

MAY 31 1977  
50  
JEROME S. SOWALSKY  
Corporate Counsel

Secretary  
Interstate Commerce Commission  
Washington, D. C. 20423

8836  
RECORDATION NO. .... Filed & Recorded May 31, 1977

MAY 31 1977 8 11 PM

Dear Sir:

INTERSTATE COMMERCE COMMISSION

I hereby request that you record the enclosed Mortgage pursuant to Section 20C of Title 49 of the United States Code.

The name and address of the Mortgagor is:

Ringling Bros.-Barnum & Bailey Combined Shows, Inc.  
1015 18th Street, N. W.  
Washington, D. C. 20036

The names and addresses of the Mortgagees are:

Bank of America National Association, Agent  
555 South Flower Street  
Los Angeles, CA 90017

and

Bankers Trust Company, Agent  
280 Park Avenue  
New York, NY 10017

RECEIVED  
MAY 31 9 11 PM '77  
FEE OPERATION SR.  
I.C.C.

A total of 73 railroad cars are covered by this Mortgage. A general description of these cars is set forth in the attachment to this letter.

In addition to the original Mortgage, I have enclosed two executed and acknowledged counterparts and a check for \$50.00 to cover the recording fee.

The original Mortgage should be returned to: Mr. Jerome S. Sowalsky, Secretary, Ringling Bros.-Barnum & Bailey Combined Shows, Inc., 1015 18th Street, N. W., Washington, D. C. 20036.

Very truly yours,

RINGLING BROS.-BARNUM & BAILEY  
COMBINED SHOWS, INC.

*Jerome S. Sowalsky*  
Jerome S. Sowalsky  
Secretary

Attachments

Executive Offices · 1015 Eighteenth Street, N.W., Washington, D.C. 20036 · (202) 833-2700

Cable Address: RINGLING. Washington. D.C. - TELEX 89-2477

*J. Sowalsky*

ATTACHMENT

Description of Railroad Cars

A. The following 37 railroad cars constitute the Ringling Bros.-  
Barnum & Bailey Blue Unit Train as of the date of this Mortgage:

<u>Quantity</u>	<u>Type of Car</u>	<u>Identification Numbers</u>
22	Coach	RB-136 thru RB-157
5	Stock Cars	RB-130 thru RB-133 and RB-135
7	Piggy-Back Floats	RB-120 thru RB 126
1	Bi-Level Piggy- Back Float	RB-129
2	Tunnel Cars	RB-127 and RB-128

B. The following 36 railroad cars constitute the Ringling Bros.-  
Barnum & Bailey Red Unit Train as of the date of this Mortgage:

<u>Quantity</u>	<u>Type of Car</u>	<u>Identification Numbers</u>
21	Coach	RB-40 thru RB-60
5	Stock Cars	RB-30 thru RB-34
7	Piggy-Back Float	RB-20 thru RB-24 and RB-29
1	Bi-Level Piggy- Back Float	RB-25
2	Tunnel Cars	RB-26 and RB-27

**Interstate Commerce Commission**  
Washington, D.C. 20423

5/31/77

OFFICE OF THE SECRETARY

Jerome S. Sowalsky, Sec.  
Ringling Bros. Barnum & Bailey  
Combined Shows, Inc.  
1015 18th St. N.W.  
Washington, D.C. 20036

Dear

**Sir:**

The enclosed document(s) was recorded pursuant to the  
provisions of Section 20(c) of the Interstate Commerce Act,

49 U.S.C. 20(c), on

at

5/31/77

3:15pm

and assigned recordation number(s)

8836

Sincerely yours,



Robert L. Oswald  
Secretary

Enclosure(s)

8836  
RECORDATION NO. .... Filed & Recorded

MAY 31 1977 - 3 15 PM

INTERSTATE COMMERCIAL COMPANY

MORTGAGE

THIS MORTGAGE made and given as of the 31st day of May, 1977, by RINGLING BROS.-BARNUM & BAILEY COMBINED SHOWS, INC., a Delaware corporation ("Mortgagor") to BANK OF AMERICA NATIONAL TRUST & SAVINGS ASSOCIATION, a national banking association, as Agent, and BANKERS TRUST COMPANY, as Agent (collectively "Mortgagees").

