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6-05-1980

No.
Date JUL 29 1980
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ICC Washington, D. C.

July 23, 1980

RECORDATION NO. 12028 Filed & Recorded

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INTERSTATE COMMERCE COMMISSION

Agatha L. Mergenovich, Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Madam:

Enclosed for recordation under the provisions of 49 U.S.C. §11303 are the original and counterparts of a Security Agreement and Chattel Mortgage dated as of July 1, 1980 ("Security Agreement").

A general description of the railroad rolling stock covered by the Security Agreement is set forth in Schedule 1 - Description of Units attached to this letter and made a part hereof.

The names and addresses of the parties to the Security Agreement are

Lender: The Chase Manhattan Bank, N.A.
One Chase Manhattan Plaza
New York, New York 10081

Debtor: United States Trust Company of New York,
as Trustee under Trust Agreement dated
as of July 1, 1980
45 Wall Street
New York, New York 10005

The undersigned is an executive officer of the Lender which is a party to the enclosed document and has knowledge of the matters set forth therein.

Please return the original copy and two counterparts of the Security Agreement to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

Also enclosed is a check in the amount of \$50.00 covering the required recording fee.

Very truly yours,

THE CHASE MANHATTAN BANK, N.A.

By Colleen C. Murphy A.T.
Title

Charles T. Kappler

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FEE OPERATION BR.

Schedule 1

Description of Units

100-Ton 4,750 and 4700 Cubic Foot Capacity Covered Hoppers:

Manufacturer: Portec, Inc.

Number of Case: 116

Identifying Marks: XTRX 76577 - XTRX 76692 inclusive

Purchase Agreement: XTRA Inc. Equipment Purchase Order E-2064, dated November 3, 1979, accepted November 3, 1979 by Railcar Division of Portec, Inc.

Manufacturer: Richmond Tank Car Company

Number of Cars: 125

Identifying Marks: XTRX 75958 - XTRX 76082 inclusive

Purchase Agreement: Letter Order of ITEL Corporation, dated November 30, 1978, accepted December 11, 1978 by Richmond Tank Car Company, as amended.

Manufacturer: FMC Corporation, Marine and Rail Equipment Division

Number of Cars: 90

Identifying Marks: XTRX 76983 - XTRX 76999 inclusive and XTRX 77010 - XTRX 77082 inclusive

Purchase Agreement: XTRA Inc. Purchase Order E-2098, dated June 5, 1980, accepted ~~June~~ July 11, 1980, by Marine and Rail Equipment Division of FMC Corporation.

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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT AND CHATTEL MORTGAGE

THIS SECURITY AGREEMENT AND CHATTEL MORTGAGE dated as of July 1, 1980 between United States Trust Company of New York, a New York corporation, not in its individual capacity but solely as Trustee (the "Debtor") under the Trust Agreement referred to below and The Chase Manhattan Bank, N.A. (the "Lender");

W I T N E S S E T H :

A. Operative Agreements. The Debtor in its individual capacity and General Electric Credit Corporation, a New York corporation (the "Trustor") have entered into a Trust Agreement dated as of June 15, 1980 (the "Trust Agreement"), and pursuant to the authorizations and directions contained in the Trust Agreement, the Debtor has entered into or will be the recipient of:

(1) an Interim Participation Agreement (the "Participation Agreement") among XTRA Leasing, Inc., a Delaware corporation (the "Lessee"), the Trustor, the Lender and the Debtor, pursuant to which, among other things, the Lender has agreed to make loans to the Debtor up to but not exceeding an aggregate principal amount of \$10,000,000 to enable the Debtor to finance a portion of the purchase price of the Equipment (as said term is defined in the Participation Agreement), which Equipment is described in Schedule 1 hereto;

(2) three Purchase Order Assignments (together with the consents thereto, the "Purchase Order Assignments") among the Debtor, XTRA, Inc. ("XTRA") and the Lessee pursuant to which XTRA has assigned to the Debtor the rights of XTRA to purchase the Equipment from the manufacturers thereof;

(3) an Equipment Lease (the "Lease") between the Debtor, as lessor, and the Lessee, as lessee, providing for the lease of the Equipment to the Lessee; and

(4) a Guarantee Agreement (the "Guarantee") from XTRA Corporation, a Delaware corporation (the "Guarantor"), to the Debtor providing for the guarantee of the obligations of the Lessee under certain of the

Operative Agreements (as such term is defined in the Participation Agreement).

Except as otherwise herein provided, terms defined in the Participation Agreement and used herein are used herein as defined therein.

B. Security. To induce the Lender to enter into the Participation Agreement and to make loans to the Debtor thereunder, the Debtor has agreed to grant a security interest in all of its right, title and interest in and to the Equipment and in, to and under the Purchase Order Assignments, the Lease and the Guarantee (subject always to the limitations thereon set forth in Section 1 hereof) as collateral security for the payment and performance of the Debtor's obligations to the Lender hereunder, under the Participation Agreement and under the Notes hereafter referred to evidencing the loans to the Debtor.

C. The Notes. The loans made by the Lender to the Debtor pursuant to the Participation Agreement will be evidenced by the Secured Notes (the "Notes") of the Debtor, each Note to be dated the date of the making of the Loan evidenced thereby, to bear interest from such date at the rate provided therein and to be otherwise substantially in the form attached hereto as Schedule 2.

