

OTTERBOURG, STEINDLER, HOUSTON & ROSEN, P. C.

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NEW YORK, N. Y. 10169

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DAVID W. MORSE

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8-246A091

No. September 1, 1988

Date SEP 2 1988

Fee \$ 13.00

VIA FEDERAL EXPRESS

ICC Washington, D.C.

Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue, N.W. 1 5800
Washington, D.C. 20423

Attention: Mrs. Mildred Lee
Room 2303

Dear Secretary:

I have enclosed an original and two counterparts of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Rolling Stock Mortgage, a primary document, dated as of August 31, 1988.

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

Mortgagor: Warren Consolidated Industries, Inc.
1040 Pine Avenue, S.E.
Warren, Ohio 44482

Mortgagees: Congress Financial Corporation,
individually and as agent
1133 Avenue of the Americas
New York, New York 10036

Security Pacific Business Credit Inc.
140 East 45th Street
New York, New York 10017

Included in the property covered by the aforesaid mortgage are railroad cars, locomotives and other rolling stock intended for use related to interstate commerce, or interests therein, owned by Warren Consolidated Industries, Inc. at the date of said mortgage or thereafter acquired by it or its successors as owners of the lines of railway covered by the mortgage.

RECORDATION NO. 1 5800
FILED 1988

SEP 1 1988 12 09 PM
INTERSTATE COMMERCE COMMISSION

SEP 2 11 54 AM '88
MOTOR OPERATING UNIT
ICC OFFICE OF THE SECRETARY

Secretary
September 1, 1988
Page -2-

A fee of \$13.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to David W. Morse, Esq., Otterbourg, Steindler, Houston & Rosen, P.C., 230 Park Avenue, New York, New York 10169, (212) 661-9100.

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

Rolling Stock Mortgage, executed as of August 31, 1988, by Warren Consolidated Industries, Inc., an Ohio corporation, with its principal place of business at 1040 Pine Avenue, S.E., Warren, Ohio 44482 ("Mortgagor"), to Congress Financial Corporation, a California corporation, having an office at 1133 Avenue of the Americas, New York, New York 10036 (in its individual capacity "Congress"), Security Pacific Business Credit Inc., a Delaware corporation, having an office at 140 East 45th Street, New York, New York 10017 ("Security Pacific") and Congress Financial Corporation, in its capacity as agent for itself and Security Pacific (in such capacity, "Agent", and together with Congress and Security Pacific, individually and collectively, "Mortgagees"), covering the rolling stock listed below as well as hereafter acquired rolling stock as aforementioned:

1. Thirteen (13) EMD Digital, Dig-Bi-Phase Conv. or Bi-Phase Conv. locomotives;
2. Two (2) ALCO Bi-Phase or Dig-Bi-Phase Conv. locomotives; and
3. One (1) Davenport Tone locomotive.

If there are any problems or questions, please call collect immediately.

Very truly yours,

OTTERBOURG, STEINDLER, HOUSTON & ROSEN, P.C.



David W. Morse

Interstate Commerce Commission

Washington, D.C. 20423

OFFICE OF THE SECRETARY

9/2/88

David W. Morse, Esq.
Otterbourg, Steindler, Houston & Rosen, P.C.
230 Park Ave.
New York, NY 10169

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 9/2/88 at 12:00PM, and assigned recordation number(s). 15800 Lead

Sincerely yours,



Secretary

Enclosure(s)

ROLLING STOCK MORTGAGE

SEP 1 1988 12 49 PM

INTERSTATE COMMERCE COMMISSION

AGREEMENT made as of this 31st day of August, 1988, by and among WARREN CONSOLIDATED INDUSTRIES, INC., an Ohio corporation, with its principal place of business at 1040 Pine Avenue, S.E., Warren, Ohio 44482 ("Mortgagor") and CONGRESS FINANCIAL CORPORATION, a California corporation, having an office at 1133 Avenue of the Americas, New York, New York 10036 (in its individual capacity, "Congress"), SECURITY PACIFIC BUSINESS CREDIT INC., a Delaware corporation, having an office at 140 East 45th Street, New York, New York 10017 ("Security Pacific") and Congress Financial Corporation, in its capacity as agent for itself and Security Pacific (in such capacity, "Agent", and together with Congress and Security Pacific, individually and collectively, "Mortgagees").

W I T N E S S E T H :

WHEREAS, Mortgagees and Mortgagor are contemporaneously herewith entering into financing arrangements pursuant to which Mortgagees will extend loans, advances and other financial accommodations to Mortgagor as set forth in the Loan and Security Agreement, dated of even date herewith, by and among Mortgagees and Mortgagor (the "Loan Agreement"), together with various other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including but not limited to, this Agreement (all of the foregoing, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements");

WHEREAS, in order to induce Mortgagees to enter into the Financing Agreements and extend loans, advances and other financial accommodations to Mortgagor pursuant thereto, Mortgagor has agreed to grant to Mortgagees certain collateral security as set forth herein;

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor hereby agrees as follows:

1. GRANT OF SECURITY INTEREST

As collateral security for the prompt performance, observance and indefeasible payment in full of all of the Obligations (as hereinafter defined), Mortgagor hereby grants to each of Mortgagees a continuing security interest in and a general lien upon, and hereby pledges, transfers and assigns to each of Mortgagees (a) all of Mortgagor's now owned and hereafter acquired

equipment, wherever located, consisting of locomotives or other rolling stock, including, but not limited to, the locomotives described on Schedule A annexed hereto, and any and all additions to and substitutions and replacements of any of the foregoing, together with all attachments, components, parts, accessions and property now or hereafter installed thereon or affixed thereto or used in connection therewith, (b) all present and future books, records, documents, other property and general intangibles at any time relating to the Equipment, and (c) any and all products and proceeds of the foregoing in any form, including, without limitation, any insurance proceeds or claims by Mortgagor against third parties, for loss or damage to or destruction of any or all of the foregoing (all hereinafter collectively referred to as "Collateral").

