

STEPTOE & JOHNSON

CHARTERED

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DEC 1 1982 - 10 40 AM

INTERSTATE COMMERCE COMMISSION

November 30, 1982

2-335A012

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Washington, D.C. 20423

No. **DEC 1 1982**
Fee \$ **57.00**

RECEIVED
DEC 1 10 31 AM '82
FEE OPERATION BR.
I.C.C.

Dear Ms. Mergenovich:

ICC Washington, D. C.

Enclosed are an original and six copies of a document titled Railcar Mortgage and Security Agreement dated as of November 24, 1982. The enclosure is for filing, indexing and recording pursuant to Section 11303 of Title 49 U.S. Code

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

Mortgagor-Grantor: MLL Equipment Investors-I
Merrill Lynch Leasing
1 Liberty Plaza
165 Broadway
New York, New York 10080

Mortgagee-Lender: Citibank, N.A.
Citicorp Industrial Credit, Inc.
450 Mamaroneck Avenue
Harrison, New York 10528

A description of the equipment covered by the enclosed document is as follows:

Two hundred thirty-two (232) 55'-3", 4750 cubic foot, 100 ton, welded, Tripple Hopper, Center Sill, Trough Hatch, Covered Hopper Cars, manufactured by Ingalls Industrial Products Division of Litton Industries, Inc., (i) AAR Mechanical Designation LO; (ii) AAR Car Type Code L153; (iii) Road Initials and Numbers

C. Quinlan
Claude E. Harris

Ms. Agatha Mergenovich
November 30, 1982
Page Two

NAHX64257 through 64282; NAHX486711 through 486716; NAHX478100 through 478149; NAHX487209 through 487244; NAHX487246 through 487247; NAHX487249 through 487275; NAHX487654 through 487689; NAHX487691 through 487732; NAHX487078; NAHX487245; NAHX487248; NAHX487690; and NAHX487733 through 487735; and (iv) all are legended to the following effect: "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION.

A fee of \$50 is enclosed. Please return the original and any copies not needed by the Commission for recordation as well as the enclosed copy of this letter -- all stamped to indicate the appropriate filing information -- to the person presenting this letter with enclosure.

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

Mortgage and Security Agreement between MLL Equipment Investors-I, 1 Liberty Plaza, 165 Broadway, New York, New York 10080 and Citibank, N.A., 450 Mamaroneck Avenue, Harrison, New York 10528, dated as of November 24, 1982, covering 232 covered hoppers numbered NAHX64257 through 64282, 486711 through 486716, 478100 through 478149, 487209 through 487244, 487246 through 487247, 487249 through 487275, 487654 through 487689, 487691 through 487732, 487078, 487245, 487248, 487690 and 487733 through 487735.

Very truly yours,

STEPTOE & JOHNSON
Chartered

by 
Robert J. Corber

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

12/1/82

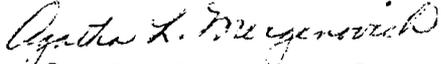
OFFICE OF THE SECRETARY

Robert J. Corber, Atty.
Steptoe & Johnson
1250 Conn. Ave.
Washington, D.C. 20036

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/1/82 at 10:40am , and assigned re-
recording number(s). 13858

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

RAILCAR MORTGAGE AND SECURITY AGREEMENT

DEC 1 1982 - 10 40 AM

INTERSTATE COMMERCE COMMISSION

This Railcar Mortgage and Security Agreement (the "Railcar Mortgage") is made and entered into as of this 24th day of November, 1982, by and between MLL Equipment Investors-I, a New York limited partnership (the "Grantor"), and Citibank, N.A. (the "Lender").

IT IS HEREBY AGREED BY THE PARTIES AS FOLLOWS:

1. For good and sufficient value received, the Grantor hereby pledges, mortgages, assigns, transfers and grants a security interest in the following collateral (the "Collateral") to the Lender to wit:

I. Two hundred thirty-two (232) 55'-3", 4750 cubic foot, 100 ton, welded, Tripple Hopper, Center Sill, Trough Hatch, Covered Hopper Cars (the "Railcars"), manufactured by Ingalls Industrial Products Division of Litton Industries, Inc., (i) A.A.R. Mechanical Designation LO; (ii) A.A.R. Car Type Code L153; (iii) Road Initials and Numbers NAHX 64257 through 64282; NAHX 486711 through 486716; NAHX 478100 through 478149; NAHX 487209 through 487244; NAHX 487246 through 487247; NAHX 487249 through 487275; NAHX 487654 through 487689; NAHX 487691 through 487732; NAHX 487078; NAHX 487245; NAHX 487248; NAHX 487690; and NAHX 487733 through 487735; and (iv) as it is intended that these cars will be subjected to a mortgage, all are legended to the following effect: "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION."