NOW, THEREFORE, the parties hereto agree as follows:

1. Grant of Security Interest in Collateral.

(a) As collateral security for the payment in full of the loans to be made to the Debtor under the Participation Agreement and the Notes evidencing said loans, and all other amounts owing by the Debtor to the Lender from time to time hereunder and under the Participation Agreement (including without limitation the commitment fee, fee in lieu of balances and facility fees described in Section 14(f) hereof), and the performance of all other obligations of the Debtor hereunder and under the Participation Agreement (such loans, amounts and other obligations being herein called the "Obligations"), the Debtor hereby grants to the Lender a security interest in and general lien upon, and hereby mortgages, assigns and pledges to the Lender, the following described property, whether now existing or

hereafter acquired and wherever located, subject always to the limitations thereon hereinafter in this Section 1 set forth (herein collectively called the "Collateral"):

(i) all of the Debtor's right, title and interest in and to the Equipment and all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment, except such thereof as remain the property of the Lessee under the Lease, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of the Equipment, except such thereof as remain the property of the Lessee under the Lease, together with all the rents, issues, income, profits and avails therefrom;

(ii) all of the Debtor's right, title and interest in, to and under the Lease, including, without limitation:

(a) the immediate and continuing right to receive all rents, payments and indemnities under the Lease (subject always to the limitation on such right hereinafter in this Section 1 set forth);

(b) any right to consent to alterations, modifications, additions or attachments to any unit of Equipment proposed by the Lessee, provided, however, that so long as no Event of Default hereunder shall have occurred and be continuing no such right shall be exercised by the Lender without the prior written consent of the Debtor;

(c) any right to approve proposed insurers of the Equipment and the proposed amount of insurance covering the Equipment (provided, however, that so long as no Event of Default hereunder shall have occurred and be continuing no such right shall be exercised by the Lender without the prior written consent of the Debtor), the right to receive the proceeds of casualty insurance and the right to remit the same to the Lessee pursuant to the terms of the Lease;

(d) upon the Lessee's failure to make any payment or perform any required act under the Lease the right to make such payment or perform such act;

(e) any right to consent to the sale, transfer, assignment, sublease, conveyance or pledge of the Lessee's interest in and to the Lease or the Equipment, provided, however, that so long as no Event of Default hereunder shall have occurred and be continuing no such right shall be exercised by the Lender without the prior written consent of the Debtor;

(f) the right to declare an Event of Default under the Lease;

(g) the right to take such action upon the occurrence of an Event of Default under the Lease or an event which with notice or lapse of time or both would become an Event of Default under the Lease, including the commencement, conduct and consummation of legal, administrative or other proceedings as shall be permitted by the Lease or by law, and to do any and all other things whatsoever that the Debtor is or may be entitled to do under the Lease upon such occurrence; and

(h) the right to make all waivers and agreements and to enter into any supplements or amendments or modifications relating to the Lease or any provision thereof, provided, however, that so long as no Event of Default hereunder shall have occurred and be continuing no such right shall be exercised by the Lender without the prior written consent of the Debtor and in any event such right of the Lender shall not, prior to the occurrence of an Event of Default, be deemed to limit Section 8.5 of the Participation Agreement;

(iii) all of the Debtor's right, title and interest in, to and under the Purchase Order Assignments and the Consents and all moneys and revenues of any kind accruing thereunder;

(iv) all of the Debtor's right, title and interest in, to and under the Guarantee and all moneys and revenues of any kind accruing thereunder provided, however, that so long as no Event of Default hereunder shall have occurred and be continuing the right to make waivers and agreements and to enter into supplements or amendments or modifications relating to the Guarantee,

(other than with respect to Section 3.1 thereof) shall not be exercised by the Lender without the prior written consent of the Debtor; and

(v) all of the proceeds and products of any of the foregoing;

it being the intention of the Debtor to subject the interest of the Debtor in the Collateral to the security interest of this Agreement without the necessity of any further act by the parties hereto. It is expressly agreed that anything herein to the contrary notwithstanding, the Debtor shall perform all of its obligations to the Lessee under the Lease and the Purchase Order Assignments in accordance with and pursuant to the terms and provisions thereof, and the Lender shall not be required or obligated in any manner to perform or fulfill any obligations of the Debtor under or pursuant to the Lease or the Purchase Order Assignments or to make any payment or to make any inquiry as to the nature or sufficiency of any payment received by it or for its account hereunder, or present or file any claim, or take any action to collect or enforce the payment of any amounts which may have been assigned to the Lender or to which the Lender may be entitled at any time or times. The Lender however agrees for the benefit of the Lessee that if it forecloses on the Lease hereunder and no Event of Default under the Lease shall have occurred and at the time be continuing it will, upon such foreclosure, assume the obligations of the Lessor under the Lease.

(b) The security interest granted by this Section 1 is subject to (i) the right, title and interest of the Lessee in and to the Equipment under the Lease so long as no Event of Default (as defined in the Lease) shall have occurred and be continuing thereunder, (ii) the lien of current taxes and assessments on the Equipment not in default for which the Debtor or the Trustor is liable, or, if delinquent, the validity of which is being contested in good faith and as to which there is no risk (in the opinion of the Lender) of the loss of the Equipment, and (iii) liens and charges permitted by clauses (iii), (iv), (v) and (vi) of Section 6 of the Lease.