2. OBLIGATIONS SECURED

The security interests, liens and other interests granted to each of Mortgagees in this Agreement shall secure the prompt performance, observance and indefeasible payment in full of all now existing and hereafter arising obligations, liabilities and indebtedness of Mortgagor to Mortgagees, of every kind, nature and description, direct or indirect, secured or unsecured, joint and/or several, absolute or contingent, due or to become due, primary or secondary, liquidated or unliquidated, arising hereunder, under the other Financing Agreements or under any other agreement, document or instrument by Mortgagor with or in favor of any or all Mortgagees or by operation of law (all hereinafter referred to as "Obligations").

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

Reference is made to the Loan Agreement, the terms of which, together with the other Financing Agreements are incorporated herein by reference, including without limitation, all covenants, representations and warranties contained therein, the truth and accuracy of which shall be a continuing condition of the financing of Mortgagor by Lenders pursuant to the Financing Agreements.

4. EVENTS OF DEFAULT

The occurrence of an Event of Default under any of the other Financing Agreements shall constitute an Event of Default hereunder.

5. RIGHTS AND REMEDIES

Upon the occurrence of any such Event of Default, all Obligations shall become immediately due and payable, without notice or demand, at the option of Mortgagees, and upon the occurrence of any such Event of Default and at any time thereafter. Mortgagees shall have all rights and remedies provided by law, including those of a secured party under the Uniform Commercial Code or any other applicable law, in addition to the rights and remedies provided herein or in any of the other Financing Agreements.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Agreement as of the day and year first above written.

WARREN CONSOLIDATED INDUSTRIES, INC.

By: Mamm M. Koenig
Title: Vice President

CONGRESS FINANCIAL CORPORATION,
individually and as agent

By: [Signature]
Title: Pres.

SECURITY PACIFIC BUSINESS CREDIT INC.

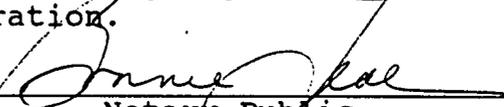
By: [Signature]
Title: Vice-President

DWM20b/A07/ir

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

On this 3rd day of August, 1988 before me personally appeared Marvin M. Koenig, to me personally known, who being by me duly sworn, says that (s)he is the Vice President of WARREN CONSOLIDATED INDUSTRIES, 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 (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]


Notary Public

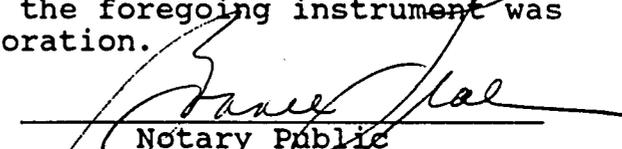
My Commission expires _____

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

BONNIE LEAL
Notary Public, State of New York
No. 31-4814671
Qualified in New York County
Commission Expires November 30, 1988

On this 3rd day of August, 1988 before me personally appeared ROBERT H. MILLER, to me personally known, who being by me duly sworn, says that (s)he is the PRESIDENT of CONGRESS FINANCIAL CORPORATION, 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 (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]


Notary Public

My Commission expires _____

BONNIE LEAL
Notary Public, State of New York
No. 31-4814671
Qualified in New York County
Commission Expires November 30, 1988

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

On this 3rd day of August, 1988 before me personally appeared Richard M. Lewiston, to me personally known, who being by me duly sworn, says that (s)he is the VICE PRESIDENT of SECURITY PACIFIC BUSINESS CREDIT 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 (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

Bonnie Leal
Notary Public

My Commission expires _____

BONNIE LEAL
Notary Public, State of New York
No. 31-4814671
Qualified in New York County
Commission Expires November 30, 1989

DWM20b/A07/ir

SCHEDULE A TO
ROLLING STOCK MORTGAGE

<u>Loco Number</u>	<u>Type</u>	<u>Year Built</u>	<u>Horsepower</u>	<u>Remote-Type</u>
816	ALCO	1957	900	Bi-Phase
817	ALCO	1957	900	Dig-Bi-Phase Conv.
818	EMD	1957	1000	Dig-Bi Phase Conv.
820	EMD	1945	600	Digital
824	EMD	1945	600	Digital
825	EMD	1951	600	Dig-Bi-Phase Conv.
826	EMD	1951	600	Dig-Bi-Phase Conv.
830*	Davenport	1952	2/350	Tone
832	EMD	1952	600	Digital
833	EMD	1956	900	Bi-Phase Conv.
834	EMD	1956	900	Bi-Phase Conv.
835	EMD	1956	900	Bi-Phase Conv.
836	EMD	1956	900	Digital
837	EMD	1956	900	Bi-Phase Conv.
838	EMD	1956	900	Bi-Phase Conv.
839	EMD	1956	900	Bi-Phase Conv.

* engine is out of service

LTV/16