



CSX RAIL TRANSPORT
Law Department

RECORDATION NO 7524-D FILED 1428

NOV 17 1989 -1 20 PM
INTERSTATE COMMERCE COMMISSION

500 Water Street
Speed Code J-150
Jacksonville, FL 32202
(904) 359-3100
Writer's direct telephone line:

(904) 359-3673

November 16, 1989

9-321A043

Secretary
Interstate Commerce Commission
12th & Constitution, NW
Washington, DC 20423

Dear Secretary:

I have enclosed four counterparts of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is an Instrument of Satisfaction and Release dated as of November 1, 1989, a secondary document. The primary document to which this release is connected is recorded under Recordation No. 7524.

The names and addresses of the parties to the release are as follows:

Mercantile-Safe Deposit
and Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201

CSX Transportation, Inc.
(successor to Louisville and
Nashville Railroad Company)
500 Water Street
Jacksonville, Florida 32202

Secretary
Interstate Commerce Commission
November 16, 1989
Page 2

A fee check in the amount of \$15 is also enclosed.
Please return all counterparts not required by the
Commission for recordation to:

Mr. David M. Yearwood
Senior Counsel
CSX Transportation, Inc.
500 Water Street
Jacksonville, Florida 32202

A short summary of the document to appear in the
index follows:

General release.

Very truly yours,


David M. Yearwood
Senior Counsel

DMY/cra

W/Enclosures

Notes per sa
those under Art (a) -
Concess Mas under 6
other rec'dations
See all 6 for 27. covered

7525

RECORDATION NO. _____ Filed & Recorded

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EQUIPMENT MORTGAGE

INTERSTATE COMMERCE COMMISSION

THIS EQUIPMENT MORTGAGE AGREEMENT, dated as of May 1, 1974, is executed by NORTH AMERICAN CAR CORPORATION (the "Mortgagor"), and Harris Trust and Savings Bank, an Illinois Corporation (the "Mortgagee") as Trustee for the Purchasers (the "Investors") under a Restated Note Agreement (the "Agreement") dated May 1, 1974 among the Mortgagor and the Investors, to induce the Investors to agree to enter into the Agreement subject to the terms and conditions set forth therein. It is a condition precedent to this Equipment Mortgage that the Agreement become effective as provided in Section 2 of the Agreement.

THEREFORE, in consideration of the premises, the Company agrees as follows:

ARTICLE 1. Definition of Equipment Mortgage. In order to secure prompt payment of the principal and interest of the Notes (as defined in the Agreement), whether now or hereafter outstanding, and the delivery and faithful performance and observance by the Mortgagee of all their agreements and covenants contained in the Agreement and herein, the Company does hereby pledge, mortgage, and grant a security interest unto the Mortgagee on behalf of the Investors in and to the following:

(a) The leasehold interest of the Mortgagor under the various leases constituting part of the following Equipment Trusts (the "Equipment Trusts"), including all rights to receive the Equipment (hereinafter defined) upon fulfillment of Mortgagor's obligations under the Equipment Trusts

- (i) North American Car Corporation Equipment Trust, 1959 Series, Continental Illinois National Bank and Trust Company of Chicago, Trustee, ICC Recordation Number 1685; ✓
- (ii) North American Car Corporation Equipment Trust, First 1960 Series, Continental Illinois National Bank and Trust Company of Chicago, Trustee, ICC Recordation Number 1810; ✓
- (iii) North American Car Corporation Equipment Trust, Second 1960 Series, Continental Illinois National Bank and Trust Company of Chicago, Trustee, ICC Recordation Number 1908; ✓
- (iv) North American Car Corporation Equipment Trust, First 1961 Series, Continental Illinois National Bank and Trust Company of Chicago, Trustee, ICC Recordation Number 1993; ✓
- (v) North American Car Corporation Equipment Trust, Second 1961 Series, American National Bank and Trust Company of Chicago, Trustee ICC Recordation Number 2107; and ✓
- (vi) North American Car Corporation Equipment Trust, First 1962 Series, Continental Illinois National Bank and Trust Company of Chicago, Trustee, ICC Recordation Number 2279. ✓

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(b) A first mortgage security interest in the Equipment subject to the above listed Equipment Trusts (the "Equipment"—each unit of Equipment is herein an "Item of Equipment") effective immediately upon the termination of the rights of the Trustees under the Equipment Trusts and the holders of the Trust Certificates under the Equipment Trusts as to any of such Equipment;

(c) Subsequent to the lien hereof becoming a first mortgage lien on the Equipment but not later than March 1, 1977:

- (i) All proceeds (including without limitations, insurance and indemnity payments) from the sale or loss or other dispositions of the Equipment;
- (ii) All substitution, modifications, and accessions to the Equipment covered hereunder; and
- (iii) All rights, claims, causes of action, if any, which the Mortgagee may have against any Manufacturer of the Equipment, or against any Lessee or sublessee of the Mortgagee as Lessor, and the proceeds of such rights, claims and causes of action.

