New Number (1)

No. 010A040
Date JAN 10 1980
Fee $ 50.00
ICC Washington, D. C.

Mellon Bank N.A.
Mellon Square
Pittsburgh, Pennsylvania 15230

January 8, 1980

RECORDATION NO. 11342 Filed 1425

JAN 10 1980 - 1 30 PM

INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Gentlemen:

We hand you herewith for filing the original and one copy of a Mortgage of Railroad Rolling Stock dated as of December 28, 1979 by and between

James H. Knowles, Jr., Mortgagor
1000 Highmont Road
Pittsburgh, Pennsylvania 15232

and

Mellon Bank, N.A., Mortgagee
Mellon Square
Pittsburgh, Pennsylvania 15230

The equipment covered by the Mortgage, whether now in existence or hereafter acquired, consists of all of the following: five (5) XL Boxcars, Type A230, with identifying marks and road or serial numbers as follows:

ATW 25,130	ATW 25,133
ATW 25,131	ATW 25,134
ATW 25,132	

(to be further identified, supplemented and added to from time to time); together with all replacements, replacement parts, additions, repairs, repair parts, accessions and accessories incorporated therein and/or affixed thereto, all special tools and devices incorporated thereinto or used in connection therewith; and together with all products, replacements, additions, substitutions and proceeds (including any claims or insurance payable by reason of loss or damage to the equipment) thereof.

The copy should be returned to Charles T. Kappler, Esq., Alvord & Alvord, 918 16th Street, N.W., Suite 200, Washington, D.C. 20006.

Very truly yours,

Robert L. Patterson, Jr.
Assistant Vice President

/lk
Enclosures

C. T. Kappler

Interstate Commerce Commission
Washington, D.C. 20423

1/10/80

OFFICE OF THE SECRETARY

Robert L Patterson,Jr.
Asst. Vice President
Mellon Bank,N.A.
Mellon Square
Pittsburgh,Pennsylvania 15230

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 1/10/80 at 1:30pm , and assigned re-recordation number(s). 11342 & 11343

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

130 —

11342

RECORDATION NO. ..... Filed 1425

JAN 10 1980 - 1 00 PM

INTERSTATE COMMERCE COMMISSION

MORTGAGE OF RAILROAD
ROLLING STOCK

JAMES H. KNOWLES, JR.
MORTGAGOR

MELLON BANK, N.A.
MORTGAGEE

DATED AS OF December 28, 1979

MORTGAGE OF RAILROAD ROLLING STOCK

JAMES H. KNOWLES, JR. ("Mortgagor") an individual residing at 1000 Highmont Road, Pittsburgh, Pennsylvania 15232 and MELLON BANK, N.A. ("Bank"), a national banking association organized and existing under the laws of the United States, with its principal office at Mellon Square, Pittsburgh, Pennsylvania 15230, in consideration of the mutual covenants and agreements contained herein, hereby Recite and Agree as follows:

Recitals

1. Ownership of Units

Mortgagor is the owner of five (5) railroad boxcars specifically identified in Schedule 1 hereto, (all of which cars and any other railroad rolling stock covered hereby, whenever acquired, together with all replacements, replacement parts, additions, repairs, repair parts, accessions and accessories incorporated therein and/or affixed thereto, all special tools and devices incorporated thereinto, and all replacements and substitutions thereof are hereinafter referred to collectively in the plural as the "Units" and in the singular as "Unit").

2. Agreement to Finance

Bank has agreed, subject to the terms and conditions of a Credit Agreement dated December 19, 1979 by and between Mortgagor and Bank, to lend to Mortgagor the maximum principal amount of One Hundred Ninety-Three Thousand Dollars ($193,000) ("Agreement"). The Agreement is hereby incorporated herein and all terms defined therein shall have the same meanings herein except only as otherwise defined herein.

3. Agreement to Secure Advances

Mortgagor has agreed to grant in the Agreement and grants to Bank hereby a security interest in the Units to secure advances made and to be made by Bank to Mortgagor under and pursuant to the Agreement.

4. Mortgagor's Obligations

Mortgagor's obligations hereunder shall include the total unpaid amount of Mortgagor's Note dated _____, 1979 together with any and all of Mortgagor's obligations under the Agreement, a security agreement referred to in Section 2.3 of the Agreement or hereunder, all of whatever kind and whenever

created, of Mortgagor to Bank, including interest, whether direct or indirect, absolute or contingent, now existing or hereafter arising, all of which are covered by this Mortgage and are herein collectively called the "Obligations".

