

813
New No.

LAW OFFICES

ALVORD AND ALVORD

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD*
CARL C. DAVIS*
CHARLES T. KAPPLER
JOHN H. DOYLE*
GEORGE JOHN KETO*
MILTON C. GRACE*
JAMES C. MARTIN, JR.*

*NOT A MEMBER OF D.C. BAR
*ALSO ADMITTED IN NEW YORK
*ALSO ADMITTED IN OHIO
*ALSO ADMITTED IN MARYLAND

200 WORLD CENTER BUILDING
918 SIXTEENTH STREET, N.W.
WASHINGTON, D.C.
20006-2973

OF COUNSEL
JESS LARSON
JOHN L. INGOLDSBY
URBAN A. LESTER

CABLE ADDRESS
"ALVORD"

TELEPHONE
AREA CODE 202
393-2266

TELEX
440367 A AND A

1 5521
RECORDATION NO. _____ Filed 142

MAR 7 1988 - 12 50 P.M.

INTERSTATE COMMERCE COMMISSION

March 7, 1988

8-067A055

No. MAR 7 1988

Date.....

Fee \$.....

ICC Washington, D. C

MAR 7 12 50 PM '88
NO. OF DOCUMENTS
111

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C.

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are the original and one certified true copy of a Security Agreement (Equipment Mortgage) dated as of March 4, 1988, a primary document as defined in the Commission's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Borrower: AMG Resources Corporation
Neville Island Branch
4100 Grant Avenue
Pittsburgh, Pennsylvania 15225
Lender: Security Pacific Business Credit Inc.
12750 Merit Drive
Dallas, Texas 75251

A description of the railroad equipment covered by the enclosed document is set forth in Attachment I hereto.

Also enclosed is a check in the amount of \$13 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

Charles T. Kappler

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
March 7, 1988
Page Two

A short summary of the enclosed primary document to appear in the Commission's Index is:

Security Agreement (Equipment Mortgage) dated as of March 4, 1988 between AMG Resources Corporation, Borrower, and Security Pacific Business Credit Inc., Lender/Secured Party, covering freight cars, including gondolas and hoppers.

Very truly yours,


Charles T. Kappler

Enclosures

The following described railroad cars are in service exclusively within the identified Vulcan Materials Company plant areas, are not used outside of such areas, and do not travel on the interstate railways.

<u>Location</u>	<u>Description</u>
Pittsburgh, Pennsylvania	3 Gondola Cars
Pittsburgh, Pennsylvania	70 Ton Gondola Car TP 613
Pittsburgh, Pennsylvania	70 Ton Gondola Car MKT 82
Pittsburgh, Pennsylvania	70 Ton Gondola Car OFC 83
Pittsburgh, Pennsylvania	70 Ton Gondola Car OFC 83
Pittsburgh, Pennsylvania	Gondola Car VMCX 10
Pittsburgh, Pennsylvania	Gondola Car ZGR 2138
Pittsburgh, Pennsylvania	Gondola Car ZGR 1954
Pittsburgh, Pennsylvania	Gondola Car VM 651
Pittsburgh, Pennsylvania	Gondola Car VM 652
Gary, Indiana	R R Gondola Car
Gary, Indiana	R R Gondola Car
Gary, Indiana	Used Rail Cars
Gary, Indiana	Used Yard Rail Cars
Gary, Indiana	Hopper Car VMC 72138
Gary, Indiana	Hopper Car VMC 72095
Gary, Indiana	Hopper Car VMC 72087
Gary, Indiana	Hopper Car VMC 72135
Gary, Indiana	Hopper Car VMC 72090
Gary, Indiana	Hopper Car VMC 72155
Gary, Indiana	Hopper Car VMC 72169
Gary, Indiana	Hopper Car VMC 72128
Gary, Indiana	Gondola Car

Interstate Commerce Commission
Washington, D.C. 20423

3/7/88

OFFICE OF THE SECRETARY

Charles T. Kappler
Alvord & Alvord
918 16th St. N.W.
Washington, D.C. 20006

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 3/7/88 at 12:50pm, and assigned recordation number(s). 15493-A & 15521

Sincerely yours,

Narta L. McLee

Secretary

Enclosure(s)

