

C.I.T. Corporation

135 West 50th Street
New York, New York 10020

RECORDATION NO. 4254
FFB 10 1984 -2 30 PM
INTERSTATE COMMERCE COMMISSION

No. 4-041A073
Date FEB 10 1984
Fee \$ 50.00
ICC Washington, D.C.



February 9, 1984

Secretary of the Interstate Commerce Commission
Washington, D.C. 20423

Re: Recording of Mortgage Agreement

New Number

Dear Sir:

Enclosed please find three identical original
Mortgage Agreements between the following parties:

Mortgagee: C.I.T. Corporation
135 West 50th Street
New York, New York 10020

Attention: Mr. Leo Sheer

Mortgagor: Carland, Inc.
4200 West 83rd Street
Shawnee Mission, Kansas 66208

Attention: Marshall Dean,
President

We request that you record this Mortgage Agreement
which secures payment in a conveyance of the equipment described
on the attached Schedule A. Stamped originals should be
returned to Mr. Leo Sheer, C.I.T. Corporation, 135 West 50th
Street, Room 569, New York, New York 10020.

If you require anything further, please call
Mr. Leo Sheer at (212) 408-6473.

Very truly yours,

Executive Vice President

LAM:mf
Enclosure

RECEIVED
FEB 10 2 20 PM '84
FEE OPERATION BR.
T.C.C. DIVISION

Account paid - Habshafgamed

SCHEDULE A

SCHEDULE OF EQUIPMENT

12 GP-40 Electro Motive Division (EDM) locomotives presently under lease to the Consolidated Rail Corporation, bearing the following Road Numbers:

	<u>Present Road No.</u>	<u>New Road No. if assigned</u>
1.	3170	748
2.	3172	749
3.	3173	750
4.	3174	751
5.	3177	752
6.	3178	753
7.	3180	754
8.	3181	755
9.	3183	756
10.	3185	757
11.	3186	758
12.	3187	759

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Mr. Leo Sheer
C.I.T. Corporation
135 West 50th Street
Room 559
New York, New York 10020

February 10, 1984

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 **2/10/84** at **2:30PM** and assigned re-
recording number(s). **14276**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

RECORDATION NO. 14275

Dated as of January 20, 1984

FFB 10 1984 -2 30 PM

MORTGAGE AGREEMENT

INTERSTATE COMMERCE COMMISSION

C.I.T. CORPORATION ("Mortgagee"), having an office at 135 West 50th Street, New York, New York 10020, hereby agrees to sell to Carland, Inc. ("Mortgagor"), having an office at 4200 West 83rd Street, Shawnee Mission, Kansas 66208, the locomotives described on the Schedule of Equipment attached hereto (the "Equipment") on the following terms and conditions:

(1) This Mortgage Agreement secures the payment of the sum of \$1,008,000. After payment in full of the above amount has been received in accordance with paragraph 11 hereof by the Mortgagee, Mortgagee shall deliver to Mortgagor a duly executed Bill of Sale in a format substantially similar to Exhibit A attached hereto covering each item of Equipment paid for.

(2) Mortgagor has accepted 12 units of equipment as set forth in the Schedule of Equipment attached hereto. Upon delivery of each unit of Equipment, all risk of loss shall pass to the Mortgagor.

(3) Mortgagee warrants that it has title to the Equipment, that it has power to convey title to the Equipment, and it will convey title to the Equipment in an "as is" condition, except as set forth in that certain letter agreement dated January 19, 1984 between Mortgagee and Mortgagor.

(4) Mortgagor hereby represents and warrants that it has power to accept title to the Equipment, that by its execution of this agreement it accepts title to the Equipment in accordance with the terms hereof, and that it hereby waives any and all claims against Mortgagee for damages, breach of warranty (except as set forth in (3) above), reduction of purchase price, offset, or counterclaim arising out of this transaction or Mortgagor's use, rental or lease of, or resale of the Equipment.

(5) Mortgagor agrees to pay and indemnify and hold Mortgagee harmless from all license and registration fees, and all sales, use, personal property, stamp or other taxes, levies, imposts, duties, charges and withholdings of any nature (together with any penalties, fines or interest thereon) imposed on any item of Equipment on or after the acceptance of each item of Equipment, against Mortgagee, Mortgagor or the item of Equipment so accepted by any governmental or taxing authority upon or with respect to the Equipment, or upon the purchase, ownership, delivery, possession, use or operation thereof.