Agreements

5. Mortgage Interest

To secure payment and performance of the Obligations, Mortgagor grants to Bank a continuing security interest in the following, and, if moved, sold, leased or otherwise disposed of, the proceeds thereof:

> Whether now in existence or hereafter acquired, all of the following: The railroad rolling stock specifically identified in Schedule 1 hereto (to be further identified, supplemented and added to from time to time); together with all replacements, replacement parts, additions, repairs, repair parts, accessions and accessories incorporated therein and/or affixed thereto, all special tools and devices incorporated thereinto or used in connection therewith; and together with all products, replacements, additions, substitutions and proceeds (including any claims or insurance payable by reason of loss or damage to the Units) thereof ("Mortgaged Property").

6. Inspection, Selection and Delivery of Units

As to each Unit, Mortgagor or Manager will inspect and carefully select such Unit under the terms of any agreement affecting the purchase thereof and will take delivery thereof. By inspecting, selecting and taking delivery of such Unit, Mortgagor shall and does warrant to Bank that each delivered Unit is in the condition, repair and of a value to be fully suitable for all purposes under the Management Agreement and hereunder.

7. Repairs, Alterations, Additions, Improvements and Expenses

During the effectiveness hereof, Mortgagor will make or cause to be made such repairs, alterations, additions and improvements as are or may be required from time to time (a) under the Management Agreement or Management Agreements and/or (b) to insure compliance herewith and with all laws, rules and regulations to which reference is made in Section 8 hereof.

Without the prior written consent of Bank, Mortgagor shall not make or cause to be made other alterations, additions or improvements to any Unit, unless such may be made without reduction of the value of that Unit below the amount which it would have been had no alteration, addition or improvement been made, and without impairment to the condition and working order required hereby.

Mortgagor will keep or cause to be kept each Unit in good repair, condition and working order and will furnish or cause to be furnished all parts, mechanisms and devices required to keep each Unit in good mechanical and working order and in compliance with the laws to which reference is made in Section 8 hereof. Bank shall have no responsibility for any cost arising under this Section or for any expense arising out of or necessary for the operation and use of the Units, including but not limited to maintenance, repairs and replacement parts, storage, tolls, tariffs, fines, registration and insurance fees for all insurance required hereby.

8. Use and Standards of Use and Repair

Mortgagor will repair, keep in repair and cause the Units to be used in a careful and proper manner and will comply with and conform to and with all current and future federal, state, municipal, police and other laws, ordinances and regulations relating to the possession, use or maintenance of the Units. Mortgagor will comply or through the Manager cause compliance with all rules, interpretations, codes and orders governing use, hire, condition, repair and all other matters interpreted as being applicable to the Units during the effectiveness hereof by and of the American Association of Railroads ("AAR") and any other organization, association, agency or governmental authority, including the Interstate Commerce Commission and the Department of Transportation, which may during the effectiveness hereof be responsible for or have authority to promulgate such rules, interpretatons, codes and orders. Mortgagor agrees to indemnify and hold Bank safe and harmless from and against any and all claims, costs, expenses (including without limitation attorneys' fees), damages and liabilities claimed, or incurred, arising from or pertaining to such laws, ordinances, regulations, rules, interpretations, codes and orders.

9. Supplemental Schedules and Identification, Report

In the event of any addition or substitution of Mortgaged Property hereunder, Mortgagor will forthwith prepare

and submit to Bank Supplemental Schedules in form and substance satisfactory to Bank. In addition, Mortgagor will affix or cause to be affixed to each Unit and maintain throughout the effectiveness hereof, labels, plates or other markings identifying the Units and Bank's interest therein, including without limitation the marks and stencils recited in the Schedule. Mortgagor agrees to join with Bank in the execution of any documents and to pay all recording costs, fees and taxes associated therewith which Bank may request to give evidence of Bank's interest in the Units and Mortgagor agrees that Bank may give notice of such interest to any and all of Mortgagor's creditors. Mortgagor will propose and file, or cause to be prepared and filed, with the appropriate governmental agencies or bodies, whether State, Local or Federal, whenever necessary under any statute, rule or regulation thereof, such reports regarding the Units and the operation thereof as may be required from time to time prior to satisfaction of all of the Obligations.

10. Insurance

Mortgagor further warrants and covenants that he will keep and maintain the following insurance on and in respect of the Collateral and of its business generally:

(a) Coverage. Mortgagor will carry, at his cost and at no cost to Bank, with insurers of recognized responsibility, comprehensive public liability and property damage insurance in respect of the operation and use of the Units, in an amount not less than $10,000,000.00 for each occurrence, which insurance may contain a $1,000.00 deductible provision for any one occurrence. In addition each Unit shall be insured against casualty damage in a minimum initial amount of $38,600 per car and a reducing amount thereafter so long as the casualty insurance carried on all of Mortgagor's Units in the aggregate exceeds at all times 110% of the unpaid principal amount of Mortgagor's Note.