All such rights, claims, causes of action and proceeds together with the Equipment hereinafter sometimes collectively called "collateral."

Until Mortgagor's obligations under the Equipment Trusts have been satisfied, said security interests will be junior to the rights of the Equipment Trustees under such Equipment Trusts and the rights of the holders of the Equipment Trust Certificates issued under such Equipment Trusts.

As the lien of any Equipment Trust is terminated as is provided above with respect to specific Equipment, Mortgagor shall deliver to Mortgagee a Supplemental Mortgage describing each Item of Equipment released from such Equipment Trust. Such Supplemental Mortgage shall confirm to the Mortgagee the first mortgage lien of the Equipment Mortgage upon such Equipment. Mortgagor shall also cause such Supplemental Mortgage after it has been executed by the Mortgagee to be filed and recorded under the provisions of Section 20c of the Interstate Commerce Act or any other filings required to perfect the lien on the Equipment as provided herein. When such filing has been accomplished Mortgagor shall provide to the Mortgagee and to each Investor, an opinion of its counsel, Pedersen & Houpt, a Professional Corporation, stating that the Equipment Mortgage constitutes a first mortgage lien on the Equipment described in such Supplemental Mortgage while such Equipment is located in the United States of America.

The Mortgagor shall at all times maintain a mortgage lien on not less than 90% of aggregate book value of Equipment subjected to the lien of this Equipment Mortgage pursuant to the above described Supplemental Mortgages.

Equipment leased to lessees who are not affiliated with Mortgagor is herein called "Leased Equipment." Mortgagor shall cause the book value of the Leased Equipment to exceed 166.5% of the principal amount of the Notes outstanding. If there is insufficient Leased Equipment, Mortgagor shall subject additional Equipment to the lien hereof. Thereafter if the book value of the Equipment exceeds 185% of the principal amount of the Notes outstanding, Mortgagor may obtain release of Equipment which is not Leased Equipment as provided below.

The Mortgagee shall and hereby does retain full security title to and property in the leasehold interest of Mortgagor in the Equipment, subject only to the Equipment Trusts and leases and subleases of the Equipment arising in Mortgagor's ordinary course of business to the extent they are not subordinated hereto and in and to the Equipment after March 1, 1977. Whenever reference herein is made to the title of Mortgagee to the Equipment such reference shall be deemed to mean the security interest of Mortgagee under this Equipment Mortgage.

If the book value of the Equipment under the Equipment Mortgage shall exceed 185% of the principal amount of the Notes outstanding, the Mortgagee shall, upon the Mortgagor's written request, release from time to time sufficient Equipment selected by the Mortgagor from the lien of the Equipment Mortgage so that the book value of the Equipment remaining subject to the Equipment Mortgage will not exceed 185% of the principal amount of the Notes outstanding. In determining such book value, the Mortgagor agrees that with respect to such Equipment it will maintain its books in accordance with generally accepted accounting procedures consistently applied. In the event that any of the Equipment becomes damaged, destroyed or obsolete in the opinion of the Mortgagor, or in the event that the Mortgagor requests a release of any such Equipment for the purpose of selling such Equipment to a third party, the Mortgagee, upon the written request of the Mortgagor, shall release the Equipment selected by the Mortgagor from the lien of the Equipment Mortgage, provided that the Company shall have deposited with the Mortgagee a sum of money ("Release Funds") equal to the net book value of the Equipment to be so released, or shall have subjected to the lien of the Equipment Mortgage additional Equipment with a net book value equal to or in excess of the Equipment to be released. In the event the Mortgagor deposits Release Funds as provided in the preceding sentence, such funds will be released upon a subsequent subjecting to the lien of the Equipment Mortgage additional Equipment with a net book value equal to or in excess of the money deposited; or at the option of the Mortgagor evidenced by a written direction to the Mortgagee, said Release Funds shall be applied pro rata against the principal amount of the Notes outstanding. If new Equipment is subjected to the lien of the Equipment Mortgage provided herein, the Mortgagor shall deliver a certificate executed by its President or any Vice President stating the net book value of the Equipment so encumbered, and an opinion of the Mortgagor's counsel that such Equipment has become subject to the lien of the Equipment Mortgage and that the lien has been filed pursuant to Section 20c of the Interstate Commerce Act and the Mortgagee shall be entitled to rely on such statement.