(6) Mortgagor hereby grants to Mortgagee a purchase money security interest in the Equipment listed in the Schedule of Equipment until the total purchase price of all of the Equipment and any and all other amounts due hereunder have been paid in full. A copy of this agreement may be filed as a financing statement in order to perfect Mortgagee's security interest.

A copy of this agreement may be recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. Mortgagor hereby agrees to execute and deliver any additional documents that Mortgagee deems necessary to protect its interest in said Equipment.

(7) MORTGAGEE MAKES NO WARRANTY OF MERCHANTABILITY IN RESPECT TO THE EQUIPMENT AND THE EQUIPMENT IS SOLD IN AN "AS IS" CONDITION (EXCEPT AS SET FORTH IN THAT CERTAIN LETTER AGREEMENT DATED JANUARY 19, 1984 BETWEEN MORTGAGEE AND MORTGAGOR). BY ACCEPTANCE OF THE EQUIPMENT, MORTGAGOR AFFIRMS THAT IT HAS NOT RELIED ON MORTGAGEE'S SKILL OR JUDGMENT TO SELECT OR TO FURNISH THE EQUIPMENT FOR ANY PARTICULAR PURPOSE AND THAT MORTGAGEE MAKES NO WARRANTY THAT THE EQUIPMENT IS FIT FOR ANY PARTICULAR PURPOSE AND THAT THERE ARE NO REPRESENTATIONS AND WARRANTIES, EXPRESS, IMPLIED OR STATUTORY THAT EXTEND BEYOND THE DESCRIPTION OF THE EQUIPMENT, except that Mortgagee represents and warrants: (i) that Mortgagee owns the Equipment free and clear from all mortgages, liens and encumbrances,

and (ii) that Mortgagee has full power, right and authority to convey title thereto.

(8) This Aggrement is made pursuant to, and shall in all respects be governed by the laws of the state of New York.

(9) This Agreement and that certain letter agreement dated January 19, 1984 between Mortgagee and Mortgagor constitute the complete and entire understanding between Mortgagee and Mortgagor and supersede and replace all previous agreements in writing or otherwise. This Agreement may be modified only in writing; such modifying documents shall bear a date subsequent to the date hereof, and they shall be signed by an officer of the party to be bound by such modification.

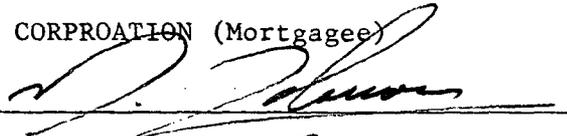
(10) Payment for each unit of Equipment shall be due thirty (30) days from the date of delivery of each unit of Equipment.

(11) Time is of the essence under this Agreement. Any payment not made within 10 days of its due date shall at Mortgagee's option be treated as an event of default. Mortgagor's bankruptcy or entry into a reorganization or similar proceeding for the relief of creditors shall likewise be an event of default. Upon default Mortgagee shall have all the remedies provided by the Uniform Commercial Code of the State of New York and any other revelant laws.

(12) Mortgagor has executed a promissory note on the date hereof similar in form to that attached as Exhibit B.

C.I.T. CORPROATION (Mortgagee)

By



Title

E.V.P.

[Corporate Seal]

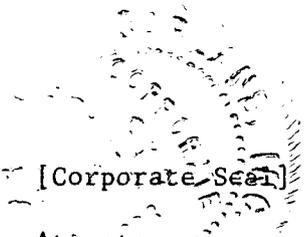
Attest:


Secretary


CARLAND, INC. (Mortgagor)

By [Signature]

Title pres.



[Corporate Seal]

Attest:

W.S. STADER
Asst. Secretary

STATE OF NEW YORK)

) SS.

COUNTY OF NEW YORK)

I, James T. Kane, a Notary Public in and for the State and County aforesaid, do hereby certify that N. Zdanow and Leo Sheer of C.I.T. Corporation, a corporation, whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Executive Vice President and Assistant Secretary respectively, they signed, sealed and delivered the aforesaid instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority of its Board of Directors, as their free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal this 31st day
of *January*, 1984.

