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\* ALSO ADMITTED IN NEW YORK  
\* ALSO ADMITTED IN MARYLAND

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RECORDATION NO 15221-A  
FILED 1425

July 19, 1990

JUL 19 1990 - 1:00 PM

INTERSTATE COMMERCE COMMISSION

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are three (3) fully executed and acknowledged copies (two originals and one photocopy) of an Assignment and Assumption of and Amendment to Restated and Amended Chattel Mortgage dated July 17, 1990, a secondary document as defined in the Commission's Rules for the Recordation of Documents, 49 C.F.R. Section 1177.

The enclosed document relates to a Restated and Amended Chattel Mortgage dated as of April 3, 1987, which was filed and recorded on May 7, 1987 under Recordation Number 15221.

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

Mortgagor: Lewistown Specialty Yarns Inc.  
1000 Elizabeth Street  
Lewistown, Pennsylvania 17044

Mortgagee: Heller Financial, Inc.  
200 North La Salle Street  
Chicago, Illinois 60601

Seller: Lewistown Fibers, Inc.  
(f/k/a Avtex Fibers Lewistown, Inc.)  
1000 Elizabeth Street  
Lewistown, Pennsylvania 17044

*C. T. Kappler*

JUL 19 1 03 PM 1990  
RECORDATION DIVISION

Interstate Commerce Commission  
Washington, D.C. 20423

7/19/90

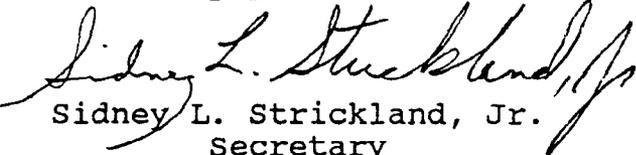
OFFICE OF THE SECRETARY

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 7/19/90 at 1:20pm, and assigned recordation number(s). 15221-A

Sincerely yours,

  
Sidney L. Strickland, Jr.  
Secretary

RECORDATION NO. 15221-A FILED 1425

JUL 19 1990 - 1:20 PM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT AND ASSUMPTION OF AND AMENDMENT  
TO RESTATED AND AMENDED CHATTEL MORTGAGE

THIS ASSIGNMENT AND ASSUMPTION OF AND AMENDMENT TO RESTATED AND AMENDED CHATTEL MORTGAGE ("Amendment") is made as of the 17th day of July, 1990 between LEWISTOWN SPECIALTY YARNS INC., a Pennsylvania corporation ("Mortgagor"), HELLER FINANCIAL, INC., a Delaware corporation ("Mortgagee") and LEWISTOWN FIBERS INC. f/k/a AVTEX FIBERS LEWISTOWN INC., a Pennsylvania corporation ("Seller").

W I T N E S S E T H:

WHEREAS, Seller and Mortgagee entered into a certain Restated and Amended Factoring, Loan and Security Agreement, dated April 3, 1987, as amended from time to time (as so amended, the "Loan Agreement");

WHEREAS, Seller and Mortgagee entered into that certain Restated and Amended Chattel Mortgage, dated as of April 3, 1987 and recorded with the Interstate Commerce Commission on May 7, 1987 and assigned recordation number 522 (the "Mortgage");

WHEREAS, in consideration for the purchase of all of Seller's assets (the "Assets"), Mortgagor has agreed to assume a portion of the Obligations (as defined in the Loan Agreement) in the principal amount of \$6,962,307.30 (the "Assumed Indebtedness") pursuant to that certain Assumption Agreement among Seller, Mortgagee and Mortgagor of even date herewith;

WHEREAS, Mortgagor and Mortgagee have entered into that certain Factoring, Loan and Security Agreement of even date herewith (the "Mortgagor Loan Agreement") (the Assumed Indebtedness and any Indebtedness as defined in the Mortgagor Loan Agreement are collectively referred to hereinafter as the "Secured Indebtedness");

NOW, THEREFORE, in consideration of the foregoing premises and as security for the payment of the Secured Indebtedness, the parties to this Amendment hereby amend the Mortgage in the following respects and agree that Mortgagor hereby assumes Seller's obligations under the Mortgage as provided in the Assumption Agreement.

1. The third line of the first paragraph of the Mortgage is amended to delete reference to "Avtex Fibers Lewistown Inc." and to substitute "Lewistown Specialty Yarns Inc." therefor. Wherever reference to "Mortgagor" appears in the Mortgage, such reference shall mean Lewistown Specialty Yarns Inc. and its successors and assigns.

2. Mortgagor hereby ratifies and confirms the liens on and security interests in the rolling stock described in Exhibit A attached hereto and does hereby grant, sell, mortgage and convey such rolling stock to Mortgagee.

3. Mortgagor hereby acknowledges Seller's assignment of the Assumed Indebtedness to Mortgagee and further acknowledges that the Mortgage, as amended hereby, shall secure the Assumed Indebtedness as well as other components of the Secured Indebtedness.

4. Mortgagee hereby consents to this Amendment and to Mortgagor's assumption of the Assumed Indebtedness pursuant to the Assumption Agreement.

5. Mortgagee, Seller and Mortgagor hereby agree that this Amendment modifies the Mortgage and in no way acts as a release or relinquishment of liens, security interests and rights (collectively called the "Liens") securing payment of the Secured Indebtedness, including without limitation, the Liens created by the Mortgage. The Liens are hereby renewed, extended, ratified and confirmed by Mortgagor in all respects. Nothing contained herein shall be construed as a release of Seller from any obligations (as defined in the Loan Agreement) to Mortgagee under the Loan Agreement.

