

RECORDATION NO. *12317 F* ISHAM, LINCOLN & BEALE
COUNSELORS AT LAW

32-691032

SEP 26 1983 -12 00 PM

INTERSTATE COMMERCE COMMISSION

THREE FIRST NATIONAL PLAZA
CHICAGO, ILLINOIS 60602
TELEPHONE 312 558-7500
TELEX: 2-5288

EDWARD S. ISHAM, 1872-1902
ROBERT T. LINCOLN, 1872-1889
WILLIAM G. BEALE, 1885-1923

RECORDATION NO. *12317 A* Filed 1129
WASHINGTON OFFICE
1120 CONNECTICUT AVENUE, N.W.
SUITE 840
WASHINGTON, D.C. 20036
202 833-9730

No. *12317 F*
Date SEP 26 1983 September 23, 1983 -12 00 PM

Fee \$ *70.00*

INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C.

Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Secretary

Dear Secretary:

SEP 26 1983 -12 00 PM

INTERSTATE COMMERCE COMMISSION

FEE OPERATION BR-100

SEP 26 11 55 AM '83

RECEIVED

Enclosed herewith for filing and recording, pursuant to 49 U.S.C. §11303, are one original and four copies of the following:

- (1) Security Agreement dated as of July 1, 1983 between The Pittsburgh and Lake Erie Railroad Company and Manufacturers Hanover Trust Company;
- (2) Amendment of Term Loan Agreement and Existing Security Agreement dated as of July 1, 1983, made by The Pittsburgh and Lake Erie Railroad Company to Manufacturers Hanover Trust Company. This Amendment amends the Amended and Restated Security Agreement dated as of October 15, 1980, recorded with the Interstate Commerce Commission on November 21, 1980 and assigned Recordation No. 12317-B, as amended by a First Amendment to the Amended and Restated Security Agreement dated as of September 1, 1982, recorded with the Interstate Commerce Commission on November 2, 1982 and assigned Recordation No. 12317-C; and
- (3) Release of Collateral made between The Pittsburgh and Lake Erie Railroad Company and Manufacturers Hanover Trust Company, dated August 22, 1983. The Release releases certain collateral pledged under a Security Agreement dated as of October 8, 1980 between The Pittsburgh and Lake Erie Railroad Company and Manufacturers Hanover Trust Company, recorded on October 16, 1980 and assigned Recordation No. 12317, and under the documents described above with Recordation Nos. 12317-B and 12317-C.

Quintey M. ...

The Security Agreement contains a grant of a security interest in the railroad equipment identified in Schedule A thereto and the Release of Collateral contains a release of the railroad equipment identified in Schedule 1 thereto. Copies of said Schedules are attached to this letter.

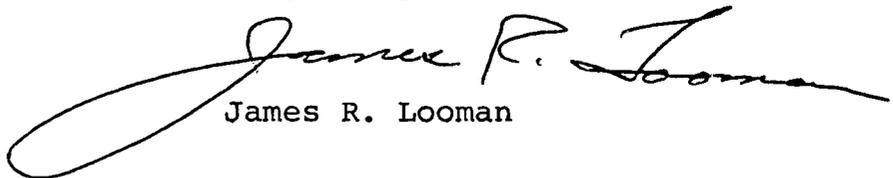
The Security Agreement is a primary document and the Amendment and the Release of Collateral are secondary documents. All three of these documents relate to the Security Agreement filed under Recordation No. 12317, and all three documents should be filed sequentially under Recordation No. 12317. Enclosed is our check in the amount of \$70.00 in payment of the applicable recording fees.