JAMES T. KANE
Notary Public, State of New York
No. 02 KA 4703891
Qualified in Kings County
Commission Expires March 30, 1985

James T. Kane

Notary Public

STATE OF KANSAS)
) SS
COUNTY OF JOHNSON)

On this 20th day of January, 1984, before me personally appeared Marshall H. Dean, to me personally known, who, being duly sworn, says that he is the President of CARLAND, INC., 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.

BECKY S. MUELLER
NOTARY PUBLIC
STATE OF KANSAS
My Appointment Expires June 4, 1985

Becky S. Mueller
Notary Public

STATE OF _____
COUNTY OF _____

On this _____ day of _____, 198__, before me personally appeared _____ to me personally known, who, being duly sworn, says that he is _____ of _____ 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

SCHEDULE OF EQUIPMENT

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12.	3187	759

EXHIBIT A
BILL OF SALE

In consideration of \$ _____ in cash, the receipt of which is hereby acknowledged, C.I.T. Corporation, a New York corporation ("Mortgagee") does hereby sell and transfer to Carland, Inc., a _____ corporation ("Mortgagor"), the personal property described on the Schedule of Equipment attached hereto and made a part hereof.

The personal property described on the Schedule of Equipment is in a used condition. The Mortgagee is neither a manufacturer nor distributor of nor dealer or merchant in, said personal property.

The Mortgagee makes no warranty of merchantability in respect to said personal property and said property is sold in an "as is" condition. By acceptance of delivery of said property, the Mortgagor affirms that it has not relied on the Mortgagee's skill or judgment to select or furnish said property for any particular purpose, and that the Mortgagor makes no warranty that said property is fit for any particular purpose and that there are no representations or warranties, expressed, implied or statutory, that extend beyond the description of said property set forth on the Schedule of Equipment, except that the Mortgagee represents and warrants: (i) that the Mortgagee owns said property free and clear of all liens and encumbrances, and (ii) that the Mortgagee has full power, right and authority to convey title thereto.

Mortgagor shall be responsible for any personal property, rental, use, sales tax, or similar levies assessed in connection with the sale or lease of this personal property.

This is a final and exclusive expression of the agreement of the Mortgagee and the Mortgagor and no course of dealing or usage of trade or course of performance shall be relevant to explain or supplement any terms expressed in this agreement.

IN WITNESS WHEREOF, C.I.T. Corporation has executed this instrument this _____ day of _____, 1984.

C.I.T. CORPORATION

By _____

Title _____

EXHIBIT B

NEGOTIABLE PROMISSORY NOTE

\$ 1,008,000
Total Amount of Note

January 20, 1984

After date, I promise to pay to C.I.T. Corporation or order
\$1,008,000 Dollars

payable as set forth below:

Equal (a) \$ _____ on _____, 19____, and a like sum on the like date of each month
Successive thereafter until fully paid, provided, however, that the final payment shall be in the amount of the
Monthly then unpaid balance of principal and interest.
Payments

Other (b) One twelyth of above total amount to be paid thirty (30) days
Than Equal after delivery of each unit of Equipment, as described in
Successive Schedule A attached hereto and made a part hereof.
Monthly
Payments

Any instalment not paid when due shall, at the option of holder, bear late charges thereon calculated at the highest rate permitted by the relevant law, but in no event more than 1-1/2% per month. I promise to pay reasonable attorneys' fees (15% if not prohibited by law), if placed in the hands of an attorney for collection after maturity. Upon non-payment of any instalment at its maturity, all remaining instalments shall, at the option of the holder hereof, become due and payable forthwith. All exemptions and homestead laws and all rights thereunder are hereby waived. Value received. The holder hereof may grant to the maker, any endorsers and any other persons obligated hereon, extensions of the time for payment of this note and/or the maturity of any instalment or instalments, in whole or in part, without limit as to the number of such extensions, or the period or periods thereof. Protest waived.

Carland, Inc. (L.S.)
Name of Individual, Corporation or Partnership

By _____ Title _____
If Corporation, have signed by President, Vice President or Treasurer; state title.
If not a Corporation, state whether Partner or Owner.

Negotiable and payable at the office
of C.I.T. Corporation.

SCHEDULE A

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