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RECORDATION NO. \_\_\_\_\_ Filed & Recorded

CHATTEL MORTGAGE

DEC 19 1973 - 2 15 PM

INTERSTATE COMMERCE COMMISSION

THIS CHATTEL MORTGAGE, made and entered into this **15th** day of **May**, 1973, by and between LOUISVILLE AND NASHVILLE RAILROAD COMPANY, a Kentucky corporation, of 908 W. Broadway, Louisville, Jefferson County, Kentucky (sometimes hereinafter referred to as "L&N"), and COMMERCIAL CREDIT INDUSTRIAL CORP., a Delaware corporation, of 30803 Little Mack Avenue, Roseville, Michigan (sometimes hereinafter referred to as "CCIC"),

WHEREAS, L&N wishes to receive advances from CCIC from time to time to purchase certain locomotives, railroad cars or other rolling stock, and to secure such advances by granting a mortgage on such equipment; and

WHEREAS, CCIC is willing to provide such advances upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

That for and in consideration of the mutual promises herein contained, and other good and valuable considerations, the receipt and sufficiency whereof are hereby acknowledged, L&N grants CCIC a security interest in the personal property described in Exhibit 1 attached hereto, and by reference made a part hereof, together with all equipment and attachments relating thereto, replacements therefor and proceeds and products thereof, all collectively sometimes hereinafter referred to as "Collateral", all to secure the repayment of any advances hereunder and other obligations provided herein.

L&N warrants, covenants and agrees:

1. L&N is the owner of all of the Collateral, or if the advances hereunder are being used to purchase the Collateral, L&N will be the owner thereof, free and clear of any liens or encumbrances except for the security interest provided for

charges and assessments thereon as and when due. The Collateral will be used for business purposes as set forth above, and will not be sold, assigned, transferred or leased by L&N without CCIC's consent. L&N shall clearly label each item of Collateral with its Road Number, shown in Exhibit 1, and shall maintain such records as will be sufficient, or as CCIC may require, to permit the identification and location of such items and to distinguish them from other similar or like items owned by or leased to L&N. Such assigned Road Numbers shall not be changed until a statement of new numbers has been furnished to CCIC and recorded in all public offices where this Chattel Mortgage will have been recorded.

2. L&N's chief place of business is at the address shown at the beginning of this agreement. L&N will keep and use Collateral at various locations on its railroad line in the States of Alabama, Georgia, Indiana, Kentucky and Tennessee, and from time to time, upon request, will advise CCIC in writing of the location of any or all of the Collateral.

3. (a) To keep and maintain the Collateral in good order and repair and working condition at all times during the life of this agreement.

(b) To cause each side of each unit of Collateral to be plainly, distinctly and conspicuously marked by stencilling in letters not less than one-half inch in height, with the following legend:

SECURITY INTEREST HELD BY  
COMMERCIAL CREDIT  
INDUSTRIAL CORP. OF  
ROSEVILLE, MICHIGAN

4. In the event any of the Collateral is lost, worn out or destroyed, L&N shall promptly notify CCIC and replace the lost, worn out or destroyed Collateral with other like personal property of substantially as good material and construction by subjecting the replacement property to the lien and security interest of CCIC under

5. At the election of L&N, and in lieu of such replacement contemplated in the preceding paragraph, L&N shall promptly notify CCIC of any Collateral that may become lost, worn out or destroyed, and pay to CCIC the balance of the unpaid advances represented by such lost, worn out or destroyed Collateral. Upon the making of any payment pursuant to this paragraph, all succeeding repayments of advances described in Paragraph 12 hereof shall be reduced pro rata.

6. Notwithstanding the provisions of the two preceding paragraphs, CCIC may, if so requested by L&N, waive the requirements provided in Paragraphs 4 and 5 above for the replacement of the lost, worn out or destroyed Collateral, or the payment of the unpaid indebtedness represented by the lost, worn out or destroyed Collateral. Any such waiver shall apply only to the specific instance for which the same is given.