II. All of the Grantor's right, title and interest in, to and under any leases and agreements, including the Lease of Railroad Equipment (the "Lease") and the Administrative Service and Repair Agreement, each between the Grantor and North American Car Corporation and dated December 22, 1981, covering the aforesaid Railcars (all such leases and agreements being the "Leases"), to which the aforesaid Railcars may now or hereafter be subject, including, without limitation:

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(a) the immediate and continuing right to receive all rents, payments and indemnities under the Leases;

(b) upon a lessee's failure to make any payment or perform any required act under any Lease the right to make such payment or perform such act;

(c) the right to declare an event of default or default under any Lease; and

(d) the right to take such action upon the occurrence of an event of default or default under any Lease or an event which with notice or lapse of time or both would become an event of default or default under any Lease, including the commencement, conduct and consummation of legal, administrative or other proceedings as shall be permitted by any Lease or by law, and to do any and all other things whatsoever that the Grantor is or may be entitled to do under the Lease upon such occurrence.

2. This Railcar Mortgage is made and given by the Grantor in order to afford security to the Lender for the payment in full by the Grantor of all amounts payable under the Equipment Loan Agreement dated as of the date hereof between the Grantor and the Lender (the Equipment Loan Agreement; unless otherwise defined herein terms defined in the Equipment Loan Agreement are used herein as therein defined), the Notes the Master Security Agreement and this Railcar Mortgage (all such amounts payable being the "Amounts Payable").

3. The Grantor hereby warrants and represents to the Lender that:

(a) The Grantor is a duly organized and validly existing limited partnership, in good standing under the laws of the State of New York and is duly qualified to transact business in all other jurisdictions where its business and applicable law require.

(b) The Grantor is the legal and beneficial owner of the Collateral, free and clear of any lien, security interest, charge or encumbrance, except the Permitted Encumbrances.

(c) The Grantor has the right and power to obtain and obligate itself on the Loan represented by the Notes and to enter into this Railcar Mortgage; and the execution and delivery of the Notes and this instrument do not violate any provision of the Grantor's Partnership Agreement or any term

or condition of any contract or agreement to which the Grantor is a party.

(d) The acquisition of the Collateral, the Loan evidenced by the Notes and the execution and delivery of this instrument have all been duly and fully authorized by the Grantor, and the Notes and this instrument have been duly executed and delivered and both constitute legal, valid and binding obligations of the Grantor (but not obligations of the Grantor's General Partner or limited partners), and the General Partner executing the Notes and this instrument on behalf of the Grantor has been fully and properly authorized to do so.

4. The Grantor hereby covenants and agrees with the Lender that it will:

(a) Defend and protect the Collateral against all adverse claims and demands, and promptly notify the Lender in writing of any such claim or demand asserted against any of the Collateral.

(b) Mark each Railcar forming part of the Collateral appropriately to show the Grantor's ownership and with its assigned reporting mark and number in accordance with the rules and regulations of the Association of American Railroads (A.A.R.), and the Grantor will maintain and cause the Collateral to be always so marked while this instrument remains in effect and will not, during such period, cause or allow the Collateral to be marked so as to indicate ownership of any other party or to be renumbered without the prior written consent of the Lender, nor will the Grantor allow any of the Collateral to be marked so as to indicate a lien thereon allegedly held by any party other than the Lender; provided, however, that the Lender hereby consents to the markings required or permitted by the Lease and nothing therein provided shall be deemed inconsistent herewith.

(c) Maintain the Collateral or cause the same to be maintained in good and proper working order throughout the period this instrument remains in effect, and the Collateral shall not be used for any purpose other than normal rail transportation for which it is suited without the prior written consent of the Lender.

(d) Permit the Lender and its agents to inspect the Collateral and the books and records of the Grantor regarding same at any reasonable time, in such manner as is not inconsistent with the terms of the Leases.