SECURITY AGREEMENT (EQUIPMENT MORTGAGE)

RECORDED BY 5521
MAR 7 1988-12 30 PM
INTERSTATE COMMERCE COMMISSION

THIS SECURITY AGREEMENT (EQUIPMENT MORTGAGE) ("Mortgage") dated as of March 4, 1988, made by AMG Resources Corporation, a Delaware corporation ("Borrower"), in favor of Security Pacific Business Credit Inc., a Delaware corporation ("Lender");

WHEREAS, Borrower and Lender are parties to that certain Loan and Security Agreement ("Loan Agreement") of even date herewith pursuant to which Lender may, from time to time, extend credit to Borrower; and

WHEREAS, Lender had required, as a condition to its entering into the Loan Agreement, that Borrower execute and deliver this Mortgage to Lender;

NOW, THEREFORE, for and in consideration of the foregoing, the parties hereto hereby agree as follows:

Section 1. Defined Terms.

(a) The words "hereof," "herein" and "hereunder" and words of like import when used in this Mortgage shall refer to this Mortgage as a whole and not to any particular provision of this Mortgage, and section references are to this Mortgage unless otherwise specified.

(b) All terms defined in this Mortgage in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

Section 2. Incorporation of Premises.

The premises set forth above are incorporated into this Mortgage by this reference hereto and are made a part hereof.

Section 3. Collateral.

Section 3.1 Grant of Security Interest. As security for the "Obligations" (under and as defined in the Loan Agreement), and Borrower's payment and performance obligations hereunder (the Obligations and such payment and performance obligations being hereinafter collectively referred to as the "Liabilities"), Borrower hereby grants to Lender a security interest in and chattel mortgage on the following:

(a) All of Borrower's now owned and hereafter acquired railroad cars and locomotives, together

with all accessories, equipment, parts and appurtenances appertaining or attached thereto, and all additions, improvements, accessions and accumulations to any and all of said equipment, and all substitutions, renewals or replacements of any of the foregoing, together with all the rents, issues, income, proceeds and avails therefrom (collectively, the "Equipment"); and

(b) All proceeds (including, without limitation, insurance and indemnity payments) from the sale or loss or other disposition of the Equipment.

All such Equipment described in the immediately preceding clause (a), and proceeds with respect thereto, are herein collectively referred to as the "Collateral".

Section 3.2. Representations and Warranties of Borrower. Borrower represents and warrants:

(i) That as of the date hereof, all of the Equipment consisting of railroad cars and locomotives is identified by serial, running or other identifying number on Attachment I hereto.

(ii) That except as otherwise permitted in the Loan Agreement, it is the sole owner of all of the Equipment, that there are no encumbrances or liens of any kind or character, including, without limitation, leases, against any of the Equipment and that it has good right and lawful authority to assign, pledge, mortgage, and grant a security interest in the Equipment.

(iii) That except as otherwise permitted in the Loan Agreement, it has not assigned, pledged or mortgaged, and hereby covenants that it will not assign, pledge or mortgage, so long as this Mortgage shall remain in effect, the whole or any part of the rights or interests hereby assigned, pledged, mortgaged, and granted by it hereunder to anyone other than Lender and its successors and assigns.

(iv) Borrower agrees to warrant and defend the rights and interests of Lender in and to the Equipment against the rights or claims of any persons.

Section 3.3. Maintenance and Repair. Borrower agrees that, at its own cost and expense, it will maintain and keep all the Equipment in good order and repair in accordance with industry standards and with the Interchange Rules of the Association of American Railroads and in full compliance with any applicable law, rules, regulations or

standards which may be promulgated by the Department of Transportation, Federal Railway Administration, the Interstate Commerce Commission ("ICC") or any other applicable regulatory body or any successor agency or party thereto.

Section 3.4. Inspections. Lender shall have the right to inspect the Equipment and Borrower's records with respect to the Equipment at such reasonable times as the Lender may request.

Section 3.5. Use of Equipment. Borrower agrees that the Equipment shall at all times remain in the United States.