(b) Policy Provisions. Mortgagor shall cause each insurance policy issued pursuant to the requirements of subsection (a) hereof to provide, and the insurer issuing such policy to certify to Bank, that (i) Bank, as mortgagee of the Units, is an additional insured thereunder, (ii) all provisions of such policy, except the limits of liability, will operate in the same manner as if there were a separate policy covering each insured and (iii) if such policy be cancelled or materially changed for any reason whatsoever such insurer will promptly notify Bank and such cancellation or change will not be effective for thirty (30) days after notice to Bank.

(c) Delivery of Policies and Receipts for Premiums. Mortgagor shall deliver to Bank copies of each such insurance policy (or a certificate of insurance relating thereto) upon or prior to the execution hereof and copies of each renewal policy (or a certificate or other evidence of insurance relating thereto) prior to the expiration of the original policy or preceding renewal policy, as the case may be (provided, however, that Mortgagor shall notify Bank in writing of the status of such insurance thirty (30) days prior to the expiration thereof in the event he has not then delivered to Bank a renewal policy, or a certificate or other evidence of insurance relating thereto), and Mortgagor shall deliver to Bank receipts or other evidence that the premiums thereon have been paid if reasonably requested by Bank.

11. Loss of Damages

If damage occurs to any of the Units Mortgagor at his option shall:

(a) Cause the Unit which has suffered the damge to be placed in the repair, condition and working order required hereby;

(b) Declare that the Unit has suffered an Event of Loss in which event Mortgagor shall make the prepayment required by Section 1.5 of the Agreement.

In the event the Mortgagor elects to repair the Unit which suffered the damage Bank will, upon proof satisfactory to it of the completion of all necessary repair, release to the Manager any insurance proceeds received by Bank as a result of the occurrence of the damage. In the event the Mortgagor declares that the Unit has suffered an Event of Loss Bank shall apply insurance proceeeds related to the Event of Loss and received prior to the prepayment date to prepay Mortgagor's Obligations as set forth in the Agreement. If Bank has been prepaid at the time it receives the insurance proceeds it shall deliver those proceeds to the Manager for disbursement pursuant to the Management Agreement or any subsequent Management Agreements.

12. Assignment

Mortgagor will not sell, assign, sublet, pledge, hypothecate or otherwise encumber or suffer a lien upon or against any interest in the Units without the prior written consent of Bank. Bank may assign this Mortgage or any right and title it has hereunder, upon written notice thereof to

Mortgagor, and such assignment shall be on terms and conditions not inconsistent herewith.

13. Default

Mortgagor shall be deemed to be in default hereunder in the event that an Event of Default should occur under Section 7.1 of the Agreement.

14. Enforcement of Security and Remedies

In the event of default hereunder, then, or at any time thereafter (such default not having previously been cured), Bank may declare all of the Obligations to be immediately due and payable, without notice or demand therefor, and shall then have all remedies hereunder, under the Agreement and all the remedies of a secured party under the laws of the Commonwealth of Pennsylvania, or any other applicable laws, including, without limitation, the right to take possession of the Units, and for that purpose Bank may require Mortgagor to make the Units and the records thereof available to Bank at a place to be designated by Bank reasonably convenient to both parties and may, so far as Mortgagor can give authority therefor, enter upon any premises on which the Units or any part or records thereof may be situated and remove the same therefrom, and Mortgagor hereby waives and releases Bank of and from any and all claims in connection with such removal.

The parties hereto recognize that the Units may and probably will be widely scattered geographically, difficult of preservation and disposition, important to the continued operation of shippers and subject to complex maintenance and management. Accordingly, the parties agree that, after default, Bank is to have the widest possible latitude to preserve and protect the Units and its security therein and agree further that, at its option, Bank shall have the unqualified right to appointment of receivers for the preservation, possession, protection and disposition of all or part of the Units and the collection and protection for Bank of any proceeds of use or disposition thereof and/or to do any other thing and exercise any rights or remedies which Bank may or might, with or without judicial process, do or exercise.

After Bank takes or receives possession of the Units following default hereunder, Bank may sell, lease or otherwise dispose of the Units in any manner permitted by law, and if such notice is required by law, Bank will give Mortgagor written notice of the time and place of any public sale of the

Units or of the time after which any private sale or other intended disposition thereof is to be made, and at any such public or private sale Bank may purchase all or any part of the Units. The parties hereto agree that notice under this paragraph shall not be unreasonable as to time if given in compliance herewith 10 days prior to sale or other disposition.