(e) Pay and reimburse the Lender for any and all out-of-pocket costs and expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents but excluding any fee for the Lender's internal administration, which the Lender may incur in connection with (i) the preparation and administration of this Railcar Mortgage and other documents pertaining to this transaction, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Lender hereunder, (iv) the failure by the Grantor or any other party to perform or observe any of the provisions hereof, and the cost of all recordings and filings deemed necessary by the Lender to perfect its lien on the Collateral.

(f) Promptly notify the Lender in writing in the event any of the Railcars forming the Collateral are substantially damaged or destroyed as a result of any accident, calamity or other occurrence, and will assign and pay to the Lender any compensation as a result of such damage or destruction of the Collateral received under the A.A.R. Mechanical Interchange Rules, under any insurance policy or otherwise.

5. The Grantor hereby covenants and agrees with the Lender that it will not:

(a) Permit any of the Collateral to be seized, attached or levied upon under any legal process;

(b) Permit or suffer anything to be done, excluding normal use of the Collateral, that may in any way impair the value of any of the Collateral or the security intended to be afforded by this Railcar Mortgage.

6. The Grantor will at all times maintain or cause to be maintained, at its own expense, insurance in respect of the Collateral strictly in accordance with the terms and provisions of the Leases and in accordance with the provisions of Section 7(a) of the Master Security Agreement.

7. (a) Upon the occurrence of any Event of Default as defined in the Equipment Loan Agreement, the Lender may, at its option and without further notice, proceed to forthwith realize upon the Collateral and other security for the Amounts Payable. Upon the occurrence of an Event of Default, the Lender shall have all of the rights and remedies in and against the Collateral and otherwise available under Federal law and to a secured party under the Uniform

Commercial Code as adopted in the State of New York and all other applicable laws, in addition to all rights and remedies provided herein and in the Equipment Loan Agreement, all of which rights and remedies shall be cumulative to the fullest extent permitted by law. Following an Event of Default, the Lender shall have the right to require the Grantor, at the latter's expense, to assemble all or part of the Collateral and make it available to the Lender at such rail points as are feasible and designated by the Lender, and the Lender may use or operate the Collateral for the purpose of preserving or realizing upon the Collateral or its value (and for such purpose and to such extent, may immobilize and keep from use all or any part of the Collateral pending proceedings to sell or any sale of the Collateral or any part thereof, and may lease all or part of the Collateral to other parties with or without taking possession thereof). The Lender also shall have the right at its discretion to sell the Collateral at public or private sale(s) in one or more lots. The Grantor will on demand by the Lender pay, as part of the indebtedness and obligations hereby secured, all amounts, including, but not limited to, attorneys' fees, permitted by law, but excluding any fee for the Lender's internal administration, which have been incurred or paid by the Lender as expenses in taking possession of, preserving and disposing of the Collateral, including any taxes, insurance and maintenance costs incurred during such proceedings, with interest on all such amounts paid by the Lender at the rate per annum equal to the higher of 18% and 4% over the interest rate per annum from time to time publicly announced by Citibank, N.A. in New York, New York as Citibank's Base Rate. The requirement of reasonable notice of time and place of disposition of the Collateral by the Lender shall be conclusively met if such Notice is mailed, postage prepaid, to the Grantor's last address as furnished to the Lender at least fifteen (15) days before the sale or disposition. The Lender may bid upon and purchase any and all of the Collateral at any public sale thereof. The Lender may dispose of all or any part of the Collateral in one or more times and from time to time, and upon such terms and conditions, including a credit sale, as the Lender determines in its sole discretion. The Lender shall apply the net proceeds of any such disposition of Collateral or part thereof, after deducting all costs incurred in connection therewith, including the Lender's attorneys' fees and expenses incidental to preparing for sale and sale of the Collateral, and with interest thereon at the rate specified above, in such order as the Lender may elect, to the Amounts Payable, and any remaining proceeds, after all Amounts Payable and other amounts due hereunder are satisfied in full, shall be paid to the Grantor or other party legally entitled thereto.

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(b) Notwithstanding the foregoing, the Lender agrees not to interfere with a lessee's quiet enjoyment of the Collateral under a lease consented to in writing by the Lender so long, but only so long, as no "Event of Default" (as defined in the lease), or event which (without the need for further notice or lapse of time) permits the lease to be terminated, has occurred and is continuing.

