

3-099A024

RECORDATION NO. 18194 FILED 1425

APR 9 1993 3:15 PM

INTERSTATE COMMERCE COMMISSION

April 6, 1993

Secretary of the Interstate
Commerce Commission
Interstate Commerce Commission
Washington, DC 20423

Dear Secretary:

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

This document is a Mortgage of Locomotives, a primary document, dated as of March 24, 1993. The names and addresses of the parties to the documents are as follows:

Mortgagor: General Electric Company
2901 E. Lake Road
Erie, PA 16531

Mortgagee: PNC Bank, National Association
One PNC Plaza
Pittsburgh, PA 15265

A description of the locomotives covered by the documents follows:

<u>Type</u>	<u>ARR Mechanical Designation</u>	<u>Number of Units</u>
Dash 8-40CW	Locomotives	12

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REC'D
COMM. DIV.

Secretary of the Interstate
Commerce Commission
April 6, 1993
Page 2

Identifying
Mark

and

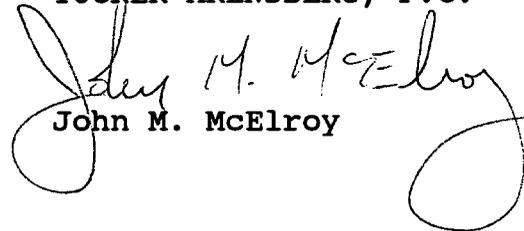
Road
Serial
Numbers

867 879
869 881
871 883
873 885
875 887
877 889

A fee of \$16 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to PNC Bank, National Association, c/o John M. McElroy, Esquire, Tucker Arensberg, P.C., 1500 One PPG Place, Pittsburgh, PA 15222

Very truly yours,

TUCKER ARENSBERG, P.C.


John M. McElroy

JMM/jll

Enclosures

18194
RECORDATION NO. FILED 1425

APR 9 1993 3-15 PM

INTERSTATE COMMERCE COMMISSION

MORTGAGE OF LOCOMOTIVES

By and Between

GENERAL ELECTRIC COMPANY,
a New York corporation,
as Mortgagor

and

PNC BANK, NATIONAL ASSOCIATION
as Mortgagee

Dated as of March 24, 1993

MORTGAGE OF LOCOMOTIVES

THIS MORTGAGE OF LOCOMOTIVES dated as of March 24, 1993 by and between the GENERAL ELECTRIC COMPANY, a New York corporation having an office and place of business at 2901 East Lake Road, Erie, Pennsylvania 16531 (the "Mortgagor") and PNC BANK, NATIONAL ASSOCIATION, a national banking association, having an office and place of business at One PNC Plaza, Pittsburgh, Pennsylvania 15265 ("PNC"), 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 12 locomotives specifically identified in Schedule 1 hereto and incorporated herein by reference (all of which locomotives and any other railroad rolling stock covered hereby, whenever now or hereafter 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

PNC has agreed, subject to the terms and conditions of a Receivables Purchase Agreement dated as of March 24, 1993 by and between Mortgagor and PNC, to purchase from Mortgagor certain accounts receivable and rights to payment of monies in connection with the sale of the Units to The Atchison, Topeka and Santa Fe Railway Company for a purchase price equal to Fourteen Million Three Hundred Eighty Eight Thousand Seven Hundred Ninety Five Dollars (\$14,388,795.00) (the "Agreement"). Mortgagor has agreed to repurchase such accounts receivable and rights to payment of monies under certain conditions as set forth in Section 7.2 of the Agreement (the "Repurchase Obligation"). 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 does hereby grant to PNC a lien and/or a security interest in the Units to secure the Agreement.

4. Mortgagor's Obligations

Mortgagor's obligations hereunder shall include the total unpaid amount of the Repurchase Obligation together with any and all of Mortgagor's other obligations under the Agreement, a security agreement referred to in Section 5.5 of the Agreement or hereunder, all of whatever kind and whenever created of Mortgagor to PNC, including interest, whether direct or indirect, absolute or contingent, joint or several or whether 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 PNC a continuing lien on and 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 locomotives 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 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 warranty to PNC that each delivered Unit is in the condition, repair and of a value to be fully suitable for all purposes 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 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 PNC, 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. PNC 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 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, interpretations, codes and orders. Mortgagor agrees to indemnify and hold PNC safe and harmless from and against any and all claims, costs, expenses (including without limitation attorney's fees), damages and liabilities claimed, arising from or pertaining to such laws, ordinances, regulations, rules, interpretations, codes and orders.

9. Supplemental Schedules and Identifications

In the event of any addition or substitution of Mortgaged Property hereunder, Mortgagor will forthwith prepare and submit to PNC supplemental schedules in form and substance satisfactory to PNC. 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 stating that the ownerships is subject to a security agreement filed with the Inter-State Commerce Commission, including without limitation the marks and stencils recited in the Schedule. Mortgagor agrees to join with PNC in the execution of any documents and to pay all recording costs, fees and taxes associated therewith which PNC may request to give evidence of PNC's interest in the Units and Mortgagor agrees that PNC may give notice of such interest to any and all of Mortgagor's creditors, provided that such giving of notice is subject to the provisions of Section 8.3 of the Agreement.