WHEREAS, Mortgagor is a wholly owned subsidiary of MATTEL, INC., a Delaware corporation ("Mattel"); and

WHEREAS, Mattel and Mortgagees and the banks designated therein have entered into those certain Term Loan Agreements and Revolving Credit Agreements, dated as of January 15, 1975, as amended and restated May 28, 1976, and as amended May 31, 1977 (collectively "Loan Agreements"), and as the Loan Agreements may from time to time be extended, amended, or modified, pursuant to which Mortgagees have agreed to lend to Mattel from time to time an amount not in excess of \$145,960,000.00 which sum is payable in accordance with the terms of the Loan Agreements; and

WHEREAS, Mortgagor, pursuant to a Guaranty dated May 31, 1977, a copy of which is attached hereto as Exhibit A ("Guaranty"), has guaranteed the payment of the amounts owed by Mattel to Mortgagees under the Loan Agreements; and

WHEREAS, Mortgagees have demanded and Mortgagor has agreed to grant this Mortgage to secure the prompt payment of all sums

when due pursuant to the Guaranty, the Loan Agreements and this Mortgage and to secure the faithful performance of all other covenants and agreements relating to the Guaranty;

NOW, THEREFORE, for valuable consideration, and as an inducement to Mortgagees without which Mortgagees would not execute the Loan Agreements wherein Mortgagees grant certain financial accommodations to Mattel for the benefit of Mattel and its subsidiaries, and in consideration of the covenants and agreements set forth herein and in the Loan Agreements, Mortgagor does hereby mortgage unto Mortgagees all of the railroad cars identified in Exhibit B hereto, replacements, additions and accessions thereto, and including all components and parts installed therein or hereafter acquired and installed therein (referred to herein in the aggregate as the "Mortgaged Property").

1. Mortgagor's Warranties and Agreements.

Mortgagor hereby warrants and agrees that:

(a) Mortgagor is the legal and beneficial owner of the Mortgaged Property, and the Mortgaged Property is not subject to any other mortgage, lien, charge or encumbrance. Mortgagor has full power and lawful authority to mortgage the Mortgaged Property as herein provided and will defend the rights and interests of Mortgagees hereunder against the claims and demands of all other persons.

(b) Mortgagor will not otherwise sell, exchange, lease, encumber or pledge any of the Mortgaged Property or create or allow to be created any other security interest therein or do anything that might affect any of Mortgagees'

rights therein or under this Mortgage without the prior written consent of Mortgagees, except as set forth in Paragraph 1(c) hereof.

(c) Mortgagor will, at its own cost and expense, cause the Mortgaged Property to be maintained and kept in good order and repair and will promptly replace the parts thereof which which may be worn out, lost, destroyed, or in any other manner rendered unfit or unavailable for use in accordance with its past practices. Mortgagor shall have the right to alter, and make additions to or substitutions for, any part of the Mortgaged Property; provided that no such alteration, addition or substitution shall reduce the market value of the Mortgaged Property; and provided further that no substitution of an entire car shall be made unless Mortgagor has taken such steps as may, in Mortgagees' judgment, be necessary to perfect this Mortgage with respect to such substitute car. Mortgagor will not, without the prior written consent of Mortgagees, permit any property not owned by Mortgagor free and clear to be installed or used in or substituted for any Mortgaged Property.

(d) Mortgagor will at all times contract with responsible railroads for the operation of the Mortgaged Property and, to the extent reasonably within its control, will cause the Mortgaged Property to be operated in a careful and efficient manner and in compliance with the applicable laws and regulations of all governmental authorities having jurisdiction thereof.

(e) Mortgagees' authorized representatives shall have the right to inspect the Mortgaged Property at all reasonable times.

(f) Mortgagor will pay when due and payable all fees, charges, assessments or taxes hereafter levied or imposed in respect of the Mortgaged Property or this Mortgage, except such as it may contest in good faith by appropriate proceedings and for which appropriate reserves have been established.

(g) Mortgagor will indemnify and hold Mortgagees harmless from and against any and all liabilities, damages, losses, and judgments of every kind and nature, including reasonable attorneys' fees and all other costs and expenses incident thereto, arising out of or in connection with the ownership, use or operation of the Mortgaged Property.