For your records, the names and addresses of the parties to the several documents are as follows:

The Pittsburgh and Lake Erie
Railroad Company
Four Station Square
Pittsburgh, Pennsylvania 15219
Attention: Treasurer

Manufacturers Hanover Trust Company
350 Park Avenue
New York, New York 10022
Attention: Michael T. Schlegel

Very truly yours,


James R. Looman

JRL:mb
Enclosures

SCHEDULE A (ADDITIONS)

Schedule of Collateral

<u>No. of Units</u>	<u>Series</u>	<u>Description</u>	<u>Ident. No.</u>
138	1550-1699	29'3" 70-ton Covered Hopper	1550-1553 1556-1582 1584-1587 1589-1598 1600-1604 1606-1610 1612-1626 1628-1629 1631-1637 1639-1661 1663-1681 1683-1699

<u>No. of Units</u>	<u>Series</u>	<u>Description</u>	<u>Ident. No.</u>
360	6500-6899	50'7" 70-ton Heavy Duty Box Cars	6500-6509 6511 6513-6515 6518-6523 6525 6527-6529 6531-6544 6546-6553 6555-6562 6565-6570 6572 6574-6575 657E 6577 6579-6580 6581-6600 6602-6627 6629 6631-6636 6638-6671 6673 6675-6682 6684-6699 6701-6714 6716-6733 6735-6750 6752-6753 6755-6756 6758-6790 6792-6796 6798-6804 6806-6813 6815-6822 6824-6843 6845-6861 6864-6869 6871 6873-6875 6878-6881 6883-6899
1	600-749	51'6" 70-ton Flat Car, Wooden Floor	603
95	7200-7299	50'6" 70-ton, Heavy Duty Box Cars	7200-7206 7208-7251 7253-7260 7262-7277

<u>No. of Units</u>	<u>Series</u>	<u>Description</u>	<u>Ident. No.</u>
95 (continued)	7200-7299	50'6" 70-ton, Heavy Duty Box Cars	7279-7294 7296-7299
36	46563-46599	52'6" 100-ton Gondolas	46563-46586 46588-46599
486	61000-61499	40'8" 70-ton Hoppers	61000-61002 61004-61118 61120-61164 61166-61183 61185-61215 61217-61239 61241-61265 61267-61281 61283-61289 61292-61341 61343-62346 61348-61370 61372-61446 61448-61499
486	61500-61999	40'8" 70-ton Hoppers	61500-61506 61508-61516 61518-61519 61521-61576 61578-61597 61599-61626 61628-61694 61696-61754 61756-61824 61826-61844 61847-61878 61880-61963 61965-61982 61984-61999
2	63099-64499	40'8" 70-ton Hoppers	63171, 63285
51	118000-118249	52'6" 100-ton Gondolas	118012, 118015 118017, 118019 118021, 118022 118030, 118035 118038, 118050 118055, 118057 118065, 118067 118075, 118078 118083, 118084 118086, 118088

<u>No. of Units</u>	<u>Series</u>	<u>Description</u>	<u>Ident. No.</u>
51 (continued)	118000-118249	52'6" 100-ton Gondolas	118101, 118113 118118, 118130 118131, 118132 118138, 118141 118153, 118155 118158, 118162 118176, 118103 118183, 118184 118189, 118197 118204, 118205 118213-118215 118219, 118221 118227, 118230 118234, 118238 118243, 118246
144	142000-142249	53'4" 125-ton, Coil Gondolas	142001, 142002 142005, 142015 142016, 142017 142024, 142025 142033, 142035 142036, 142039 142041, 142042 142045, 142051 142054, 142056 142060, 142077 142080, 142083 142085 142087-142090 142092, 142097 142101-142105 142107, 142109 142111 142113-142117 142120-142123 142125-142130 142132, 142133 142135, 142136 142139-142152 142154-142162

Records

<u>No. of Units</u>	<u>Series</u>	<u>Description</u>	<u>Ident. No.</u>
144 (continued)	142000-142249	53'4" 125-ton, Coil Gondolas	142164, 142165 142167 142169, 142170 142172 142174-142187 142189, 142190 142192, 142194 142196-142200 142202-142205 142207-142212 142214 142216-142219 142221, 142223 142225-142229 142231-142241 142244, 142245 142249
251	204000-204450	50'9" 55-ton Box Cars	204000-204099 204200-204205 204207-204242 204244-204352
4	2057-2060	Locomotives	2057, 2058 2059, 2060