7. Should any lost, worn out or destroyed Collateral be replaced pursuant to Paragraph 4 hereof, or if payment be made therefor pursuant to Paragraph 5 hereof, CCIC shall, and if waiver of such requirements for payment and replacement be given pursuant to Paragraph 6 hereof, CCIC may, upon written request from L&N, execute a release, or other suitable instrument, relinquishing the security interest which CCIC has in the lost, worn out or destroyed Collateral.

8. If L&N fails to keep the Collateral free and clear of all encumbrances, liens and charges, except as herein provided, or to pay any tax, public charges or assessments thereon, or to keep the same in good order and repair, as herein required, then CCIC, at its discretion, may discharge such encumbrances, liens or charges, or pay such taxes, public charges or assessments, or make such repairs as it may deem advisable. All sums of money thus expended, and all other monies paid by CCIC to protect its interest in the Collateral, shall be repayable by L&N to CCIC on demand, and if not so repaid, shall be added to L&N's outstanding advances from CCIC and be secured and bear interest as L&N's outstanding advances from CCIC hereunder.

10. None of the terms or conditions herein are in violation of any provision of the Certificate of Incorporation or By-laws of L&N, or any agreements L&N may have with any third parties, or in violation of any act, law, order or regulation of any governmental entity, and the execution and delivery hereof, and of the other agreements or writings with or to CCIC, have been duly authorized by appropriate corporate action. L&N will at all times comply with all lawful acts, laws, orders and regulations of the governmental entities to whose jurisdiction L&N is now or may hereafter become subject. If L&N contends that any act, law, order or regulation purportedly applicable to it is unlawful, it shall, at its expense, take appropriate action to obtain a determination thereof.

11. In the event

(a) L&N shall default in the repayment of any advances, or payment of interest, as herein provided, and shall remain in default for more than ten (10) days after such payment shall have become due and payable; or

(b) L&N shall fail or refuse, for more than ten (10) days after CCIC shall have demanded in writing the performance thereof, to comply with any of the terms or conditions hereof; or

(c) L&N shall file any petition for reorganization or debt adjustment under Section 77 of the Bankruptcy Act, or under any amendment or revision thereof, or under any other provision of the Bankruptcy Act as now or hereafter existing or under any other statute; or

(d) L&N shall make any voluntary assignment or transfer of its interest in and under this agreement without CCIC's consent; or

(e) creditors of L&N shall file any petition for reorganization or debt adjustment affecting the obligations of L&N hereunder under Section 77 of

or administrative decree or process or otherwise (unless such petition shall be dismissed or such assignment, transfer, decree or process shall, within thirty (30) days from the filing or other effective date thereof, be nullified, stayed or otherwise rendered ineffective, or unless any such receiver or trustee shall, within thirty (30) days from the date of his appointment, adopt this agreement pursuant to due authority of the court appointing him);

then, upon the happening of any of said events, the entire unpaid balance of all sums hereby secured shall at once become due and payable, at CCIC's election. If CCIC has made demand for the full payment of such unpaid balance and interest thereon, and the same is not promptly paid, then, without further demand for performance or legal process, CCIC may lawfully enter any of L&N's premises, or other premises on which Collateral is located, and lawfully remove the Collateral to such place as CCIC may deem advisable, or require L&N to make any or all such Collateral available at such place as CCIC may direct, and CCIC may sell the Collateral or any part thereof, at public or private sale, in one or more sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as CCIC may elect, after first giving L&N five (5) days' notice of the time and place of any public sale or of the time after which any private sale or other disposition shall be made (it being agreed that the foregoing are commercially reasonable dispositions, and such notice is reasonably notification thereof), and CCIC may become the purchaser of any Collateral sold at public sale. The proceeds of sale, less the reasonable expenses of retaking, holding, preparing for sale, and selling, and the reasonable attorneys' fees and legal expenses incurred by CCIC, shall be applied toward the payment of the sums due hereunder and secured hereby. The surplus, if any, shall be paid to L&N, and L&N agrees to pay any deficiency.

interest on the outstanding balance of advances made hereunder, monthly, beginning on the first (1st) day of the month following the month in which the first advance is made. In addition, L&N shall repay such advances to CCIC in equal consecutive monthly repayments, in amounts equivalent to one ninety-sixty (1/96) of the aggregate amount of advances permitted hereunder, which monthly repayments shall continue until all advances and other sums due hereunder have been paid. The first of such repayments of advances shall be due and payable on the first (1st) day of the month following the month in which the total amount of advances permitted hereunder has been advanced, or on January 1, 1974, whichever shall first occur, and like payments shall be due and payable on the same day of each succeeding month thereafter.