Except as otherwise specifically provided in Article 1 (b) hereof, when and only when the indebtedness evidenced by the Notes has been paid in full together with interest and all other payments as herein provided, and all the Mortgagor's obligations herein contained shall have been performed, absolute right to possession of, title to and property in the Equipment shall pass to and vest in the Mortgagor free and clear of the mortgage created hereby without further transfer or action on the part of the Mortgagee. However, the Mortgagee, if so requested by the

Mortgagor at that time referred to in the preceding sentence will execute an appropriate bill or bills of sale for the Equipment releasing and transferring its security title thereto and property therein to the Mortgagor, or to its order, free of all liens, security interests and other encumbrances created or retained hereby, and deliver such bill or bills of sale to the Mortgagor at its address referred to in Article 18 hereof. The Mortgagor hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file any certificate or payment in compliance with any law or statute requiring the filing of the same except for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file such certificate within a reasonable time after written demand by the Mortgagor.

ARTICLE 2. *Prohibition Against Liens.* Except for the liens of the Equipment Trusts, the Mortgagor will keep at all times all and every part of the Equipment free and clear of all impositions which might in any way affect the title of the Mortgagee or result in a lien upon any part of the Equipment; *provided, however,* that the Mortgagor shall be under no obligation to pay any impositions where the nonpayment thereof does not, in the opinion of the Mortgagee, adversely affect the title, lien property or rights of the Mortgagee in or to the Equipment or otherwise under this Equipment Mortgage. If any impositions for which Mortgagor is liable as aforesaid shall have been charged or levied against the Mortgagee directly and paid by the Mortgagee, the Mortgagor shall reimburse the Mortgagee upon presentation of an invoice therefor, and any amounts so paid by the Mortgagee shall be secured by and under this Equipment Mortgage.

ARTICLE 3. *Maintenance and Repair; Casualty Occurrences; Release of Equipment.* The Mortgagor agrees that, at its own cost and expense, it will maintain and keep all the Equipment in good order and repair.

In the event of the loss, for any reason, damage, theft or destruction of any of the Equipment or of the obsolescence of any of the Equipment (herein a "Casualty Occurrence") or in the event that the Mortgagor requests a release of any such Equipment for the purpose of selling such Equipment to a third party, the Mortgagee, upon the written request of the Mortgagor shall release such Equipment from the lien of the Equipment Mortgage provided that the Mortgagor shall have deposited with the Mortgagee a sum of money equal to the net book value of the Equipment to be so released, or shall have subjected to the lien of the Equipment Mortgage additional Equipment with a net book value equal to in excess of the Equipment to be released. In the event the Mortgagor deposits funds as provided in the preceding sentence, such funds will be released upon a subsequent encumbrancing under the Equipment Mortgage, additional Equipment with a net book value equal or in excess of the money deposited; or at the option of the Mortgagor evidenced by a written direction to the Mortgagee, said release deposit funds shall be applied pro rata against the principal amount of the Notes outstanding. If new Equipment is subjected to the lien of the Equipment Mortgage provided herein, the Mortgagor shall deliver a certificate executed by its President or any Vice President

stating the net book value of the Equipment so encumbered, and an opinion of the Mortgagor's counsel that such Equipment has been subjected to the lien of the Equipment Mortgage and that the lien has been filed pursuant to Section 20c of the Interstate Commerce Act. Provided that the Company is not in default hereunder, if the book value of the Equipment under the Equipment Mortgage shall exceed 185% of the principal amount of the Notes outstanding, the Mortgagee shall upon the Mortgagor's written request, release from time to time sufficient Equipment selected by the Mortgagor from the lien of the Equipment Mortgage so that the book value of the Equipment remaining subject to the Equipment Mortgage will not exceed 185% of the principal amount of the Notes outstanding. In determining such book value, the Mortgagor agrees that with respect to such Equipment it will maintain its books in accordance with generally accepted accounting procedures consistently applied.