(h) Mortgagor will insure the Mortgaged Property against such risks and casualties and in such reasonable amounts as Mortgagees may require. All insurance policies shall be written for the benefit of Mortgagor and Mortgagees as their interests may appear, shall be payable to Mortgagees for any loss in excess of \$50,000 and shall provide that if the insurers cancel such insurance for any reason or the same is allowed to lapse for nonpayment of premium, such cancellation or lapse shall not be effective as to Mortgagees for a period of thirty (30) days after receipt by Mortgagees of notice from such insurers of such cancellation or lapse. Certificates evidencing such insurance shall be furnished to Mortgagees. If Mortgagor fails to pay the premium on any such insurance, Mortgagees may do so for Mortgagor's account, adding the amount thereof to the debt secured hereby. In the event the Mortgaged Property, or any portion thereof, should become damaged, lost or destroyed, all insurance proceeds which are realized as a result thereof shall be applied as

provided in this paragraph. So long as Mortgagor shall not be in default hereunder, all such proceeds shall be applied to the purchase by Mortgagor of replacement property of at least equal value and utility or to the expenses of repairs, and the balance, if any, shall be paid to Mortgagor; provided, however, that all replacement property shall be subject to the lien of this Mortgage and Mortgagor agrees to execute and record any instruments and take any other actions required to perfect this Mortgage with respect to replacement property. Any insurance proceeds which become payable with respect to the Mortgaged Property at a time when an Event of Default (as hereinafter defined) exists or any event which after lapse of time or the giving of notice (or both) would become an Event of Default shall be paid to Mortgagees and either held as security for the obligations of Mortgagor until such Event of Default has been cured to Mortgagees' satisfaction or applied by Mortgagees to the obligations secured hereby.

(i) Mortgagor will, at its own cost and expenses, promptly record this Mortgage, and all amendments or supplements hereto, in such places, and execute and file such other documents as may be required to perfect and continue perfected the security interest created by this Mortgage. In addition to any other actions which may be necessary or appropriate to discharge its previously stated duties, Mortgagor shall at its own expense duly and promptly record this Mortgage and all amendments and supplements hereto with the Interstate Commerce Commission pursuant to Section 20c of Title 49 of the United States Code and amendments thereto, and shall promptly and duly execute and file all documents and comply with all procedures and rules necessary or appropriate to

perfect Mortgagees' security interest in the Mortgaged Property, including all replacements, substitutions and additions thereto, pursuant to Part 1116 of Title 49 of the Code of Federal Regulations and amendments thereto. Mortgagor hereby appoints Mortgagees as its attorney-in-fact to do all acts and things which Mortgagees may deem necessary to perfect and continue perfected such security interest.

(j) Mortgagor warrants and agrees that all Mortgaged Property, including all replacements, substitutions and additions thereto, presently is, and hereafter at all times shall be, used or intended for use in connection with interstate commerce such that (1) this Mortgage shall be properly and validly recorded pursuant to Section 20c of Title 49 of the United States Code and amendments thereto, and (2) Mortgagees' security interest in said Mortgaged Property shall be and remain perfected pursuant to said statute and Part 1116 of Title 49 of the Code of Federal Regulations and amendments thereto.

2. Defaults. If one or more of the following Events of Default shall occur and be continuing:

(a) Mortgagor shall default in the payment of any sum due pursuant to the Guaranty or any other sum secured by this Mortgage; or

(b) Mortgagor shall default in the observance or performance of any condition, covenant or agreement contained herein or in the Guaranty and such default shall continue unremedied for a period of ten (10) days after Mortgagees have given Mortgagor written notice specifying the nature of such default; or

(c) Mortgagor shall become insolvent or unable to pay its debts as they mature or shall file a voluntary petition in bankruptcy or seeking reorganization or to effect a plan or other arrangement with creditors, or shall file an answer admitting the jurisdiction of the court and the material allegations of an involuntary petition filed pursuant to any act of Congress relating to bankruptcy or reorganization, or shall be adjudicated a bankrupt or shall make an assignment for the benefit of creditors, or shall apply for or consent to the appointment of any receiver or trustee for all or a substantial part of the property of Mortgagor, or any such receiver or trustee shall be appointed and shall not be discharged within thirty (30) days after the date of such appointment; or