(c) The Lender shall have and hold the Collateral forever; provided, always, however, that such security interest is granted upon the express condition that if the Debtor shall pay or cause to be paid all the Obligations

then these presents and the estate hereby granted and conveyed shall cease and this Agreement shall become null and void.

(d) There are expressly excepted and reserved from the security interest and operation of this Agreement the following described properties, rights, interests and privileges and nothing herein or in any agreement contained shall constitute an assignment of these excepted rights in collateral to the Lender:

(i) all payments of any indemnity under Sections 7 and 12 of the Lease (including interest thereon, if any, as provided in the Lease) which by the terms of any of such Sections of the Lease are payable to the Debtor or the Trustor, as the case may be, for its own account;

(ii) all rights of the Debtor under the Lease to demand, collect, sue for or otherwise obtain all amounts from the Lessee due the Debtor or the Trustor, as the case may be, on account of any such indemnities or payments and all payments of Supplemental Rent to extent such payments constitute such Rent under the Lease;

(iii) all payments under the Guarantee with respect to the obligations of the Lessee referred to in paragraphs (i) and (ii) above; and

(iv) any insurance proceeds payable under general public liability policies maintained by the Lessee pursuant to Section 11 of the Lease which by the terms of the Lease are payable to the Debtor or the Trustor, as the case may be, for its own account.

2. Lender's Rights in Respect of the Collateral.

In furtherance of the provisions of Section 1 hereof, the Lender shall have the right to collect and receive all rents, payments and indemnities in respect of the Collateral payable to the Debtor at all times during the period from and after the date of this Agreement until the Obligations have been fully paid and discharged. The Debtor shall cause the Lessee to remit all rentals and other amounts payable under the Lease directly to the Lender at its address set forth on the signature page hereof. The Lender shall credit

all sums so received and any other amounts from time to time received by the Lender upon or in respect of the Collateral (except proceeds of sale) to a cash collateral account on the books of the Lender (making reference to the Participation Agreement and this Agreement) which account and the balance from time to time therein shall constitute part of the Collateral.

So long as no Event of Default hereunder (or, other than in respect of clause (d) below, an event which with notice or lapse of time or both would become an Event of Default) has occurred and is continuing, amounts credited from time to time to such cash collateral account shall be applied by the Lender as follows:

(a) The installment of Interim Rental (as defined in the Lease) due under the Lease on February 5, 1981 shall be applied to the payment in full of the installment of interest on the Notes and fees under Section 14(f) hereof due on such date and then the balance, if any, of such amounts shall be paid on the same day to or upon the order of the Debtor;

(b) Each installment of Basic Rent (as defined in the Lease) from time to time due under the Lease shall be applied first, to the payment of the installments of principal of and interest on the Notes (and in each case first to interest and then to principal) and fees under Section 14(f) hereof due on or before the date such installments of rental are received by the Lender, and then the balance, if any, of such amounts shall be paid on the same day to or upon the order of the Debtor;

(c) Amounts from time to time received by the Lender which constitute settlement by the Lessee of the "Stipulated Loss Value" for any Item of Equipment pursuant to Section 10(a) of the Lease shall be applied promptly by the Lender as follows:

(i) first, to the payment of an amount equal to the accrued and unpaid interest on that portion of the Notes to be prepaid pursuant to the following subparagraph;

(ii) second, an amount equal to the Loan Value of such Item of Equipment for which settlement is then being made shall be applied to the prepayment,

without premium, of the principal of the Notes so that each of the remaining installments of each Note shall be reduced in the proportion that the principal amount of the prepayment bears to the unpaid principal amount of the Notes immediately prior to the prepayment; and

(iii) third, the balance, if any, of such amounts held by the Lender after making the applications provided for by the preceding subparagraphs (i) and (ii) shall be released to or upon the order of the Debtor on the day of payment of the amounts provided in the preceding clauses (i) and (ii).

For purposes hereof, the "Loan Value" in respect of any Item of Equipment shall be an amount equal to the product of (A) a fraction, the numerator of which is an amount equal to the Purchase Price of such Item of Equipment for which settlement is then being made and the denominator of which is the aggregate Purchase Price of all Items of Equipment then subject to the Lease (including the Purchase Price of such Items of Equipment for which settlement is then being made), times (B) the unpaid principal amount of the Notes immediately prior to the prepayment provided for in this Section 2 (after giving effect to all payments of installments or principal made or to be made on the date of prepayment provided for in this Section 2);

(d) The amounts received by the Lender from time to time with respect to any loss or damage to any Item of Equipment, shall be applied by the Lender from time to time as follows:

(i) if such Item of Equipment is to be repaired, such amounts shall be released to the Debtor to reimburse the Lessee for expenditures made for such repair; or

(ii) If such amounts shall not have been released to the Debtor pursuant to the preceding paragraph (i) and the Lease is to be terminated in respect of such Item in accordance with the provisions of Section 5 of the Lease then, such amounts shall be applied by the Lender as follows:

(A) first, to the prepayment of the principal of and interest on the Notes, all in the manner and to the extent provided for by paragraph (b) above; and

(B) second, the balance, if any, of such amounts held by the Lender after making the applications provided for by the preceding subparagraph (A) shall be released to or upon the order of the Debtor on the date of such prepayment of the Notes.

(e) Any other amounts from time to time received by the Lender under the Lease shall be released to or upon the order of the Debtor.