To the extent permitted by applicable law, Mortgagor hereby waives any rights now or hereafter conferred by statute or otherwise which may require Bank to sell, lease or otherwise use any Units in mitigation of Banks's damages as set forth in this Section or which may otherwise limit or modify any of Bank's rights or remedies under this Section.

Mortgagor shall pay to Bank, on demand and as part of the obligations secured hereunder, all costs and expenses, including court costs, legal expenses and reasonable attorneys' fees, incurred by Bank in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions or provisions hereof.

15. Concurrent Remedies

No right or remedy of Bank hereunder shall be exclusive of any other remedy herein or by law provided; each right or remedy shall be cumulative and in addition to every other right or remedy and, in addition, the exercise of any remedy by Bank hereunder shall not of itself constitute a recognition of a default of all provisions hereof or of an intent by Bank to terminate all the provisions hereof. Moreover, a failure of Bank to insist upon strict compliance with the terms hereof or to assert any right or remedy hereunder shall not be a waiver of any default and shall not be determined to constitute a modification of the agreements of the parties hereto or the terms hereof or to establish any claim or defense.

16. Mortgagee's Payment

In the event that Mortgagor should fail duly and promptly to perform any of the things required to be performed hereunder, Bank may, at its option, immediately or at any time thereafter, perform the same for the account of Mortgagor without thereby waiving any default, and any amount paid or expenses or liability incurred by Bank in such performance, together with interest thereon at the rate of 15% until paid shall be payable to Bank by Mortgagor on demand and shall be and become part of the obligations secured hereunder.

17. Notice

Except as otherwise specifically provided herein, notice shall be deemed to have been properly given to Mortgagor when deposited in the United States mail, first class postage prepaid and addressed to Mr. James H. Knowles, Jr., 1000 Highmont Road, Pittsburgh, Pennsylvania 15232. Any communication to Bank shall be deemed properly given if similarly mailed to Mellon Bank, N.A., Mellon Square, Pittsburgh, Pennsylvania 15230, Attention: Robert L. Patterson, Jr. Either party hereto may at any time change its address for notice purposes by mailing, as aforesaid, a notice stating the change and setting forth the new address.

18. Miscellaneous

All covenants and agreements in this Mortgage contained by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not, except that Mortgagor shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of Bank.

The captions of the various sections of this Mortgage are solely for convenience and are not a part of the Mortgage for purposes of interpreting the provisions hereof.

This Mortgage, the Schedule, or any other instruments, documents or agreements to be delivered hereunder, are being executed and delivered and are intended to be performed in the Commonwealth of Pennsylvania. The parties hereto agree that the law of the Commonwealth of Pennsylvania shall govern their rights and duties hereunder, excepting applicable federal law.

This written agreement is exclusive as to its subject matter and no inconsistent oral agreement shall be binding.

IN WITNESS WHEREOF, the parties hereto have caused this Mortgage to be duly executed as of the 28th day of December, 1979.

WITNESS:

James H. Knowles, Jr.

ATTEST:

MELLON BANK, N.A.

By

SCHEDULE 1

To Mortgage of Railroad Rolling Stock
Dated December 28, 1979

Description of Equipment (Units):

Type	ARR Mechanical Designation	NUMBER of Units
A230	XL Boxcar	5

Identifying Marks	and	Road Serial Numbers
ATW		25,130
ATW		25,131
ATW		25,132
ATW		25,133
ATW		25,134

Legend to be placed on each unit in one inch letters:

"Subject to a Security Interest in favor of Mellon Bank, N.A. per mortgage filed with the Interstate Commerce Commission pursuant to Section 11303 of the Interstate Commerce Act."

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

On this 28th day of December, 1979, before me personally appeared Robert L. Patterson, Jr to me personally known, who, being by me duly sworn, says that he is Asst. Vice President of Mellon Bank, N.A., that the seal affixed to the foregoing instrument is the corporate seal of Mellon Bank, N.A., and that the foregoing instrument was signed and sealed on behalf of Mellon Bank, N.A. by authority of its Articles of Incorporation and By-Laws, and he acknowledged that the execution of the foregoing instrument was the free act and deed of Mellon Bank, N.A.

ROSANN S. MERCER, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES SEPT. 6, 1982
Member, Pennsylvania Association of Notaries

Notary Public

(NOTARIAL SEAL)

My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

On this 28th day of December, 1979, before me personally appeared James H. Knowles, Jr. to me personally known to be the person described in and who executed the foregoing instrument as Mortgagor, who, being by me duly sworn, acknowledged that the execution of the foregoing instrument was his free act and deed.

Notary Public

(NOTARIAL SEAL)

My Commission Expires:

ROSANN S. MERCER, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES SEPT. 6, 1982
Member, Pennsylvania Association of Notaries