ARTICLE 4. *Reports and Inspections.* On or before March 31 in each year, commencing with March 31, 1975, the Mortgagor shall cause to be furnished to the Mortgagee an accurate Statement (a) setting forth as at the preceding December 31 the amount and description of (i) all Items of Equipment that have suffered a Casualty Occurrence during the preceding calendar year, (ii) all Items of Equipment which have been substituted therefor during the preceding calendar year and (iii) such other information regarding the condition and state of repair of the Equipment as the Mortgagee may reasonably request, (b) a statement by a responsible officer of Mortgagor stating that he has reviewed the terms of this Equipment Mortgage and that the terms hereof have been complied with and there exists no default hereunder. The Mortgagee shall have the right, by its agents, to inspect the Equipment and the records with respect thereto at such reasonable times as the Mortgagee may request during the term of this Equipment Mortgage, and (c) an opinion of Pedersen & Houpt, a Professional Corporation or other counsel acceptable to Mortgagee to the effect that the Equipment Mortgage and all supplements or amendments hereto or thereto have been validly filed and recorded in accordance with Section 20c of the Interstate Commerce Act or under any other law superceding or amending the Interstate Commerce Act and constitute a lien on the collateral with priority as is required under the terms of the Equipment Mortgage while such collateral is located in the United States of America.

ARTICLE 5. *Marking of Equipment.* At such time as Mortgagee is granted a first mortgage on an Item of Equipment, the Mortgagor will keep and maintain, plainly, distinctly, permanently and conspicuously marked on such Item of Equipment suitable for marking, in letters not less than one inch in height,

THIS CAR IS MORTGAGED TO A TRUSTEE UNDER AN INDENTURE OF MORTGAGE AND DEED OF TRUST RECORDED UNDER SECTION 20C OF THE INTERSTATE COMMERCE ACT.

or other appropriate words stenciled on the Item of Equipment when the lien of the Equipment Trust with respect thereto is released or as designated by the Mortgagee, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Mortgagee's security title to and property in the Equipment and its rights hereunder.

Once the Equipment is so marked the Mortgagor will not permit the identifying number of any Item of Equipment to be changed except in accordance with a statement of a new number or new numbers to be substituted therefor, which statement previously shall have been filed with the Mortgagee and filed, recorded and deposited by the Mortgagor so as to perfect title to the Equipment covered by this Subordinated Equipment Mortgage.

ARTICLE 6. *Compliance with Laws and Rules.* During the terms of this Equipment Mortgage, the Mortgagor will comply, and will cause every lessee or user of the Equipment to comply, in all respects (including without limitation, with respect to the use, maintenance and operation of the Equipment) with all laws of the jurisdictions in which its or such lessees' operations involving the Equipment may extend with the interchange rules of the Association of American Railroads and will all lawful rules of the Department of Transportation, the Interstate Commerce Commission, and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the title, operation or use of the Equipment, and in the event that such laws or rules require any alterations of any Item of Equipment or in the event that any equipment or appliance on any such Item of Equipment shall be required to be changed or replaced, or in the event that any additional or other Equipment or appliance is required to be installed on any such Equipment in order to comply with such laws or rules, the Mortgagor will make such alterations, changes, replacements and additions at its own expense; *provided, however,* that the Mortgagor may, in good faith, contest the validity or 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 under this Equipment Mortgage.

ARTICLE 7. *Possession and Use.* The Mortgagor, so long as it shall not be in default under this Equipment Mortgage, shall be entitled to the possession of the Equipment and the use thereof, but only upon and subject to all the terms and conditions of this Equipment Mortgage.

The Mortgagor may lease the Equipment in its usual course of business for the use for which the Equipment was intended.

So long as an event of default specified in Article 11 hereof shall not have occurred and be continuing, the Mortgagor shall be entitled to the possession and use of the Equipment, but only subject to all of the terms and conditions of this Equipment Mortgage. The Mortgagor may also lease the Equipment to any railroad company or other corporation organized under the laws of any state of the United States of America or Canada without the prior written consent of the Mortgagee, *provided, however,* that (i) such lease shall provide that the rights of such lessee are made expressly subordinate to the rights and remedies of the Mortgagee under this Equipment Mortgage and (ii) Mortgagor shall not lease, assign or permit any Items of Equipment to regular service in any area where the lien of this Mortgage is not perfected as to such Equipment.