Amounts to be paid to the Debtor pursuant to this Section 2 shall be paid by wire transfer of immediately available funds to the office of the Debtor at the address set forth beneath its signature hereto.

3. Events of Default; Remedies. If any of the following events ("Events of Default") shall occur and be continuing, namely:

(a) default in the payment when due of any principal of or interest on any Note, or any commitment fee, fee in lieu of balances or facility fee under Section 14(f) or any other amount owing hereunder which shall have continued for a period of five or more days; or

(b) default by the Debtor in the performance or observance of any of its agreements hereunder or under the Participation Agreement (except for defaults referred to in the foregoing clause (a)) and the continuation thereof for a period of 30 or more days after notice from the Lender to the Debtor specifying the default and demanding the same to be remedied;

(c) any representation or warranty made by the Debtor herein or in the Participation Agreement, the Lease or the Purchase Order Assignments or in any statement, certificate or other document at any time given in writing by it pursuant hereto or thereto, or in connection herewith or therewith, shall prove to have been incorrect as of the date made, or shall be breached, in any material respect; or

(d) any event which constitutes an Event of Default under the Lease shall occur and be continuing; or

(e) the Debtor, in its capacity as trustee for the Trust Estate, shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of the Trust Estate or of all or a substantial part of the property of the Trust Estate, (ii) be generally unable to pay the debts of the Trust Estate as such debts become due, (iii) make a general assignment for the benefit of the creditors of the Trust Estate, (iv) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (v) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against the Trust Estate or (vii) take any action for the purpose of effecting any of the foregoing; or

(f) a proceeding or case shall be commenced, without the application or consent of the Debtor in its capacity as trustee for the Trust Estate in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, winding up, or composition or readjustment of debts, of the Trust Estate, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of the Trust Estate or of all or any substantial part of the Trust Estate's assets or (iii) similar relief in respect of the Trust Estate under any law providing for the relief of debtors, and such proceeding or case shall continue undismissed, or unstayed and in effect for a period of 30 days; or an order for relief against the Trust Estate shall be entered in an involuntary case under such Bankruptcy Code; or

(g) the security interest purported to be created by the Security Agreement in any of the Collateral shall for any reason other than the execution by the Lender of statements of release or termination cease to be a perfected security interest under applicable law;

THEREUPON (other than upon the occurrence of an event referred to in paragraphs (e) or (f) above), the Lender may, by notice to the Debtor, terminate its commitment under the

Participation Agreement and/or declare the full unpaid principal of and accrued interest on the Notes and all other obligations of the Debtor hereunder to be immediately due and payable, whereupon such amounts shall be immediately due and payable, without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Debtor and in the case of the occurrence of an event referred to in paragraphs (e) or (f) above, such commitment shall be automatically terminated and the full unpaid principal of and accrued interest on the Notes and all other obligations of the Debtor hereunder shall automatically become immediately due and payable, without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Debtor. In addition to the above, should any Event of Default occur, the Lender may directly exercise (1) the Debtor's rights and remedies under the Lease or otherwise with respect to the Collateral, (2) the Lender's rights under the Uniform Commercial Code and (3) the Lender's other rights at law or equity. Without limiting the generality of the foregoing, the Lender may exercise any one or more of the following remedies:

(i) The Lender personally or by agents or attorneys shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, subject to the Lessee's rights of possession of the Equipment under the Lease.

(ii) The Lender may at any time after the Notes have been declared to be immediately due and payable, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Debtor and the Lessee once at least ten days prior to the date of such sale, and any other notice which may be required by law, sell or dispose of the Collateral subject to the Lessee's rights, if any, under the Lease or any part thereof, at public or private auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Lender may determine, and at any place (whether

or not it be the location of the Collateral or any part thereof) designated in the notice above referred to; provided, however, that any such sale shall be held in a commercially reasonable manner. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further published notice, and the Lender may bid and become the purchaser at any such sale.

(iii) The Lender may proceed to protect and enforce this Agreement and the loans evidenced by the Notes, the Lease, the Purchase Order Assignments, the Consents and the Guarantee by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the enforcement of any other proper legal or equitable remedy available under applicable law.

For the sole purpose of exercising its rights herein enumerated, the Lender is authorized in its own name or in the name of the Debtor to do all things with reference to the Lease that the Debtor could do or might have done but for this Agreement. The Debtor hereby irrevocably constitutes and appoints the Lender, acting by any officer or agent, its true and lawful attorney with power to sign the name of the Debtor to all checks, drafts, evidences of indebtedness and instruments for the payment of rents or other sums received in connection with the Lease or representing any dividend or other distribution in respect of the Collateral and to give receipts in respect of such rents or other sums so received; to endorse, assign, or otherwise transfer any evidence of right, title or interest in and to the Equipment; to adjust, settle and collect any insurance maintained by or for the Lessee on all or any portion of the Equipment; to exercise all rights, options and remedies of the Debtor in connection with the Lease, Purchase Order Assignments, the Guarantee and the Consents; and to execute all documents and do all other acts and things which the Lender deems appropriate in connection with the enforcement and preservation of its rights hereunder and under the Lease, the Purchase Order Assignments, the Guarantee and the Consents.

4. Waiver by the Debtor. To the extent permitted by law, the Debtor 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 permitted by law now or at any time hereafter in force, nor claim, take nor 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 contained in Section 2 hereof, or 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 Collateral 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 the Debtor acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Agreement, 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 the 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.

5. Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the Collateral sold and shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all Persons claiming the Collateral sold or any part thereof under, by or through the Debtor, its successors or assigns, subject, however, to the then existing rights, if any, of the Lessee under the Lease.

6. Application of Sale Proceeds. The proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

(a) First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper expenses, liabilities and advances, including

legal expenses and attorneys' fees, incurred or made in connection therewith by the Lender, and of all taxes, assessments or liens superior to the security interest of this Agreement, except any taxes, assessments or other superior liens subject to which said sale may have been made;

(b) Second, to the payment of all amounts then due and payable on account of the Notes for application to principal and interest in such manner as the Lender shall in its sole discretion determine;

(c) Third, to the payment of all other amounts then due in respect of the Obligations under this Agreement or the Notes; and

(d) Fourth, after payment in full of all of the Obligations to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

If the proceeds of any such sale are insufficient to cover the costs and expenses of such sale, as aforesaid, and the payment in full of the Notes and such other amounts due in respect of the Obligations, the Debtor shall remain liable for any deficiency.

7. Private Sale. The Lender shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale. The Debtor hereby waives, subject to such sale being held in a commercially reasonable manner, any claims against the Lender arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Notes, even if the Lender accepts the first offer received and does not offer the Collateral to more than one offeree.

8. Lease Permitted. It is expressly understood that the possession and use of the Equipment pursuant to the Lease shall not constitute a violation of this Agreement.

9. Limitations of Liability. It is expressly understood and agreed by the Lender that this Agreement is executed by United States Trust Company of New York ("USTC") not individually or personally but solely as Trustee under

the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee, that each and all of the representations, undertakings and agreements herein made on the part of the Debtor are each and every one of them made and intended not as personal representations, undertakings and agreements by USTC or the Trustor, or for the purpose or with the intention of binding USTC or the Trustor personally, but are made and intended for the purpose of binding only the Trust Estate, that this Agreement is executed and delivered by USTC, solely in the exercise of the powers expressly conferred upon USTC, as trustee under the Trust Agreement, that actions to be taken by the Trustee pursuant to its obligations hereunder may, in certain instances, be taken by the Trustee only upon specific authority of the Trustor (it being however understood that failure of the Trustee to perform any of its obligations hereunder by reason of the Trustor not giving authorization shall not in any manner impair or affect any right of the Note Purchaser as against the Trust Estate with respect to such obligations), that nothing herein contained shall be construed as creating any liability on USTC, or the Trustor, individually or personally, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of USTC or the Trustor, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the holder of any Note and the Lender and by any person claiming by, through or under the holder of any Note or the Lender, and that nothing herein contained shall be construed as constituting any grant or assignment by the Debtor in its individual capacity of any of its rights in such capacity under or to the instruments, agreements or insurance proceeds referred to herein, and that so far as USTC, or the Trustor individually or personally are concerned, the holder of any Note and the Lender and any person claiming by, through or under the holder of any Note or the Lender shall, except as otherwise herein, in the Participation Agreement or the Trust Agreement provided, look solely to the Collateral for the performance of any obligation under any of the instruments referred to herein. The term "Debtor" as used in this Agreement shall include any trustee succeeding the Debtor as trustee under the Trust Agreement or the Trustor if the Trust created thereby is revoked. Any obligation of the Debtor hereunder may be, but shall not be required to be, performed by the Trustor, and any such performance shall not be construed as revocation of the Trust created by the Trust Agreement. Nothing contained

in this Agreement shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Trustee hereunder.

10. Discontinuance of Remedies. In case the Lender shall have proceeded to enforce any right under this Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case the Debtor and the Lender shall be restored to their former positions and rights hereunder with respect to the Collateral subject to the security interest created under this Agreement.

11. Further Assurances. The Debtor agrees that, from time to time upon the written request of the Lender, it shall execute and deliver such further documents and do such other acts and things as the Lender may reasonably request in order fully to effect the purposes of this Agreement.

12. Debtor to Remain Liable. Notwithstanding any provision of this Agreement to the contrary, the Debtor shall remain liable under the Lease to perform all of its obligations to the Lessee thereunder, and the exercise by the Lender of any of the rights or remedies under the Lease, or otherwise in respect of the Collateral, while an Event of Default is continuing shall not release the Debtor from any such obligations except to the extent that such exercise by the Lender shall constitute performance of such obligations.

13. Certain Rights of the Debtor on the Occurrence of an Event of Default Under the Lease. Except as hereinafter provided, if an "Event of Default" (as defined in the Lease) under Section 13 thereof, or any related Event of Default hereunder, arising as a result of any failure by the Lessee to pay in full any installment of Interim Rent or Basic Rent under the Lease shall have occurred and be continuing then, prior to the exercise by the Lender of any remedy or remedies pursuant to Section 3 hereof, the Lender shall give the Debtor and the Trustor not less than five business days' prior written notice of such intended exercise in which case, the Debtor may, prior to such exercise pay to the Lender an amount equal to the principal of and interest (including interest, if any, on overdue payments of principal and interest) on the Notes, which was payable on the date on which such Rent was payable, in which event such

"Event of Default" and such Event of Default shall, for all purposes of this Agreement, be deemed to have been cured provided that no more than two consecutive such "Events of Default" may be cured and no more than a total of four such "Events of Default" in the aggregate may be cured.