SCHEDULE 1
(Deletions)

Recordation No. 12317

<u>No. of Units</u>	<u>Series</u>	<u>Description</u>	<u>Ident. No.</u>	<u>Action Taken</u>
6	600-749	51'6" 70-ton Flat Cars, Wooden Floor	601,616 661,707 726,737	Delete
9	6900-6999	50'2" 70-ton Heavy Duty Box Cars	6900,6911 6914,6915 6961,6972 6980,6987 6995	Delete
56	18000-18249	52'6" 100-ton Gondolas	18012,18015 18017,18019 18021,18022 18030,18035 18038,18050 18055,18057 18065,18067 18073,18075 18078,18083 18084,18086 18087,18088 18101,18103 18113,18118 18126,18130 18131,18132 18138,18141 18153,18155 18158,18162 18173,18176 18181,18183 18184,18189 18197,18204 18205,18213 18214,18215 18219,18221 18227,18230 18234,18238 18243,18246	Delete
53	18250-18449	52'6" 100-ton Gondolas	18252,18255 18256,18258 18263,18268 18275,18278 18282,18289 18290,18292	Delete

SCHEDULE 1

Recordation No. 12317

<u>No. of Units</u>	<u>Series</u>	<u>Description</u>	<u>Ident. No.</u>	<u>Action Taken</u>
53 (continued)	18250-18449	52'6" 100-ton Gondolas	18293 18294,18295 18296,18297 18298,18305 18306,18325 18332,18333 18338,18339 18344,18345 18346,18352 18354,18360 18363,18368 18378,18387 18392,18400 18401,18405 18417,18421 18425,18434 18436,18441 18446,18450 18461,18472 18481,18493 18497,18498	Delete
3	32000-32094	50' 55-ton Box Cars	32017,32022 32089	Delete
1	44000-44104	52'6" 100-ton Covered Gondola	44004	Delete
1	63099-63699	40'8" 70-ton Hopper	63305	Delete
4	63700-64499	40'8" 70-ton Hoppers	63953,64103 64187,64288	Delete
1	2800-2821	Locomotive	2816	Delete

Interstate Commerce Commission
Washington, D.C. 20423

9/26/83

OFFICE OF THE SECRETARY

James R. Looman
Isham, Lincoln & Beale
Three First Natl. Plaza
Chicago, Illinois 60602

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 **9/26/83** at **12:00pm**, and assigned re-
recording number(s).

12317-D, 12317-E & 12317-F

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

ORIGINAL

REGISTRATION NO. 12317-A SEP 11 1983

SEP 26 1983 -12 00 1^{PM}

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of July 1, 1983 (this "Agreement"), made by THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY, a Delaware corporation (the "Company"), to MANUFACTURERS HANOVER TRUST COMPANY, a New York banking corporation (the "Bank").

W I T N E S S E T H :

WHEREAS, on June 1, 1983 and on June 3, 1983 the Bank made loans in the amounts of \$650,000 and \$350,000, respectively, to the Company (collectively, the "June 1983 Loans");

WHEREAS, the Company has entered into a Term Loan Agreement, dated as of October 15, 1980 (as the same has been and may be amended, the "Term Loan Agreement"), with the Bank;

WHEREAS, there are loans outstanding under the Term Loan Agreement and under the Line Letter (as defined in the Term Loan Agreement) on the date hereof which loans are secured by an Amended and Restated Security Agreement, dated as of October 15, 1980 (as the same has been and may be amended, the "Existing Security Agreement");

WHEREAS, the Bank is willing to maintain the June 1983 Loans, but only on the condition, among others, that the Company execute and deliver to the Bank this Security Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company hereby agrees with the Bank as follows:

1. Definitions. In addition to other terms defined elsewhere in this Agreement, the following words

and terms shall have the following meanings, respectively, unless the context hereof clearly requires otherwise:

(a) "Agreement" shall mean this Security Agreement as from time to time amended or supplemented.