ARTICLE 8. *Indemnities and Warranties.* The Mortgagor agrees to indemnify, protect and hold harmless the Mortgagee from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, penalties and interest, arising out of or as the result of the entering into or the performance of this Equipment Mortgage, the retention by the Mortgagee of security title to the Equipment, the use, operation, condition, purchase, delivery, rejection, storage or return of any of the Items of Equipment, any accident, in connection with the operation, use, condition, possession, storage or return of any of the Items of Equipment resulting in damage to property or injury or death to any person during the period when security title thereto and Mortgagee's lien remain in the Mortgagee or the transfer of title to the Equipment by the Mortgagee pursuant to any of the provisions of this Equipment Mortgage. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the indebtedness evidenced by the Notes and release and the conveyance of security title to the Equipment, to the Mortgagor or the termination of this Equipment Mortgage in any manner whatsoever.

The Mortgagor will bear the responsibility for and risk of and shall not be released from its obligations hereunder in the event of any damage to or the destruction or loss of any Item of Equipment or all the Equipment.

The Mortgagor agrees to indemnify, protect and hold harmless the Mortgagee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Mortgagor, its assigns or the users of the Equipment because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. Such covenants of indemnity shall continue in full force and effect notwithstanding the full payment of all sums due under the Equipment Mortgage, the satisfaction and discharge of the Equipment Mortgage or the termination of the Equipment Mortgage in any manner.

ARTICLE 9. *Concerning the Mortgagee.* (a) So long as, to the knowledge of the Mortgagee, no event of default under the Equipment Mortgage shall have occurred and shall be continuing, the Mortgagee is entitled to exercise or refrain from exercising any rights or take or refrain from taking any action or actions which may be vested in it, or which it may be entitled to assert or take, under the Equipment Mortgage as it may deem advisable in the best interests of the Investors, except as otherwise specifically provided herein; provided, however, that the Mortgagee shall take or refrain from taking such action and assert or refrain from asserting such rights under the Equipment Mortgage as shall be agreed upon by the Investors holding interests totaling 66 $\frac{2}{3}$ % or more of the Notes then outstanding. The Mortgagee shall incur no liability hereunder by acting upon any notice, certificate, warrant or other paper or instrument reasonably believed by it to be genuine or authentic and signed by the proper party or parties, or with respect to anything which it may do or refrain from doing in good faith, or which may seem to it to be necessary or desirable in the premises, and the Mortgagee shall be fully

protected and held harmless by the Investors, in proportion to their respective interests in the Equipment Mortgage then outstanding, from and against any such liability, except for its wilful misconduct or negligence; provided, however, that in case the Mortgagee shall have knowledge of the occurrence of an event of default under the Equipment Mortgage the Mortgagee shall promptly notify the Investors thereof and shall take such action and assert such rights under the Equipment Mortgage as shall be agreed upon by the Investors holding Notes totaling 66⅔% or more of the Notes then outstanding, and the Mortgagee shall be indemnified by the Investors, in proportion to their respective interests in the Notes then outstanding, against any liability or expense, including reasonable counsel fees, in connection therewith; and further provided, however, that in case the Mortgagee shall have knowledge of an event which, with the passage of time or the happening of a condition may become an event of default under the Mortgage, the Mortgagee may at its option notify the Investors thereof and shall take such action, including the retention of counsel, as shall be agreed upon by the Investors holding interests totaling 66⅔% of the Notes then outstanding, and the Mortgagee shall be indemnified by the Investors, in proportion to their respective interests in the Notes then outstanding, against any liability or expenses, including counsel fees, in connection therewith.

(b) The Mortgagee may consult with legal counsel acceptable to the Investors holding interests totaling 66⅔% of the Notes then outstanding, and any action reasonably taken or suffered in good faith by it in accordance with the opinion of such counsel shall be full justification and protection to it.

(c) Except with respect to its own execution thereof, the Mortgagee makes no representations and assumes no responsibility with respect to the validity or the effectiveness of the Equipment Mortgage, or of any liens intended to be created or retained thereunder, or of any of the matters covered thereby.

(d) In the event of any dispute with respect to the delivery or ownership or right to possession of funds or documents at any time held by the Mortgagee hereunder, or with respect to security title to any Items of the Equipment, the Mortgagee is hereby authorized and directed to retain, without liability to anyone, all or any of such funds or documents and security title to such Items of the Equipment until such dispute shall have been settled either by agreement of the Investor or by a final order, decree or judgment of a court of competent jurisdiction.

(e) Except as otherwise provided in paragraph (f) of this Article 9, until all of the Notes and all interest accrued thereon shall have been paid, the Mortgagee will not dispose of its interest in the Equipment Mortgage without the written consent of the Investors.