Except as hereinafter in this paragraph provided, the Debtor shall not, by exercising the right to cure any such Event of Default, obtain any lien, charge or encumbrance of any kind on any of the Collateral for or on account of costs or expenses incurred in connection with the exercise of such right nor shall any claims of the Debtor against the Lessee or any other party for the repayment of such costs or expenses impair the prior right and security interest of the Lender in and to the Collateral. In the event the Debtor pays in full the amount of principal and interest on the Notes and fees under Section 14(f) hereof then due and payable, the Debtor shall be subrogated to the rights of the Lender in respect of the rental which was overdue at the time of such payment and interest payable by the Lessee on account of its being overdue, and therefor, if no other Event of Default hereunder shall have occurred and be continuing and if all then due principal of and interest on the Notes and fees under Section 14(f) hereof have been paid at the time of receipt by the Lender of such rental, the Debtor shall be entitled to receive such rental and such interest upon receipt thereof by the Lender; provided that (i) in the event the principal of and interest on the Notes and fees under Section 14(f) hereof shall have become due and payable pursuant to Section 3 hereof, such subrogation shall, until such principal, interest and fees shall have been paid in full, be subordinate to the rights of the Lender in respect of such payment of rental and such interest on such overdue rental prior to receipt by the Debtor of any amount pursuant to such subrogation and (ii) the Debtor shall not be entitled to seek to recover any such payment (or any payment in lieu thereof) except pursuant to the foregoing right of subrogation.

Nothing in this Agreement shall be deemed to prevent the Debtor from assisting the Lessee in curing a default under the Lease which with notice or lapse of time or both would become an Event of Default hereunder provided that no more than an aggregate of \$500,000 of Supplemental Rent (other than Supplemental Rent payable to the Trustor) with respect to which the Lessee has defaulted under the Lease may be so cured.

14. Miscellaneous.

(a) All notices and communications hereunder shall be deemed to have been given or made at the earlier of actual receipt or deposit in the mail, postage prepaid, or, in the case of telex, when dispatched, and addressed, as to any party, to it at its address set forth on the signature page hereof. Copies of each such notice or communication shall be delivered to the Lessee at the address set forth in the Participation Agreement, provided that the failure to deliver such notice shall not affect or impair the validity or effectiveness of such notice or communication.

(b) Upon payment in full and discharge of all of the Obligations, this Agreement and the security interest and general lien created hereby shall terminate and be of no further force and effect.

(c) This Agreement shall be governed by and construed in accordance with the laws of the State of New York provided that the Lender shall, with respect to any Collateral located in any jurisdiction in which the Uniform Commercial Code is in effect, have all the rights of a secured party under the Uniform Commercial Code as in effect in such jurisdiction.

(d) This Agreement shall be binding upon and inure to the benefit of the Debtor and the Lender and their respective successors and assigns.

(e) The Lender shall release this Agreement and the security interest granted hereby by proper instrument or instruments upon presentation of reasonably satisfactory evidence that the Obligations have been fully paid or discharged. In addition, as to any Item of Equipment which has suffered an Event of Loss and as to which the Notes have been prepaid as contemplated by Section 2(c) hereof from the proceeds of the payment by the Lessee of the Stipulated Loss Value with respect to such Item, Lender shall, if requested by the purchaser of such Item, release such Item from the security interest created hereby.

(f) In consideration of the making of the loans by the Lender to the Debtor pursuant to the Participation Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged by the Debtor, the Debtor agrees to pay to the Lender the following fees:

(i) The Debtor will pay to the Lender a commitment fee on the daily average unused amount of the commitment of the Lender described in the Participation Agreement for the period from June 13, 1980 to the date such commitment expires in full, at the rate of 1/2 of 1% per annum (calculated on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed). Accrued commitment fee will be paid on February 5, 1981 or, if earlier, on the date of the payment in full of the principal of and interest on the Notes.

(ii) The Debtor will pay to the Lender a facility fee (for each day during the period commencing on the date of execution of this Agreement to and including August 15, 1980) on an amount equal to the commitment of the Lender whether used or unused and (for each day after August 15, 1980 to and including June 30, 1981, on an amount equal to the aggregate unpaid principal amount of the Notes outstanding on such day, at a rate per annum (calculated on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) equal to 6% of the Prime Rate (as defined in the Notes) for such day. Accrued facility fee shall be paid on February 5, 1981, May 5, 1981 and August 5, 1981 or, if earlier, the date of the payment in full of the principal of and interest on the Notes.

(iii) The Debtor will pay to the Lender a fee in lieu of balances (for each day during the period commencing on the date of the making of the initial loans made by the Lender under the Participation Agreement to and including the earlier of June 30, 1981 or the date of the payment in full of the principal of and interest on the Notes) on an amount equal to the aggregate principal amount of the Notes outstanding on such day, at a rate per annum (calculated on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) equal to 4.5% of the Prime Rate (as defined in the Notes) for such day. Accrued fee in lieu of balances shall be paid on February 5, 1981, May 5, 1981 and August 5, 1981 or, if earlier, the date of the payment in full of the principal of and interest on the Notes.

(g) The Debtor shall have the right at any time and from time to time to prepay the Notes in whole or in (whether or not an Event of Default has occurred and is

continuing) part without penalty, provided that (i) each partial prepayment of Notes shall be in an amount equal to \$100,000 or a multiple thereof, shall be applied to the Notes pro rata in accordance with the respective principal amounts thereof and, as to each Note, shall be applied to the latest maturing installments thereof and (ii) interest on the amount prepaid, accrued to the prepayment date, shall be paid on such prepayment date.