(b) "Bank's Aggregate Credit Exposure" shall mean, at any time, the sum of (i) the amount of the June 1983 Loans outstanding at such time, (ii) the principal amount of the Loan outstanding at such time under the Term Loan Agreement and (iii) the amount of the line of credit in effect at such time under the Line Letter.

(c) "Code" shall mean the Uniform Commercial Code as enacted and in effect in the State of New York at the date of this Agreement and as the same may be amended from time to time hereafter.

(d) "New Railroad Equipment Collateral": the railroad equipment described in Schedule A to this Agreement and also any additional or substitute railroad equipment made subject to the security interest described in Section 2 of this Agreement together with all additions, replacement parts, improvements and accessions, if any, thereto, pursuant to Section 5 of this Agreement, all leases and other rental agreements to which such railroad equipment may be subject from time to time and all cash and non-cash proceeds (as those terms are defined by the Code) thereof.

(e) "Obligations" shall mean (i) all indebtedness of the Company to the Bank in respect of the June 1983 Loans, the loans outstanding from time to time under the Line Letter or the Term Loan Agreement, and all interest thereon, and any extensions, renewals, refundings or substitutions thereof in whole or in part, (ii) all costs and expenses incurred by the Bank in the collection of any such indebtedness, (iii) all future advances made by the Bank for the protection, preservation or collection of any portion of the Collateral, including without limitation advances for storage and transportation charges, taxes, insurance, repairs and the like, (iv) all other existing or future obligations and liabilities of the Company to the Bank;

except for any obligations or liabilities that have been guaranteed by Beloit Corporation to the extent so guaranteed; and (v) the performance of the Company's covenants and agreements under the Term Loan Agreement.

(f) "Event of Default" shall mean any of the events of default specified in Section 6 of the Term Loan Agreement.

(g) Capitalized words and expressions which are not otherwise defined in this Agreement shall have the meanings assigned to them in the Term Loan Agreement.

2. Security Interest. The Company hereby agrees that the Bank shall have, and hereby grants to and creates in favor of the Bank, a security interest under the Code and under 49 U.S.C. §11303 in and to the New Railroad Equipment Collateral as security for the payment and performance of the Obligations.

3. Value of and Title to Collateral. The Company warrants and covenants that at all times during the term of this Agreement the Fair Market Value of the Collateral will be at least equal to 150% of the Bank's Aggregate Credit Exposure at such times. The Company warrants that it has and covenants that it will continue to have good and marketable title to the New Railroad Equipment Collateral from time to time owned by it or in its possession, free and clear of all liens, encumbrances, pledges and security interests (except the security interest created hereby) and will defend such title against the claims and demands of all persons whomsoever. The Company further covenants that it will not sell, lease (except for leases of less than 5 years made in the ordinary course of the Company's business through the railroad interchange system), mortgage, pledge or encumber the Collateral or any part thereof, permit its identity to be lost, permit it to be levied upon or attached under any legal process, create any security interest therein, voluntarily or involuntarily sell or otherwise dispose of the same or of any rights therein. The Company assumes full responsibility for taking any and all necessary steps to preserve any rights against prior parties with respect to the New Railroad Equipment Collateral.

4. Risk of Loss; Insurance. Risk of loss of, damage to or destruction of the New Railroad Equipment Collateral shall be borne by the Company. The Company shall insure the New Railroad Equipment Collateral against such risks and casualties, in such amounts, with such deductibles and with such companies as shall be satisfactory to the Bank. All such policies of insurance shall contain loss payable clauses in favor of the Bank and such policies or certificates evidencing the same shall be deposited with the Bank provided, however, that if the Bank shall receive proceeds from such policies, the proceeds shall be paid over to the Company provided that no Default or Event of Default shall have occurred and be continuing. If the Company fails to effect and keep in force such insurance or to pay the premiums thereon, the Bank may do so for the Company's account and the cost thereof shall be added to the Obligations. The Company hereby assigns and sets over unto the Bank all monies which may become payable on account of any such insurance, including without limitation any return of unearned premiums which may be due upon cancellation of any such insurance, and covenants that it will direct the insurers to pay the Bank any amounts so due. The Bank is hereby appointed attorney-in-fact of the Company to endorse any draft or check which may be payable to the Company in order to collect the proceeds of any such insurance or premiums. Any balance of insurance proceeds remaining after satisfaction in full of the Obligations shall be paid to the Company.