(f) The Mortgagee shall be entitled to terminate its duties and responsibilities hereunder by giving written notice to the Investors that it desires to terminate such duties and responsibilities on a date (at least 90 days subsequent to the giving of such notice) stated in said notice. Investors holding interests totaling 66⅔% of the Notes then outstanding may at any time remove the Mortgagee effective as of the date of the assignment as provided hereinbelow by delivering to the Mortgagee notice of the action taken. If, prior to the date stated in any such notice, the Investors shall have requested in writing that the Mortgagee assign to an institution designated by the Investors subject to the provisions of this Mortgage, all right, title and interest of the Mortgagee, as such, under the Equipment Mortgage and the right, security title and interest in and to the Equipment, the Mortgagee shall comply with such request. In the event that such request is not received by the Mortgagee on or before the date designated in said notice, the Mortgagee shall be entitled to appoint a successor to act hereunder (which successor shall be a bank or trust company located in Chicago, Illinois, or New York, New York, having capital and surplus in excess of \$10,000,000) and to assign to such successor, subject to the provisions of this Mortgage, all such right, title and interest of the Mortgagee. Upon such assignment by the Mortgagee to an institution designated by the Investors or, in the absence of such designation, to a successor appointed by the Mortgagee, the Mortgagee shall be relieved of all duties and responsibilities hereunder.

ARTICLE 10. *No Set-off.* The rights of the Mortgagee to payment of the entire unpaid indebtedness evidenced by the Notes together with interest thereon, as well as any other rights hereunder shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of breach of any warranty with respect to the Equipment, any other indebtedness or liability at any time owing to the Mortgagor or any insolvency, bankruptcy, reorganization or similar proceedings by or against Mortgagor. Mortgagor hereby waives, to the extent permitted by applicable law, any and all rights which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Equipment Mortgage, except in accordance with the express terms hereof.

ARTICLE 11. *Defaults.* If one or more of the following Events of Default occur:

- (a) if the Mortgagor shall fail to pay the principal amount of the Notes due in the manner and on the dates set forth therein together in each case with interest accrued to the date of payment or prepayment on the principal amount so paid; or
- (b) if the Mortgagor shall default in the payment of any part of the principal of, or premium if any, on any Notes when the same shall become due and payable, whether at maturity or at a date fixed for payment or prepayment or by acceleration or otherwise; or
- (c) if the Mortgagor shall default in the payment of any installment of interest on any Note for more than 30 days after the same shall become due and payable; or

- (d) if the Mortgagor shall fail to perform any other covenant of the Mortgage hereunder or under the Agreement within 30 days after written notice from the Mortgagee; or
- (e) if the Mortgagor shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts as they become due; or
- (f) if the Mortgagor shall file a voluntary petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting the material allegations of a petition filed against the Mortgagor in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Mortgagor or all or any substantial part of the properties of the Mortgagor or the Mortgagor or its directors or majority stockholders shall take action looking to the dissolution or liquidation of the Mortgagor; or
- (g) if, within 60 days after the commencement of any proceeding against the Company seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have either been dismissed or stayed, or if, within 60 days after the appointment, without the consent or acquiescence of the Mortgagor or any trustee, receiver or liquidator of the Mortgagor or of all or any substantial part of the properties of the Mortgagor, such appointment shall not have been vacated.

ARTICLE 12. *Remedies.* In case the Mortgagee shall demand possession of the Equipment pursuant to this Equipment Mortgage and shall designate a reasonable point or points on the lines or premises of such railroad as Mortgagee may designate or other premises approved by the Mortgagee for the delivery of the Equipment to the Mortgagee, the Mortgagor shall, at its own expense, forthwith and in the usual manner, cause the Equipment to be detached, assembled and shall arrange for such Equipment to be moved to such point or points on the lines of such railroad as Mortgagee may reasonably select and shall there deliver the Equipment or cause it to be delivered to the Mortgagee, (at Mortgagor's expense) and thereafter the Mortgagee may keep such Equipment (at Mortgagor's expense) at such location for a period not exceeding 90 days until Mortgagee shall have leased, sold or otherwise disposed of the same.

This Agreement to deliver the Equipment as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court having jurisdiction in the premises, the Mortgagee shall be entitled to a decree

against the Mortgagor requiring specific performance hereof. 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 Item of Equipment in any manner.