(d) Any representation or warranty made by Mortgagor herein or in any certificate or financial or other written statement furnished to Mortgagees in connection with this Mortgage or the Guaranty shall prove to have been false in any material respect when made;

THEN, upon the occurrence of any such Event of Default, Mortgagees may declare amounts then owing by Mortgagor to Mortgagees pursuant to the Guaranty or this Mortgage to be immediately due and payable and may proceed to obtain foreclosure or execution of this Mortgage, or cause the sale of the Mortgaged Property, or any part thereof, under judgment or decree of any court of competent jurisdiction or to exercise any other right or remedy accorded by state and/or federal law, including Section 20c of Title 49 of the United States Code and other applicable federal laws and, to the extent applicable, the Uniform Commercial Code in force in

the state where Mortgagor has its chief place of business within the meaning of Section 9103(2) of said Uniform Commercial Code.

Mortgagor shall be entitled to possession and use of the Mortgaged Property as long as an Event of Default shall not have occurred and be continuing.

3. Satisfaction. If and when all amounts due Mortgagees pursuant to the Loan Agreements and the Guaranty has been fully paid in accordance with their terms, Mortgagees shall execute and deliver to Mortgagor appropriate instruments acknowledging satisfaction and discharge of this Mortgage.

4. Successors and Assigns. All of the covenants, warranties and agreements of Mortgagor contained herein shall be binding upon its successors and assigns, and shall insure to the benefit of Mortgagees, their successors and assigns.

5. Notices. All notices given hereunder shall be transmitted to the addresses below:

If to Mortgagor: Ringling Bros. - Barnum & Bailey  
Combined Shows, Inc.  
1015 18th Street, NW  
Washington, D. C. 20036  
  
Attn: Charles F. Smith  
Vice President - Finance

If to Mortgagees: Bank of America N.T. & S.A.  
555 South Flower Street  
Los Angeles, California 90017  
  
Bankers Trust Company  
280 Park Avenue  
New York, New York 10017

All such notices shall be deemed to have been given on the first business day after the day of mailing when sent by certified or registered mail, postage prepaid, or in case of telegraphic notice, when delivered to the telegraph company, charges prepaid.

6. No Waiver. No failure to exercise and no delay in exercising any right, power or privilege hereunder on the part of Mortgagees shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

7. Amendments. This Mortgage may only be amended or modified by a written instrument executed by each party hereto.

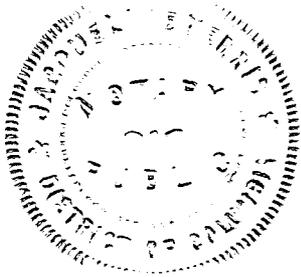
IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly executed and delivered to Mortgagees by its duly authorized officers as of the day and year first above written.

RINGLING BROS.-BARNUM & BAILEY  
COMBINED SHOWS, INC.

By Jerome A. Szwalsky  
SECRETARY

CITY OF WASHINGTON            )  
  )  
DISTRICT OF COLUMBIA        )

On this 31st day of May, 1977, personally appeared Jerome S. Sowalsky, to me personally known, who being by me duly sworn, says that he is the Secretary of Ringling Bros.-Barnum & Bailey Combined Shows, Inc., 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 acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



*Jacqueline Ferris*  
NOTARY PUBLIC  
My Commission Expires December 14, 1980

EXHIBIT A  
GUARANTY

1. For valuable consideration, and as an inducement to Bank, without which Bank would not execute the Agreements in which Bank grants certain financial accommodations to Mattel for the benefit of Mattel and its subsidiaries, the undersigned RINGLING BROS.-BARNUM & BAILEY COMBINED SHOWS, INC., a Delaware corporation, all of the issued outstanding capital stock of which is owned by Mattel, hereinafter called "Guarantor", unconditionally guarantees and promises to pay to BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, herein called "Bank", or to Agent (as designated in the Agreements) for Bank and for those certain banks, hereinafter jointly called "Banks", that are parties to that certain Term Loan Agreement dated as of January 15, 1975 and to that certain Revolving Credit Agreement, also dated as of January 15, 1975, as both were amended and restated May 28, 1976, as amended May 31, 1977 and as said Agreements may be extended or amended from time to time, herein jointly and severally called "Agreements", each between MATTEL, INC., a Delaware corporation, herein called "Mattel", and Bank and certain other Banks named therein, in lawful money of the United States of America, any and all indebtedness of Mattel to Banks arising from time to time under and pursuant to the terms and provisions of the Agreements, when due and at any time thereafter.