5. Maintenance of New Railroad Equipment Collateral. The Company shall maintain the New Railroad Equipment Collateral from time to time owned by it or in its possession, and every part thereof, in good condition and repair, reasonable wear and tear alone excepted, and pay and discharge all taxes, levies and other impositions levied thereon and the cost of all repairs to or maintenance of the same. If the Company shall fail to do so, the Bank may, upon prior written notice to the Company, pay the cost of any such repairs or maintenance or taxes, levies or impositions for the account of the Company in which event the amount thereof shall be added to the Obligations. Notwithstanding the foregoing the Company shall have the right, exercisable from time to time, in lieu of complying with the first sentence of this section, to substitute for railroad equipment constituting a portion of the New Railroad Equipment Collateral, other railroad

equipment acceptable to the Bank, provided, however, (i) that the railroad equipment to be substituted is acceptable to the Bank in its reasonable judgment, (ii) that the Company has completed whatever steps are deemed by the Bank to be necessary or desirable to perfect the security interest of the Bank in the substitute railroad equipment and (iii) the Company is in compliance with the ratio of Fair Market Value of Collateral to the Bank's Aggregate Credit Exposure immediately following such substitution, such compliance to be demonstrated by an Appraisal with respect to such substitute New Railroad Equipment Collateral.

6. Biannual Appraisal; Quarterly Certificates. The Company shall submit biannual Appraisals on or before the last day of each March and September in each year during the term of this Agreement, commencing September 30, 1983, and at any other time at the reasonable request of the Bank. The Company shall also submit quarterly certificates dated three months after the submission of each biannual Appraisal, and submitted to the Bank two weeks after the date of the certificate, certifying to the Bank that as of the date of the certificate there has been no material change in the Fair Market Value of the Collateral since the date of the last biannual Appraisal or, if there has been a material change, setting forth in detail the nature of such change.

7. Location of New Railroad Equipment Collateral. The Company covenants and agrees that, until satisfaction in full of the Obligations, it will not remove or permit the removal of the New Railroad Equipment Collateral from the United States of America without the prior written consent of the Bank; provided, however, that the aforesaid restriction shall not apply to New Railroad Equipment Collateral not exceeding 5% of the number of units of New Railroad Equipment Collateral which may be located from time to time in Mexico or Canada. The Bank, its officers, agents and employees, shall have the right at all reasonable times to inspect and check the New Railroad Equipment Collateral and to examine and make extracts from any books and records of the Company pertaining to the New Railroad Equipment Collateral.

8. Place of Business. The Company represents and warrants that its principal place of business is at

4 Station Square, The Commerce Court Building, Pittsburgh, Pennsylvania and that it will promptly notify the Bank in writing of any change in the location of said principal place of business.

9. Books and Records. The Company covenants that it will keep accurate and complete books and records with respect to the New Railroad Equipment Collateral at the Company's principal place of business set out above, and will furnish copies of such books and records to the Bank with reasonable promptness from time to time on request.

10. Filing Fees; Perfection of Security Interest. The Company shall pay all filing fees with respect to the perfection of the security interest created hereby, and do all acts and things which are necessary or advisable in order to perfect and continue to perfect the security interest of the Bank in the New Railroad Equipment Collateral. Promptly upon request of the Bank from time to time, the Company will do all such other acts and things and will execute and deliver to the Bank all such other instruments and documents and all such other and further assurances as the Bank may deem necessary or advisable in order to perfect and continue to perfect its security interest in the New Railroad Equipment Collateral or any part thereof. The Bank is hereby appointed the attorney-in-fact of the Company to do any of the acts and things referred to above which the Company does not do.