Section 3.6. Marking of Equipment. Borrower will keep and maintain, or cause to be kept and maintained, at all times, after April 1, 1988, plainly, distinctly, permanently and conspicuously marked on each item of Equipment in letters not less than seven-sixteenths of an inch in height:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT
FILED UNDER THE INTERSTATE COMMERCE ACT."

or other appropriate words designated by Lender with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the security interests of Lender in the Equipment and its rights hereunder. Borrower will not place any item of Equipment in operation or exercise any control or dominion over any item of Equipment after April 1, 1988 unless and until such markings have been made thereon and will replace promptly any such markings which may be removed, defaced or destroyed. Borrower will cause the Equipment to be kept numbered with the respective serial, running and other identifying numbers set forth in Attachment I hereto. Borrower will not (a) change or authorize to be changed such serial, running or other identifying numbers or (b) place any item of Equipment in service or otherwise exercise any control or dominion over any item of Equipment if the serial, running or other identifying number of such item of Equipment is not contained in Attachment I hereto, unless and until an amendment to this Mortgage shall have been filed and recorded by Borrower with the ICC, and Borrower shall have furnished to Lender a legal opinion to the effect that (i) such amendment has been so filed and recorded, (ii) such filing and recordation will protect Lender's security interest and chattel mortgage in the Equipment, and (iii) no other filing or recording with or to any other federal, state or local government or agency thereof is necessary to protect the security interest of Lender in the Equipment in the United States. If Borrower fails to take any action specified in the immediately preceding sentence, Borrower hereby authorizes Lender to modify this Mortgage by

amending Attachment I hereto as applicable, to reflect such changes or additions to the serial, running or other identifying numbers contained therein and to record the same with the ICC.

Section 3.7. Destruction of Equipment. Borrower will bear the responsibility for and risk of, and shall not be released from the Liabilities in the event of, any damage to or the destruction or loss of any or all of the Equipment.

Section 4. Defaults.

Section 4.1. Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) There shall occur an "Event of Default" (under and as defined in the Loan Agreement);

(b) Borrower shall fail to perform any of its obligations under this Mortgage and, in the case of any such default which is curable by Borrower, such default shall continued unremedied for a period of ten (10) days; or

(c) Any representation made to Lender in this Mortgage shall prove to be false or misleading at the time in any material respect when made.

Section 5. Remedies.

Section 5.1. Remedies. Upon the occurrence and during the continuance of any Event of Default, Lender may do any one or more of the following acts (but shall be under no obligation to do so) regarding the Collateral, or any portion thereof:

(a) exercise all the rights and remedies in foreclosure and otherwise granted to secured parties under the provisions of applicable laws;

(b) institute legal proceedings for the specific performance of any covenant or agreement herein undertaken by Borrower or for aid in the execution of any power or remedy herein granted;

(c) institute legal proceedings to foreclose upon and against the security interest and the chattel mortgage in the Equipment granted in and by this Mortgage, to recover judgment for all amounts then due and owing as Liabilities and to collect the same out of any sale of the Collateral;

(d) institute legal proceedings for the sale, under the judgment or decree of any court of competent jurisdiction, of any Collateral;

(e) demand, collect, and retain all hire, earnings and other sums due and to become due to Borrower in respect of the Equipment from any party whomsoever, accounting only for the net earnings arising from such use, if any, after charging against any receipts from the use of the same and from any subsequent sale thereof all costs and expenses of and damages or losses by reason of, such use or sale;

(f) enter upon Borrower's premises where the Collateral is located (or is believed to be located), without any obligation to pay rent to Borrower, or any other place or places where the Collateral is believed to be located and kept, and prevent Borrower or any other person from using the Collateral or remove the Collateral therefrom to the premises of Lender or any agent of Lender, for such time as Lender may desire, in order to effectively collect or liquidate the Collateral; or

(g) sell or dispose of all or any part of the Collateral, free from any and all claims of Borrower or of any other party claiming by, through, or under Borrower, at law, in equity, or otherwise, at one or more public or private sales, in such place or places, at such time or times, and upon such terms as Lender may determine, in its sole and complete discretion and in light of the best interests of Lender, with or without previous demand on or notice to Borrower or advertisement of any such sale or other disposal, except as may be required by law; and for the aforesaid purposes, all notices of sale, advertisements, and demands and any rights or equities of redemption otherwise required or available to Borrower under applicable law are hereby waived by Borrower to the fullest extent permitted by applicable law. The power of sale hereunder shall not be exhausted by one or more sales, and Lender from time to time may adjourn any sale to be made pursuant to this Section 5.1.