2. This Guaranty shall not apply to any indebtedness not arising under and pursuant to the terms and provisions of the Agreements.

3. A separate action or actions may be brought and prosecuted against Guarantor hereunder whether action is brought against Mattel or whether Mattel be joined in any such action or actions; and, so long as any indebtedness or other obligation of Mattel remains unpaid or outstanding under any of the Agreements, Guarantor waives the benefit of any statute of limitations affecting its liability hereunder or the enforcement hereof.

4. Guarantor authorizes Bank or the Agent or Banks, without notice or demand and without affecting its liability hereunder, from time to time to renew, compromise, extend, accelerate or otherwise change the time for payment of, or otherwise change the terms of the indebtedness or any part thereof guaranteed hereby, including an increase or decrease of the rate of interest thereon and to release, compromise, settle or otherwise dispose of any security for such liability.

5. Guarantor waives any right to require Bank or Agent or the Banks to (a) proceed against Mattel; (b) proceed against or exhaust any security held from Mattel; or (c) pursue any other remedy in the Bank's, Agent's or Banks' power whatsoever. Guarantor waives any defense arising by reason of any disability or other defense of Mattel or by reason of the cessation from any cause whatsoever of the liability of Mattel. Until all indebtedness of Mattel to the Bank, Agent and the Banks arising under and pursuant to the terms and provisions of both of the Agreements shall have been paid in full, Guarantor shall have no right of subrogation, and waives any right to enforce any remedy which the Bank, Agent or Banks now have

or may hereafter have against Mattel, and waives any benefit of, and any right to participate in, any security now or hereafter held by the Bank, Agent or Banks. Guarantor waives all presentments, demands for performance, notices of non-performance, protest, notices of protest, notices of dishonor and notices of the acceptance of this Guaranty and existence, creation or incurring of new or additional indebtedness.

6. The prevailing party in any litigation relating to this Guaranty shall be entitled to recover all costs and expenses incurred in connection with such litigation, including reasonable attorney's fees.

7. This Guaranty is made and delivered pursuant to the terms and provisions of Section 2 E. of the Term Loan Agreement and Section 2 of the Revolving Credit Agreement and shall be governed by and construed according to the laws of the State of California.

8. Upon the payment in full by or on behalf of Mattel of all principal, accrued interest, commitment fees and other liabilities and obligations under both of the Agreements and the performance by Mattel of all of its duties and obligations thereunder, this Guaranty shall terminate and thereafter be of no further force or effect.

9. Guarantor hereby confirms and affirms, as of the date hereof, all of the representations and warranties which have been made in either of the Agreements with respect to the organization, qualification and authority of Guarantor and the validity and binding effect of this Guaranty.

Executed at Hawthorne, California on the 31<sup>st</sup>  
day of May \_\_\_\_\_, 1977.

EXHIBIT B

Description of Railroad Cars

A. The following 37 railroad cars constitute the Ringling Bros.-Barnum & Bailey Blue Unit Train as of the date of this Mortgage:

<u>Quantity</u>	<u>Type of Car</u>	<u>Identification Numbers</u>
22	Coach	RB-136 thru RB-157
5	Stock Cars	RB-130 thru RB-133 and RB-135
7	Piggy-Back Floats	RB-120 thru RB 126
1	Bi-Level Piggy- Back Float	RB-129
2	Tunnel Cars	RB-127 and RB-128

B. The following 36 railroad cars constitute the Ringling Bros.-Barnum & Bailey Red Unit Train as of the date of this Mortgage:

<u>Quantity</u>	<u>Type of Car</u>	<u>Identification Numbers</u>
21	Coach	RB-40 thru RB-60
5	Stock Cars	RB-30 thru RB-34
7	Piggy-Back Float	RB-20 thru RB-24 and RB-29
1	Bi-Level Piggy- Back Float	RB-25
2	Tunnel Cars	RB-26 and RB-27