11. Release of Collateral. (a). Portions of the Collateral may be released from the security interest described in Section 2 hereof or in Section 2 of the Existing Security Agreement upon the making of certain payments and prepayments with respect to Loans or the June 1983 Loans, or the reduction in the amount of the line of credit available under the Line Letter, upon satisfaction of the conditions specified in subsection (b) below. It is a condition to any such release that the Fair Market Value of the Collateral not so released from the security interest described in Section 2 hereof or in Section 2 of the Existing Security Agreement, immediately following any such release be not less than 150% of the Bank's Aggregate Credit Exposure at the time of such release.

(b) Upon any optional prepayment of principal by the Company under subsection 2.3 of the Term Loan Agreement or any payment of principal in respect of the June 1983 Loans or any reduction in the available amount under the Line Letter, the Company, if it so elects and notifies the Bank, shall be entitled to have that proportion of the Collateral released from the lien of this Agreement or the Existing Security Agreement, as the case may be, as the amount so reduced, paid or prepaid, as the case may be, is of the Bank's Aggregate Credit Exposure immediately prior to such termination, reduction or prepayment, subject to the conditions herein specified. The percentage of each type of equipment to be so released will be that percentage which the amount so reduced, paid or prepaid, as the case may be, is of the Bank's Aggregate Credit Exposure immediately prior to such termination, reduction or prepayment, and the equipment of each type to be released will have the same approximate average life and average fair market value as the total equipment of such type listed and described in (a) Schedule A to this Agreement and (b) Schedule I to the Existing Security Agreement, provided that the requirement listed above as to the average life and average fair market value of the equipment to be released may be waived by the Bank in writing prior to such release. The Company shall not be entitled to have any Collateral released from the lien of this Agreement or the lien of the Existing Security Agreement pursuant to this subsection, unless the Fair Market Value of the Collateral not so released from the lien of this Agreement or the lien of the Existing Security Agreement, on the date of such release, is not less than 150% of the Bank's Aggregate Credit Exposure on the date of such release. Compliance with the requirement set forth in the preceding sentence regarding Fair Market Value shall be demonstrated by Appraisals dated not more than six months before, and delivered not less than 15 days before, such release, provided that if either of such Appraisals is dated more than 15 days before such release, it shall be accompanied by a certificate of the Company certifying to the Bank at the time of the proposed release that the Company has no reason to believe that there has been any material change in the Fair Market Value of the Collateral from that set forth in such Appraisal, and that the Company believes the foregoing condition is met with respect to the remaining Collateral.

12. Remedies on Default. If any one or more Events of Default shall occur and be continuing or shall exist at any time, the Bank shall have such rights and

remedies with respect to the New Railroad Equipment Collateral or any part thereof as are provided by the Code and/or 49 U.S.C. §11301, et. seq., and such other rights and remedies with respect thereto as are accorded by law or in equity or under this Agreement, including without limitation the right to take possession of the New Railroad Equipment Collateral with or without judicial process, and the right to sell all or any part of the New Railroad Equipment Collateral at public or private sale, without prior notice to the Company except as otherwise required by law (and if notice is required by law, after 10 days' prior written notice), at such place or places and at such time or times and in such manner as the Bank in its sole discretion may determine.