Section 5.2. Sale; Proceeds of Sale. Any sale of the Collateral may be in one lot as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as Lender may determine. Lender may bid for and become the purchaser of the Collateral, or any portion thereof, so

offered for sale. In the event that Lender shall be the purchaser thereof, it shall not be accountable to Borrower upon a subsequent disposition of such property. All cash proceeds received by Lender in respect of any sale of, collection from or other realization upon all or any part of the Collateral may, in the discretion of Lender, be applied in whole or in part by Lender against, all or any part of the Liabilities. Any surplus of such cash or cash proceeds held by Lender and remaining after payment in full of all the Liabilities shall be paid over to Borrower or to whomsoever may be lawfully entitled to receive such surplus.

Section 5.3. Assembly of Equipment. Upon the occurrence of an Event of Default, Lender may designate some premises for the delivery of the Equipment to Lender, which premises may include premises owned, leased or under the control of Borrower, without any obligation to pay rent to Borrower, and Borrower shall, at its own expense, arrange for such Equipment to be delivered to Lender at such premises. This agreement to deliver the Equipment as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court having jurisdiction in the premises, Lender shall be entitled to a decree against Borrower requiring specific performance hereof. Borrower further agrees to store such Equipment, at Borrower's expense, pending Lender's disposition thereof for a period not in excess of six (6) months. Borrower hereby expressly waives any and all claims against Lender or its agents for damages of whatever nature in connection with any lawful retaking of any item of Equipment pursuant to the terms hereof.

Section 5.4. Waiver by Borrower. To the extent permitted by law, Borrower covenants that it will not at any time insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law now or at any time hereafter in force, nor claim, take, or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and, to the full extent legally permitted, hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of Borrower acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Mortgage, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or

otherwise hinder, delay or impede the execution of any power herein granted and delegated to Lender, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

Section 6. General.

Section 6.1. Rights Cumulative. Each and every power and remedy hereby specifically given to Lender shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time simultaneously and as often and in such order as may be deemed expedient by Lender. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of Lender in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to Borrower shall not otherwise alter or affect Lender's rights or the Liabilities. Lender's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Liabilities or Lender's rights hereunder with respect to any subsequent payments or default therein.

Section 6.2. Waiver. Except as otherwise provided in this Mortgage, Borrower, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Equipment, and any other requirements as to the time, place and terms of the sale, lease, transfer or assignment thereof, any other requirements with respect to the enforcement of Lender's rights under this Mortgage and any and all rights of redemption.

Section 6.3. Satisfaction of Mortgage and Termination of Mortgage. When all the Liabilities have been paid in full and the Loan Agreement has been terminated, Lender shall release the lien of this Mortgage with respect to the Collateral by an appropriate document in recordable form and thereupon this Mortgage shall be satisfied and void.

Section 6.4. Section Headings, Effect and Modification of Agreement. All section headings are inserted for convenience only and shall not affect any construction or interpretation of this Mortgage.

Section 6.5. Modifications. No variation or modification of this Mortgage and no waiver of any of its provisions or conditions shall be valid unless in writing

and signed by duly authorized representatives of Lender and Borrower.

Section 6.6. Notices. All notices hereunder to any of the parties designated below shall be deemed to be properly served if delivered, telecopied or mailed to the respective addresses set forth in the Loan Agreement in the manner set forth in the Loan Agreement.

Section 6.7. Law Governing. The terms of this Mortgage and all rights and obligations hereunder shall be governed by the internal laws (as opposed to the conflicts of law provisions) and decisions of the Commonwealth of Pennsylvania; provided, however, that Lender shall be entitled to all rights conferred by the filing, recording or deposit hereof in the appropriate office(s) pursuant to Section 11303 of the Interstate Commerce Act or in such other offices as may be appropriate in the jurisdiction in which the Equipment is operated.

Section 6.8. Counterparts. This Mortgage may be executed in several counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement.