(h) The Debtor shall pay all costs of collection and enforcement (including attorneys fees) in case default is made in the performance or observance of any of its obligations hereunder or under the Notes.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement and Chattel Mortgage to be duly executed as of the day and year first above written.

UNITED STATES TRUST COMPANY
OF NEW YORK, not individually
but solely as Trustee under Trust
Agreement dated as of June 15, 1980
with General Electric Credit
Corporation

By Thomas P. [Signature]

Title: ASST. VICE PRESIDENT

Address: 45 Wall Street

N.Y., N.Y. 10005

Attention: Corporate Trust and
Agency Division

[Corporate Seal]

Attest:

By Louis P. Young

Title: ASSISTANT SECRETARY

THE CHASE MANHATTAN BANK, N.A.

By Colleen C. Murphy A.T.
~~Vice President~~

One Chase Manhattan Plaza
New York, New York 10081

Attention: Land Transportation
Division

[Corporate Seal]

Attest:

By Juan M Calderon
Title: Assistant Treasurer

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

On this 4 day of July, 1980, before me personally appeared THOMAS R. ZAWADZEWSKI, to me personally known, who, being by me duly sworn, says that he is a ASST. VICE PRESIDENT of United States Trust Company of New York that the seal affixed to the foregoing instrument opposite the name of said corporation 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

Federico C. Santos
Notary Public

My Commission expires: _____, 19__.

FEDERICO C. SANTOS
Notary Public, State of New York
No. 41-4691650
Qualified in Queens County
Commission Expires March 30, 1982

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

On this 21 day of JUNE, 1980, before me personally appeared Colleen C. Murphy, to me personally known, who, being by me duly sworn, says that he is a Asst. Treasurer of The Chase Manhattan Bank (National Association), that the seal affixed to the foregoing instrument opposite the name of said corporation 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

Anthony Zirino
Notary Public

My Commission expires: _____, 19__.

ANTHONY ZIRINO
Notary Public, State of New York
No. 01-Z14507028
Qualified in Richmond County
Certificate Filed in New York County
Commission Expires March 30, 1981

Schedule 1

Description of Units

100-Ton 4,750 and 4700 Cubic Foot Capacity Covered Hoppers:

Manufacturer: Portec, Inc.

Number of Case: 116

Identifying Marks: XTRX 76577 - XTRX 76692 inclusive

Purchase Agreement: XTRA Inc. Equipment Purchase Order
E-2064, dated November 3, 1979, accepted November 3,
1979 by Railcar Division of Portec, Inc.

Manufacturer: Richmond Tank Car Company

Number of Cars: 125

Identifying Marks: XTRX 75958 - XTRX 76082 inclusive

Purchase Agreement: Letter Order of ITEL Corporation, dated
November 30, 1978, accepted December 11, 1978 by Richmond
Tank Car Company, as amended.

Manufacturer: FMC Corporation, Marine and Rail
Equipment Division

Number of Cars: 90

Identifying Marks: XTRX 76983 - XTRX 76999 inclusive and XTRX
77010 - XTRX 77082 inclusive

Purchase Agreement: XTRA Inc. Purchase Order E-2098, dated
June 5, 1980, accepted July 11, 1980, by Marine and Rail
Equipment Division of FMC Corporation.

Schedule 2

SECURED NOTE

\$.....

New York, New York
_____, 1980

FOR VALUE RECEIVED, the undersigned, UNITED STATES TRUST COMPANY OF NEW YORK, not individually but solely as Trustee (the "Trustee") under that certain Trust Agreement (the "Trust Agreement") dated June 15, 1980, with General Electric Credit Corporation (the "Trustor") hereby promises to pay to The Chase Manhattan Bank, N.A. (the "Payee") or order at its office at 1 Chase Manhattan Plaza, New York, New York 10081, in immediately available funds, the principal sum of (\$ _____) in 60 installments commencing on May 5, 1981, and on each August 5, November 5, February 5 and May 5 of each year thereafter to and including February 5, 1996, each such installment to be in a principal amount equal to the percentage of such principal sum which is set forth opposite the date for payment of said installment on the amortization schedule attached hereto, and to pay interest on said principal sum or the unpaid balance thereof outstanding on each day during the period commencing on the date hereof and ending on the date said principal sum is paid in full, in like money, at said office, at a rate per annum (calculated on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) equal to (i) during the period from the date hereof to but not including June 30, 1981, the Prime Rate and (ii) during the period from June 30, 1981 to and including the date said principal sum is paid in full, the greater of 16% per annum or 3% above the Prime Rate, such interest to be payable on February 5, 1981, and each May 5, August 5, November 5 and February 5 in each year thereafter, and on the date of payment in full hereof; provided that any principal of this Note which is not paid when due (whether at stated maturity, by acceleration or otherwise) shall bear interest from the due date until paid in full at a rate per annum (calculated as aforesaid) at all times equal to (i) during the period from the date hereof to but not including June 30, 1981, the greater of 16 3/4% per annum or 1% above the Prime Rate and (ii) during the period from June 30, 1981 to and including the date said principal sum as paid in full, the greater of 16 3/4% per annum or 3% above the Prime Rate, such interest to be payable on demand. As used herein, the term "Prime Rate" shall mean, for any day, the prime commercial lending rate of interest announced by the

Payee at its principal office in New York, New York as in effect on such day.