Upon the occurrence of any such Event of Default the Company shall, promptly upon demand of the Bank, assemble the New Railroad Equipment Collateral and make the same available to the Bank at a place to be designated by the Bank. In connection with the delivery of possession of any or all of the Collateral to the Bank as above required and if requested by the Bank to do so, the Company shall at its own expense and risk:

(a) Forthwith place the New Railroad Equipment Collateral upon such storage tracks of the Company as the Bank reasonably may designate;

(b) Permit the Bank to store the New Railroad Equipment Collateral on such tracks at the risk of the Company until the earlier of the date the New Railroad Equipment Collateral has been sold or otherwise disposed of by the Bank or the ninetieth day from the date the Company shall have placed the New Railroad Equipment Collateral on such storage tracks; and

(c) Transport the same to any place on the lines of railroad operated by the Company or any of its affiliates or to any connecting carrier for shipment, all as directed by the Bank.

The Bank shall apply the proceeds of any sale or other disposition of the New Railroad Equipment Collateral, following repossession or collection thereof after the occurrence of such a default, (i) to the payment of the reasonable costs and expenses incurred by the Bank in connection therewith, including reasonable attorneys' fees and legal expenses, (ii) to the payment of accrued interest on the outstanding principal amount of the Obligations, in

such order as the Bank in its sole discretion may determine, (iii) to the repayment of the unpaid principal amount of the Obligations, in such order as the Bank in its sole discretion may determine, (iv) to the repayment of all other amounts due and unpaid in respect of the Obligations, and (v) to pay the balance, if any, to the Company. If the proceeds of the sales or dispositions shall be insufficient to pay the above-described amounts, the Company shall be liable to the Bank for the deficiency.

13. Applicable Law; Severability. It is stipulated and agreed by the Company and the Bank that this Agreement shall be governed by and construed in accordance with the laws of the State of New York and by the Interstate Commerce Act and the relevant federal regulations issued pursuant thereto insofar as they relate to the perfection and enforcement of the security interest granted by the Company under this Agreement. If any provision hereof shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

14. Waiver. No failure or delay on the part of the Bank in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other right, power or privilege; no such failure or delay by the Bank shall constitute a waiver of its rights hereunder. The rights and remedies of the Bank, hereunder, are cumulative and not exclusive of any right or remedy which it may otherwise have.

15. Miscellaneous. Upon the termination of the Line Letter and the Term Loan Agreement and the satisfaction in full of the Obligations, this Agreement shall terminate and be of no further force and effect. Until such time, however, this Agreement shall be binding upon and inure to the benefit of the Bank and the Company and their respective successors and assigns, except that the Company may not assign or transfer its rights or obligations hereunder.

IN WITNESS WHEREOF, the parties hereto, by their officers duly authorized, have executed this Agreement as of the day and year first written above.

THE PITTSBURGH AND LAKE ERIE
RAILROAD COMPANY

[Corporate Seal]

By: *George E. Hennrich*
Title: EXECUTIVE VICE PRESIDENT

MANUFACTURERS HANOVER TRUST
COMPANY

By: *Michael T. Schlegel*
Vice President

SCHEDULE A

Add

Schedule of Collateral

<u>No. of Units</u>	<u>Series</u>	<u>Description</u>	<u>Ident. No.</u>
138	1550-1699	29'3" 70-ton Covered Hopper	1550-1553 1556-1582 1584-1587 1589-1598 1600-1604 1606-1610 1612-1626 1628-1629 1631-1637 1639-1661 1663-1681 1683-1699

<u>No. of Units</u>	<u>Series</u>	<u>Description</u>	<u>Ident. No.</u>
360	6500-6899	50'7" 70-ton Heavy Duty Box Cars	6500-6509 6511 6513-6515 6518-6523 6525 6527-6529 6531-6544 6546-6553 6555-6562 6565-6570 6572 6574-6575 6576 6577 6579-6580 6581-6600 6602-6627 6629 6631-6636 6638-6671 6673 6675-6682 6684-6699 6701-6714 6716-6733 6735-6750 6752-6753 6755-6756 6758-6790 6792-6796 6798-6804 6806-6813 6815-6822 6824-6843 6845-6861 6864-6869 6871 6873-6875 6878-6881 6883-6899
1	600-749	51'6" 70-ton Flat Car, Wooden Floor	603
95	7200-7299	50'6" 70-ton, Heavy Duty Box Cars	7200-7206 7208-7251 7253-7260 7262-7277