6. This Amendment is made upon all of the terms, covenants, and agreements of the Mortgage, which are incorporated herein by reference, and the provisions contained herein shall have the same effect as if such provisions were originally included in the Mortgage. Except as supplemented and amended hereby, all of the terms, covenants, and agreements in the Mortgage remain unchanged, and as supplemented and amended, they continue in full force and effect.

7. Mortgagor and Seller hereby ratify, affirm, reaffirm, acknowledge, confirm and agree that the Mortgage (as amended by this Amendment), represents the valid, enforceable, and collectable obligations of Mortgagor, and Mortgagor and Seller further acknowledge that there are no existing claims, defenses, personal or otherwise or rights of setoff whatsoever with respect to any of the aforementioned instruments or documents, and Mortgagor and Seller further acknowledge and represent that no event has occurred and no condition exists which would constitute a default under the Mortgage Loan Agreement in this Amendment, either with or without notice or lapse of time, or both. Mortgagor hereby further agrees to waive any defenses available to Seller arising under the Mortgage. Mortgagor confirms the waiver of any rights of redemption and reinstatement, to the full extent provided by law.

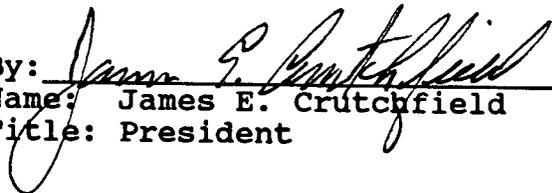
8. Mortgagee, Mortgagor and Seller hereby agree that except as specifically modified herein, all the terms and

provisions of the Loan Agreement and related security documents are hereby ratified and reaffirmed by Mortgagor and Seller and Mortgagor and Seller specifically acknowledge the validity and enforceability thereof.

The covenants, conditions and agreements contained in this Amendment and incorporated herein shall bind, and the benefits thereof shall inure to the parties hereto and their respective successors and assigns. This Amendment shall be governed by and construed in accordance with the laws of the State of New York, but the parties shall be entitled to the recordation of certain liens as codified at 49 United States Code §11303(a) or any successor provision.

IN WITNESS WHEREOF, Mortgagor, Mortgagee and Seller have caused this Amendment to be executed the day and year first above written.

LEWISTOWN SPECIALTY YARNS INC.

By:   
Name: James E. Crutchfield  
Title: President

(SEAL)

ATTEST: 

HELLER FINANCIAL, INC.

By:   
Name: ALBERT M. RICCHIO  
Title: SENIOR VICE PRESIDENT

(SEAL)

LEWISTOWN FIBERS INC.  
f/k/a AVTEX FIBERS LEWISTOWN INC.

(SEAL)

By: Kenneth W. Baldwin  
Name: Kenneth W. Baldwin  
Title: President

ATTEST:

Kenneth Baldwin

ACKNOWLEDGEMENTS

STATE OF ILLINOIS            )  
  )  
COUNTY OF COOK            )     SS.

On this, the 17 day of July, 1990, before me, the undersigned officer, personally appeared James E. Crutchfield who acknowledged himself to be the President of Lewistown Specialty Yarns Inc., and that he as such officer, being authorized to do so, executed the within Assignment and Assumption of and Amendment to Restated and Amended Chattel Mortgage for the purposes therein contained by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Robin Carlucci

Notary Public

My Commission Expires:

OFFICIAL SEAL ROBIN CARLUCCI NOTARY PUBLIC STATE OF ILLINOIS MY COMMISSION EXP. SEPT. 4, 1991
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ACKNOWLEDGEMENTS

STATE OF ILLINOIS            )  
  )  
COUNTY OF COOK            )        SS.

On this, the 17 day of July, 1990, before me, the undersigned officer, personally appeared Ronald Baldwin who acknowledged himself to be the President of Lewistown Fibers Inc. f/k/a Avtex Fibers Lewistown Inc. and that he as such officer, being authorized to do so, executed the within Assignment and Assumption of and Amendment to Restated and Amended Chattel Mortgage for the purposes therein contained by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Robin Carlucci  
Notary Public  
My Commission Expires:

OFFICIAL SEAL  
ROBIN CARLUCCI  
NOTARY PUBLIC STATE OF ILLINOIS  
MY COMMISSION EXP. SEPT. 4. 1991

ACKNOWLEDGEMENTS

STATE OF ILLINOIS            )  
  )  
COUNTY OF COOK            )    SS.

On this, the 17 day of July, 1990, before me, the undersigned officer, personally appeared Albert M. Ricchio who acknowledged himself to be a Sr. Vice President of Heller Financial, Inc., and he as such officer, being authorized to do so, executed the within Assignment and Assumption of and Amendment to Restated and Amended Chattel Mortgage for the purposes therein contained by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Robin Carlucci  
Notary Public  
My Commission Expires:

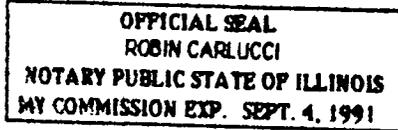


EXHIBIT A  
to  
ASSIGNMENT AND ASSUMPTION OF AND  
AMENDMENT TO RESTATED AND AMENDED CHATTEL MORTGAGE

Lewistown Specialty Yarns Inc., Mortgagor  
Heller Financial, Inc., Mortgagee

Mortgagor's Railroad Equipment

None, except

1. One (1) 1948 model G.E. locomotive, 44 ton, 2  
Caterpillar engines, serial number 29971.

2. One (1) brown track crane, 1949 model, 25 ton, no  
serial number.