At any time during the continuance of an Event of Default, the Mortgagee, with or without retaking possession thereof, at its election and upon reasonable notice to the Mortgagor, and other persons to whom the law may require notice of the time and place, may, sell the Equipment, or any part thereof, free from any and all claims of the Mortgagor, or 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; *provided, however*, that if, prior to such sale and prior to the making of a contract for such sale, the Mortgagor shall tender full payment of the total unpaid balance of the indebtedness evidenced by the Notes, together with interest thereon accrued and unpaid and all other payments due under this Equipment Mortgage as well as expenses of the Mortgagee in retaking possession of, removing, storing, holding and preparing the Equipment, for and otherwise arranging for, the sale and the Mortgagee's reasonable attorneys' fees, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Mortgagor. The proceeds of such sale or other disposition, less the attorneys' fees and any other expenses incurred by the Mortgagee in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited on the amount due to the Mortgagee under the provisions of this Equipment Mortgage.

Any sale hereunder may be held or conducted at Chicago, Illinois, at such time or times as the Mortgagee may specify (unless the Mortgagee shall specify a different place or places, in which case the sale shall be held at such place or places 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. The Mortgagor shall be given written notice of such sale not less than ten days prior thereto by telegram or registered mail addressed as provided in Article 18 hereof. If such sale shall be a private sale, it shall be subject to the rights of the Mortgagor to purchase or provide a purchaser, within ten days after notice of the proposed sale price, at the same price offered by the intended purchaser or a better price. The Mortgagee may bid for and become the purchaser of the Equipment, or any of it, so offered for sale. In the event that the Mortgagee shall be the purchaser thereof, it shall not be accountable to the Mortgagor upon a subsequent disposition of the Equipment.

If as provided in this Section 12, after an Event of Default the Mortgagee shall exercise any of the powers conferred upon it by this Equipment Mortgage, all payments made by the Mortgagor to the Mortgagee hereunder, and the proceeds of any judgment collected from the Mortgagor by the Mortgagee hereunder, and the proceeds of every sale or lease by the Mortgagee hereunder of any of the collateral, together with any other sums which may then be held by the Mortgagee under any of the provisions hereof, shall be applied by the Mortgagee to the payment, in the

following order of priority, (a) of all proper charges, expenses or advances made or incurred by the Mortgagee in accordance with the provisions of this Equipment Mortgage and (b) of the interest then due, and of the principal of all the outstanding Notes, whether such Notes shall have then matured by their terms or not, all such payments to be in full if such proceeds shall be sufficient, and if not sufficient, then pro rata without preference between principal and interest.

No holder of any Note shall have any right by virtue or by availing of any provision of this Equipment Mortgage to institute any action or proceedings at law or in equity or in bankruptcy or otherwise, upon or under or with respect to this Equipment Mortgage, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Mortgagee written notice of default and of the continuance thereof, as hereinbefore provides, and unless also the holders of 25% of the unpaid principal amount of the Notes then outstanding shall have made written request to the Mortgagee to institute such action or proceedings in its own name as Mortgagee hereunder and shall have offered to the Mortgagee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceedings, it being understood and intended, and being expressly covenanted by the holder of every Note with every other holder and the Mortgagee, that no one or more holders of Notes shall have any right in any manner whatever, by virtue or by availing of any provision of this Mortgage, to affect, disturb, or prejudice the rights of any other holder of Notes, or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under this Equipment Mortgage, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Notes.

Notwithstanding any other provision in this Equipment Mortgage, the right of any holder of any Note to receive payment of the principal of, and interest on, such Notes, on or after the respective due dates expressed in such Notes, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder, except no such suit shall be instituted if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the title reserved under this Equipment Mortgage upon any property subject hereto.

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 simultaneously and as often and in such order as may be deemed expedient by the Mortgagee. 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. 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 default 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 Equipment Mortgage or the Notes, 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. If, after applying as aforesaid all sums realized by the Mortgagee, there shall remain a surplus in the possession of the Mortgagee, such surplus shall be paid to 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 Equipment Mortgage or preparing to enforce its remedies after a default hereunder. 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 recover reasonable expenses, including reasonable attorneys' fees, and the amount thereof shall be included in such judgment.

The foregoing provisions of this Article 12, are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

ARTICLE 13. *Applicable State Laws.* Any provision of this Equipment Mortgage prohibited by any applicable law or any jurisdiction (which is not overridden by applicable federal law) shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Equipment Mortgage. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Mortgagor to the full extent permitted by law, it being the intention of the parties hereto that this Equipment Mortgage shall be deemed to be a Chattel Mortgage and enforced as such.

Except as otherwise provided in this Equipment 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 or lease the Equipment, or any one or more Items of Equipment thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Mortgagee's rights under this Equipment Mortgage and any and all rights of redemption.