<u>No. of Units</u>	<u>Series</u>	<u>Description</u>	<u>Ident. No.</u>
95 (continued)	7200-7299	50'6" 70-ton, Heavy Duty Box Cars	7279-7294 7296-7299
36	46563-46599	52'6" 100-ton Gondolas	46563-46586 46588-46599
486	61000-61499	40'8" 70-ton Hoppers	61000-61002 61004-61118 61120-61164 61166-61183 61185-61215 61217-61239 61241-61265 61267-61281 61283-61289 61292-61341 61343-62346 61348-61370 61372-61446 61448-61499
486	61500-61999	40'8" 70-ton Hoppers	61500-61506 61508-61516 61518-61519 61521-61576 61578-61597 61599-61626 61628-61694 61696-61754 61756-61824 61826-61844 61847-61878 61880-61963 61965-61982 61984-61999
2	63099-64499	40'8" 70-ton Hoppers	63171, 63285
51	118000-118249	52'6" 100-ton Gondolas	118012, 118015 118017, 118019 118021, 118022 118030, 118035 118038, 118050 118055, 118057 118065, 118067 118075, 118078 118083, 118084 118086, 118088

<u>No. of Units</u>	<u>Series</u>	<u>Description</u>	<u>Ident. No.</u>
51 (continued)	118000-118249	52'6" 100-ton Gondolas	118101, 118113 118118, 118130 118131, 118132 118138, 118141 118153, 118155 118158, 118162 118176, 118103 118183, 118184 118189, 118197 118204, 118205 118213-118215 118219, 118221 118227, 118230 118234, 118238 118243, 118246
144	142000-142249	53'4" 125-ton, Coil Gondolas	142001, 142002 142005, 142015 142016, 142017 142024, 142025 142033, 142035 142036, 142039 142041, 142042 142045, 142051 142054, 142056 142060, 142077 142080, 142083 142085 142087-142090 142092, 142097 142101-142105 142107, 142109 142111 142113-142117 142120-142123 142125-142130 142132, 142133 142135, 142136 142139-142152 142154-142162

Records

<u>No. of Units</u>	<u>Series</u>	<u>Description</u>	<u>Ident. No.</u>
144 (continued)	142000-142249	53'4" 125-ton, Coil Gondolas	142164, 142165 142167 142169, 142170 142172 142174-142187 142189, 142190 142192, 142194 142196-142200 142202-142205 142207-142212 142214 142216-142219 142221, 142223 142225-142229 142231-142241 142244, 142245 142249
251	204000-204450	50'9" 55-ton Box Cars	204000-204099 204200-204205 204207-204242 204244-204352
4	2057-2060	Locomotives	2057, 2058 2059, 2060

COMMONWEALTH OF PENNSYLVANIA)
) ss.
COUNTY OF ALLEGHENY)

On this 1st day of September, 1983, before me personally appeared GORDON E. NEUENSCHWANDT personally known, who, being by me duly sworn, says that he is EXECUTIVE VICE PRESIDENT of THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY, that the seal affixed to the foregoing instrument beside his signature is the corporate seal of said corporation and that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Kathleen G. Cavanaugh
Notary Public

My commission expires:
KATHLEEN G. CAVANAUGH, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES SEPT. 1, 1986
Member, Pennsylvania Association of Notaries

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

On this 18 day of August, 1983, before me personally appeared Michael T. Schlegel, to me personally known, who, being by me duly sworn, says that he is a Vice President of MANUFACTURERS HANOVER TRUST COMPANY and that he is duly authorized to sign the foregoing instrument on behalf of said banking corporation, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said banking corporation.

Alice Antreassian
Notary Public

My commission expires:

Alice Antreassian
Notary Public, State of New York
No. 31-5090525
Qualified in New York County
Certificate filed in New York County
Commission Expires March 30, 1984