Section 6.9. Successors and Assigns. This Mortgage shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of Lender and its, successors and assigns. Borrower's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession to the extent that any of the foregoing are considered to be a successor or assign of or for the Borrower; provided, however, that Borrower shall not voluntarily assign or transfer its rights or obligations hereunder without Lender's prior written consent.

Section 6.10. Severability. The provisions of this Mortgage are severable and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction or any other clause or provision of this Mortgage in any jurisdiction.

Section 6.11. Further Assurances. Borrower will, from time to time, do and perform any other act or acts and will execute, acknowledge, and deliver, and file, register, and record (and will refile, re-register and rerecord whenever required) any further instrument, including any extensions and renewals thereof, required by law or requested

by Lender in order to confirm or further assure the interests of Lender hereunder.

IN WITNESS WHEREOF, the undersigned has caused this Mortgage to be executed by its duly authorized representative as of the day and year first set forth above.

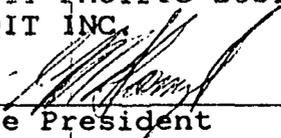
AMG RESOURCES CORPORATION

By: 

Allan M. Goldstein, President

Agreed to and acknowledged
as of the 4th day of
March, 1988.

SECURITY PACIFIC BUSINESS
CREDIT INC.

By: 

Vice President

STATE OF ALABAMA)
) SS:
COUNTY OF JEFFERSON)

On this 11th day of March, 1988, before me personally appeared Allan M. Goldstein, to me personally known who, being by me duly sworn, says that he is the President of AMG Resources Corporation and that said instrument was on March 4, 1988, signed 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.

Martha C. Wittich
Notary Public

(NOTARIAL SEAL)

My Commission Expires:

MY COMMISSION EXPIRES AUGUST 9, 1988

STATE OF ALABAMA)
) SS:
COUNTY OF JEFFERSON)

On this 4 day of March, 1988, before me personally appeared Gregory L. Blomquist, to me personally known who, being by me duly sworn, says that he is a Vice President of Security Pacific Business Credit Inc. and that said instrument was on March 4, 1988, signed 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.

Martha C. Utterback
Notary Public

(NOTARIAL SEAL)

My Commission Expires: MY COMMISSION EXPIRES AUGUST 9, 1988

Attachment I
 To
 Security Agreement
 (Equipment Mortgage)
 Dated March 4, 1988

Description & I.D. Number

2001	2001
2081 A	2081 A
2081 A	2081 A
IN PLANT USE	IN PLANT USE
2018 A	2018 A
7071 A	7071 A
7072 A	7072 A
5027	5027
5028	5028
5029	5029
5030	5030
4043	4043
4044 A	4044 A
7075 A	7075 A
7076 A	7076 A
7073 A	7073 A

A Indicates that two cars have been articulated; i.e., permanently joined.

The following described railroad cars are in service exclusively within the identified Vulcan Materials Company plant areas, are not used outside of such areas, and do not travel on the interstate railways.

<u>Location</u>	<u>Description</u>
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Pittsburgh, Pennsylvania	70 Ton Gondola Car OFC 83
Pittsburgh, Pennsylvania	70 Ton Gondola Car OFC 83
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Pittsburgh, Pennsylvania	Gondola Car ZGR 2138
Pittsburgh, Pennsylvania	Gondola Car ZGR 1954
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Gary, Indiana	R R Gondola Car
Gary, Indiana	Used Rail Cars
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Gary, Indiana	Hopper Car VMC 72135
Gary, Indiana	Hopper Car VMC 72090
Gary, Indiana	Hopper Car VMC 72155
Gary, Indiana	Hopper Car VMC 72169
Gary, Indiana	Hopper Car VMC 72128
Gary, Indiana	Gondola Car

_____)
District of)
)
Columbia)
_____)

On this 7th day of March, 1988, the undersigned Notary Public says that she has compared the attached copy to the original of the Security Agreement (Equipment Mortgage) dated as of March 4, 1988 between AMG Resources Corporation and Security Pacific Business Credit Inc.; and such copy is complete and identical in all respects to the original.

(SEAL)

Audrey O. Greener
Notary Public

My Commission expires on Jan. 31, 1981.