8. This Railcar Mortgage shall extend to and include, and the Grantor hereby grants the Lender a security interest in, any proceeds (including without limitation all payments under insurance (whether or not the Lender is the loss payee thereof), or any indemnity, warranty, letter of credit, or guaranty, payable by reason of loss or damage to or otherwise in respect to any of the Collateral) and products of the Collateral. At the request of the Lender, the Grantor will furnish the Lender complete information as to the foregoing items.

9. The Grantor consents to the filing of this Railcar Mortgage with the Interstate Commerce Commission in order to perfect the Lender's lien on the Collateral under the provisions of 49 U.S.C. § 11303 (1979) (formerly Section 20c of the Interstate Commerce Act). The Grantor shall pursuant to Section 4(e) hereof pay and reimburse the Lender for all fees and charges incurred or necessary for such filing and recording.

10. Anything herein to the contrary notwithstanding, (a) the Grantor shall remain liable under the Leases to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Lender of any of the rights hereunder shall not release the Grantor from any of its duties or obligations under the Leases, and (c) the Lender shall not have any obligations or liability under the Leases by reason of this Agreement, nor shall the Lender be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

11. (a) Time shall be of the essence in the performance by the Grantor of all its covenants, obligations and agreements hereunder.

(b) This instrument and the agreement evidenced hereby shall, to the extent Federal law is not applicable, be governed and construed in accordance with the laws of the State of New York.

(c) This Railcar Mortgage shall be binding upon the Grantor and its successors and assigns and shall inure to the benefit of the Lender and its successors and assigns. The Lender, without the consent of the Grantor, may assign the Notes and its rights under this Railcar Mortgage, in which event the Lender's assignee shall succeed to all of the rights of the Lender under the Notes and hereunder.

12. Notwithstanding anything to the contrary contained herein or elsewhere, neither any general or limited partner of the Borrower shall have any personal liability for amounts due under this Railcar Mortgage, and the Lender agrees that it will not assert, directly or indirectly, in its own name, by or on behalf of the Grantor or otherwise, any claim against any limited or general partner (including, without limitation, the General Partner, except to the extent otherwise provided in Section 1.10 of the Equipment Loan Agreement) of the Grantor for payment or performance of any duty, liability or other obligation of the Grantor arising hereunder.

13. Notwithstanding anything to the contrary in this Railcar Mortgage, the provisions of the Master Security Agreement are in addition to, and shall not be limited by, the provisions of this Railcar Mortgage. To the extent that there is any conflict between the provision hereof and the provisions of the Master Security Agreement, such conflict shall be resolved in favor of the provisions of the Master Security Agreement and, if any restriction of either agreement is in addition to a restriction of the other agreement, then both restrictions shall apply for the protection of the Lender.

IN TESTIMONY WHEREOF, the parties hereto have each caused this Railcar Mortgage to be duly executed on their behalf as of the day and year first above set forth.

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MLL EQUIPMENT INVESTORS - I

By: ML Leasing Partners, Inc.

By: Lester Schaefer
Title: PRESIDENT

CITIBANK, N.A.

By: [Signature]
Vice President

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STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 31th day of November, 1982, before me personally appeared Lester Schassfeld, to me known to be ~~the~~ a President of ML Leasing Partners, Inc., the general partner of MLL Equipment Investors-I (a party to this agreement), who executed the foregoing instrument, who by me duly sworn said that said instrument was signed on behalf of said corporation in its capacity as general partner by authority of its board of directors, and he acknowledged that he executed said instrument as his free act and deed.

IN TESTIMONY WHEREOF, witness my hand and notarial seal.

Susan D. Lewis
Notary Public

My Commission expires: 3/30/83

SUSAN D. LEWIS
Notary Public, State of New York
No. 31-4749967
Qualified in New York County
Commission Expires March 30, 1983

STATE OF NEW YORK)
) ss.:
COUNTY OF New York)

On this 30th day of November, 1982, before me personally appeared Victor Brunst, to me personally known, who being by me duly sworn, says that he is a Vice President of Citibank, N.A., a national banking association, that the foregoing instrument was signed on behalf of said national banking association 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 national banking association.

IN TESTIMONY WHEREOF, witness my hand and notarial seal.

Steven Lance Schwarcz
Notary Public

My commission expires: 3/30/83

STEVEN LANCE SCHWARCZ
Notary Public, State of New York
No. 23-4609935
Qualified in Nassau County 83
Commission Expires March 30, 1983