and to do all other things which Assignor is entitled to do under the Lease; provided however, as soon as practicable after the exercise of any of the powers herein granted, Assignee shall give to Assignor written notice thereof, but the failure by Assignee to give such notice shall not relieve, modify or affect the obligations of Assignor hereunder.

Notwithstanding the foregoing, it is expressly agreed that Assignor shall remain liable as Lessor under the Lease to perform all of the obligations assumed by it thereunder, the obligations of Assignor under the Lease may be performed by Assignee or any subsequent assignee without releasing Assignor therefrom and the Assignee or any subsequent assignee shall have no liability or obligation under the Lease by reason of this Assignment and shall not, by reason of this Assignment, be obligated to perform any of the obligations of Assignor under the Lease or to file any claim or take any other action to collect or enforce any payment assigned hereunder.

This Assignment is made pursuant to and for the purposes of a certain Security Agreement of even date herewith given by Assignor to Assignee to secure the payment of Assignor's Notes and other obligations as provided therein.

Executed as of August 15 , 1979

Attest:

MTV LEASING CORPORATION

(CORPORATE SEAL)

By _____