(b) CCIC's obligation to make advances hereunder shall terminate on December 31, 1973, regardless of the amount of advances made, and is expressly subject to the following conditions at the time of each advance:

- (i) L&N is not in default under this agreement.
- (ii) There has been no material adverse change in L&N's financial condition from that existing as of the date hereof.
- (iii) There is no litigation or regulatory proceeding pending to which L&N is a party, or by which it is bound, which, if adversely concluded, would prohibit or materially limit L&N's performance of this agreement.
- (iv) CCIC shall have received satisfactory evidence that the Collateral being purchased with such advance has been sold and delivered to L&N by the vendor thereof.

13. Any delay on the part of CCIC in exercising any power, privilege or right hereunder shall not operate as a waiver thereof, and no single or partial

defaults, but shall be restricted to the default so waived. If any part of this agreement shall be contrary to any law which CCIC might seek to apply or enforce, or should otherwise be defective, the other provisions of this agreement shall not be affected thereby, but shall continue in full force and effect. All rights, remedies and powers of CCIC hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all rights, remedies and powers given hereunder, or in or by any other instruments of any laws now existing or hereafter enacted. No promissory note or other similar security shall be issued with regard to any obligations incurred by L&N hereunder.

14. L&N agrees to execute and deliver to CCIC such financing statements and writings as CCIC may, from time to time, request in order to perfect, preserve and enforce its security interest hereunder and will pay all filing fees, stamp taxes, and other fees and costs incident to recording and filing the same.

15. Neither L&N nor CCIC shall assign this agreement, or any right, obligation or Collateral hereunder, without the prior written consent of the other, which consent will not be unreasonably withheld. However, CCIC may assign this agreement to any other present or future wholly-owned subsidiary of CCIC's parent, Commercial Credit Company. In all events (and without creating or inferring any right of assignment, other than set forth above), this agreement shall be binding upon L&N, its successors and assigns, and inure to the benefit of CCIC, its successors and assigns.

IN WITNESS WHEREOF, L&N has caused this agreement to be executed and its corporate seal to be affixed, by its officers thereunto duly authorized, on the day and year first above written, at Louisville, Kentucky.

(Corporate Seal)  
ATTEST

LOUISVILLE AND NASHVILLE RAILROAD COMPANY

Accepted at Roseville, Michigan as of the date thereof.

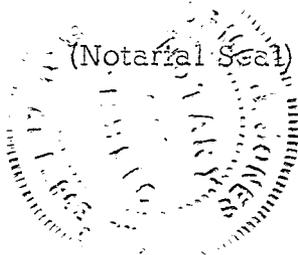
COMMERCIAL CREDIT INDUSTRIAL CORP.

By: RJ Brown Asst. Vice President

ACKNOWLEDGMENT

STATE OF KENTUCKY )  
 ) ss:  
COUNTY OF JEFFERSON)

On this 15<sup>th</sup> day of May, 1973, before me personally appeared  
R. E. Bisha (name of signer), to me personally known, who  
being by me duly sworn, says that he is the Vice President of Louisville  
and Nashville Railroad Company, that the seal 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 acknow-  
ledged that the execution of the foregoing instrument was the free act and deed of  
said Corporation



Norma J. Jones  
Notary Public

My Commission expires: MARCH 4, 1977

EXHIBIT 1

Attached to and made part of the Chattel Mortgage dated May 15, 1973,  
between COMMERCIAL CREDIT INDUSTRIAL CORP. and LOUISVILLE AND NASHVILLE  
RAILROAD COMPANY.

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Five (5) Locomotive Booster Units, bearing L&N Road Numbers  
as follows:

L&N 2073

2074

2075

2076

2077