This Note is one of the Secured Notes of the Trustee not exceeding \$10,000,000 in aggregate principal amount (the "Notes") evidencing loans made under and pursuant to the Interim Participation Agreement dated as of July 1, 1980 among the Trustee, the Lender, General Electric Credit Corporation and XTRA Leasing, Inc. and secured by that certain Security Agreement and Chattel Mortgage dated as of July 1, 1980 (the "Agreement") between the Trustee and the Lender. Reference is made to the Agreement and all supplements and amendments thereto executed pursuant to the Agreement for a description of the collateral, the nature and extent of the security and rights of the Lender, the holder or holders of the Notes and of the Trustee in respect thereof. Upon the occurrence of an Event of Default, as defined in the Agreement, the principal hereof and accrued interest hereon may become, or be declared to be, due and payable in the manner, upon the conditions and with the effect provided therein.

This Note and the Agreement are governed by and construed in accordance with the laws of the State of New York.

It is expressly understood and agreed by the holder of this Note that this Note is executed by United States Trust Company ("USTC"), not individually or personally but solely as Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee, that each and all of the representations, undertakings and agreements herein made on the part of the Trustee are each and every one of them made and intended as personal representations; undertakings and agreements by USTC or the Trustor, or for the purpose or with the intention of binding USTC or the Trustor personally, but are made and intended for the purpose of binding only the Trust Estate as defined in the Trust Agreement, that this Note is executed and delivered by the USTC solely in the exercise of the powers expressly conferred upon USTC as trustee under the Trust Agreement, that actions to be taken by the Trustee pursuant to its obligations hereunder may, in certain instances, be taken by the Trustee only upon specific authority of the Trustor (it being however understood that failure of the Trustee to perform any of its obligations hereunder by reason of the Trustor not giving such authorization shall not in any manner impair or affect any right of the Note Purchaser as against the Trust Estate with respect to such obligations), that nothing herein contained

shall be construed as creating any liability on USTC or the Trustor, individually or personally, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, USTC or the Trustor, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the holder of this Note and by each and every person now or hereafter claiming by, through or under the holder of this Note, and that so far as USTC and the Trustor, individually or personally are concerned, the holder of this Note and any person claiming by, through or under the holder of this Note shall, except as otherwise herein, in the Interim Participation Agreement referred to above, the Agreement or the Trust Agreement provided, look solely to the Collateral as defined in the Agreement for the performance of any obligation under this Note. The term "Trustee" as used in this Note shall include any trustee succeeding the Trustee as trustee under the Trust Agreement or the Trustor if the trust created thereby is revoked. Any obligation of the Trustee hereunder may be, but shall not be required to be, performed by the Trustor, and any such performance shall not be construed as revocation of the trust created by the Trust Agreement. Nothing contained in this Note shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Trustee hereunder.

If any principal of or interest on this Note falls due on a Saturday or Sunday or a day on which banking institutions in the States of New York, Connecticut or Massachusetts shall be permitted by law or executive order to be closed, then such due date shall be extended to the next succeeding such day and, in the case of such an extension of principal, interest shall be payable in respect of such extension.

The Trustee may at its option, and may be required to, prepay all or any part of the principal of this Note before maturity upon the terms provided in the Agreement.

IN WITNESS WHEREOF, the Trustee has caused this Note to be duly executed.

UNITED STATES TRUST COMPANY
OF NEW YORK, not individually
but solely as Trustee

By _____

AMORTIZATION SCHEDULE

<u>INSTALLMENT PAYMENT DATES</u>	<u>PERCENTAGE OF PRINCIPAL SUM</u>
5/5/81	.4305
8/5/81	.4474
11/5/81	.4650
2/5/82	.4833
5/5/82	.5024
8/5/82	.5222
11/5/82	.5427
2/5/83	.5695
5/5/83	.5920
8/5/83	.6153
11/5/83	.6395
2/5/84	.8510
5/5/84	.8846
8/5/84	.9194
11/5/84	.9556
2/5/85	1.0441
5/5/85	1.0852
8/5/85	1.1280
11/5/85	1.1724
2/5/86	1.2185
5/5/86	1.2665
8/5/86	1.3164
11/5/86	1.3682
2/5/87	1.4221
5/5/87	1.4781
8/5/87	1.5363
11/5/87	1.5968
2/5/88	1.6596
5/5/88	1.7250
8/5/88	1.7929
11/5/88	1.8635
2/5/89	1.7957
5/5/89	1.8664
8/5/89	1.9399
11/5/89	2.0163
2/5/90	1.7327
5/5/90	1.8010
8/5/90	1.8719
11/5/90	1.9456
2/5/91	1.6493

5/5/91	1.7143
8/5/91	1.7818
11/5/91	1.8519
2/5/92	1.5764
5/5/92	1.6385
8/5/92	1.7030
11/5/92	1.7701
2/5/93	1.5440
5/5/93	1.6048
8/5/93	1.6679
11/5/93	1.7336
2/5/94	2.8612
5/5/94	2.9739
8/5/94	3.0910
11/5/94	3.2127
2/5/95	3.8011
5/5/95	3.9507
8/5/95	4.1063
11/5/95	4.2680
2/5/96	4.4360