ARTICLE 14. *Recording.* The Mortgagor will cause this Equipment Mortgage, any assignments hereof and any amendments or supplements hereto or thereto to be filed and recorded in accordance with Section 20c of the Interstate Commerce Act, and the Mortgagor will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments 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 Equipment and its rights under this Equipment Mortgage or for the purpose of carrying out the intention of this Equipment Mortgage; and the Mortgagor will promptly furnish to the Mortgagee certificates or other evidence of such filing, registering, depositing and recording satisfactory to the Mortgagee.

ARTICLE 15. *Satisfaction of Mortgage and Termination of Trust.* When the Notes have been paid in full and all obligations of the Mortgagor hereunder, under the Notes and under the Agreement have been fulfilled, Mortgagee shall release the lien of this Equipment Mortgage with respect to the collateral by an appropriate document in recordable form and thereupon this Equipment Mortgage shall be satisfied and void and the Trust created hereunder and Mortgagee's duties hereunder shall terminate except thereafter. Mortgagee is authorized from time to time to issue such releases and satisfactions as may be required to terminate or record any lien created by this Equipment Mortgage.

ARTICLE 16. *Payment of Expenses.* The Mortgagor will pay for all the costs and expenses incident to this Equipment Mortgage and all reasonable costs and expenses in connection with the perfection of Mortgagee's lien upon the Equipment.

ARTICLE 17. *Article Headings; Effect and Modification of Agreement.* All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Equipment Mortgage.

This Equipment Mortgage and the Agreement exclusively and completely state the rights of the Mortgagee and the Mortgagor with respect to the Equipment and supersede all other agreements, oral or written, with respect to the Equipment. No variation or modification of this Equipment Mortgage and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Mortgagee and the Mortgagor.

ARTICLE 18. *Notices.* Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it at its chief place of business at the following specified addresses:

- (a) To the Mortgagor at: North American Car Corporation
222 South Riverside Plaza
Chicago, Illinois 60606
Attention: V. P.-Finance
- (b) To the Mortgagee at: 111 West Monroe Street
Chicago, Illinois 60690
Attention: Corporate Trust Division

(c) or at such other address as may have been furnished in writing by either party to the other party to this Equipment Mortgage.

ARTICLE 19. *Immunities; Satisfaction of Undertakings.* No recourse shall be had in respect of any obligation due under this Equipment Mortgage or referred to herein, against any incorporator, stockholder, director or officer, past, present or future, of the Mortgagor or the Mortgagee, whether by virtue of any constitutional provision, statute or rule of law, or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provisions, statute or otherwise, of such incorporators, stockholders, directors or officers being forever released as a condition of and as consideration for the execution of this Equipment Mortgage.

ARTICLE 20. *Law Governing.* The terms of this Equipment Mortgage and all rights and obligations hereunder shall be governed by the laws of Illinois; *provided, however,* that the parties shall be entitled to all rights conferred by the filing, recording or deposit hereof in the appropriate office(s) pursuant to Section 20c of the Interstate Commerce Act.

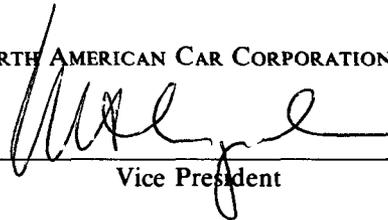
ARTICLE 21. *Execution.* Although this Equipment Mortgage is dated as of May 1, 1974, for convenience the actual date or dates of execution hereby by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

ATTEST:


Secretary

NORTH AMERICAN CAR CORPORATION

By


Vice President

ATTEST:


Assistant Secretary

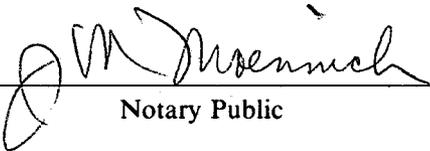
HARRIS TRUST AND SAVINGS BANK,
AS MORTGAGEE

By


Vice President

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this 29th day of MAY, 1974, before me personally appeared J. L. SPRENG, to me personally known, who being by me duly sworn, says that he is a Vice President of Harris Trust and Savings Bank, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

(Seal)
My Commission Expires: SEPTEMBER 2, 1975

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this 23rd day of May 1974, before me personally appeared M. A. Lynch, to me personally known, who being by me duly sworn, says that he is a Vice President of NORTH AMERICAN CAR 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.


Notary Public

(Seal)
My Commission Expires:
My commission expires Mar. 16, 1975