10. Insurance

Mortgagor further warrants and covenants that it 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 its cost and at no cost to PNC, with insurers of recognized responsibility comprehensive public liability and property damage insurance in respect of the operation and use of the Units as follows:

(i) Comprehensive Public Liability insurance in an Amount not less than \$3,000,000 per occurrence;

(ii) All risk physical loss and damage coverage in an amount of \$1,203,304 per locomotive.

(b) Delivery of Certificates of Insurance. Mortgagor shall deliver to PNC copies of each certificate of insurance upon or prior to the execution hereof.

11. Loss or Damages

If damage occurs to any of the Units, Mortgagor shall:

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

- (b) With the prior consent of (which consent shall not be unreasonably withheld) or on the demand of PNC declare that the Unit has suffered an Event of Loss in which event Mortgagor shall make the prepayment required by Section 7.4 of the Agreement.

In the event the Mortgagor repairs the Unit which suffered the damage PNC will, upon proof satisfactory to it of the completion of all necessary repair, release to the Mortgagor any insurance proceeds received by PNC as a result of the occurrence of the damage. In the event the Mortgagor declares that the Unit has suffered an Event of Loss, PNC shall apply insurance proceeds 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 PNC has been prepaid at the time it receives the insurance proceeds it shall deliver those proceeds to the Mortgagor.

12. Assignment

Except as provided in the Interim User Agreement 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 PNC. PNC 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 Termination 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), PNC 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 PNC (a) may require Mortgagor to make the Units and the records thereof available to PNC at a place to be designated by PNC reasonably convenient to both parties and (b) 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 PNC 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 requirements. Accordingly, the parties agree that, after default, PNC is to have the widest possible latitude of action to preserve and protect the Units and its security therein and agree further that, at its option, PNC 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 PNC of any proceeds of or use or disposition thereof and/or to do any other thing and exercise any rights or remedies which PNC may or might, with or without judicial process, do or exercise.

After PNC takes or receives possession of the Units following default, PNC may sell, lease or otherwise dispose of the Units in any manner permitted by law, and if notice is required by law, PNC 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 PNC 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 5 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 PNC to sell, lease or otherwise use any Units in mitigation of PNC's damages as set forth in this section or which may otherwise limit or modify any of PNC's rights or remedies under this section.

Mortgagor shall pay to PNC, 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 PNC in exercising any of its right or remedies hereunder or enforcing any of the terms, conditions or provisions hereof. PNC's recourse against the Mortgagor for payment under this paragraph shall be limited to the amounts realized upon disposition of the Units; provided however, Mortgagor shall be personally liable for the performance of its duties as servicing agent pursuant to Article VI of the Agreement and otherwise as provided for in the Agreement.

15. Concurrent Remedies

No right or remedy of PNC 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 PNC hereunder shall not of itself constitute a recognition of a default of all provisions hereof or of an intent by PNC to terminate all the provisions hereof. Moreover, a failure of PNC to insist upon strict compliance with the terms hereof or to assert any right or remedy hereunder shall not be 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 matters required to be performed hereunder, PNC 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 PNC in such performance, together with interest thereon at the rate of two percent (2%) per annum in excess of the Prime Rate as that rate may change from time to time until paid shall be payable to PNC 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 Mortgagor at 2901 East Lake Road, Erie, Pennsylvania 16531. Any communication to PNC shall be deemed properly given if similarly mailed to PNC Bank, National Association, The Northwest Atrium, 500 West Madison Street, Suite 3140, Chicago, IL 60600, with a copy to Nancy E. Sternbach, Assistant Vice President, PNC Bank, National Association, 335 Madison Avenue, 10th Floor, New York, New York 10017. Either party hereto may at any time change its address for notification 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 PNC.

The titles to 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 by their respective duly authorized officers as of the 24th day of March, 1993.

MORTGAGOR

GENERAL ELECTRIC COMPANY, a
New York corporation

By John M. Colman
Name John Colman
Title Mgr Finance

PNC BANK, NATIONAL ASSOCIATION

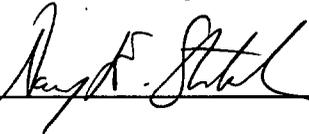
By Nancy E. Sterobach
Name NANCY E. STEROBACH
Title ASST. VICE PRESIDENT

CERTIFICATE OF RESIDENCE OF MORTGAGEE

The Mortgagee within named hereby certifies that it has an office and place of business as set forth below opposite its name.

PNC Bank, National Association

One PNC Plaza
Pittsburgh, PA 15265



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000011 - 005189

SCHEDULE 1

To Mortgage of Locomotives
Dated March 24, 1993

Description of Locomotives (Units):

<u>Type</u>	<u>ARR Mechanical Designation</u>	<u>Number of Units</u>
Dash 8-40 CW	Locomotives	12

Identifying Marks and Road Serial Numbers

867
869
871
873
875
877
879
881
883
885
887
889

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

Ownership subject to a security agreement filed with the
Interstate Commerce Commission.