

FILE IN DOCKET

LAW OFFICES

ALVORD AND ALVORD

WORLD CENTER BUILDING

WASHINGTON, D. C.

20006

CABLE ADDRESS
'ALVORD'

TELEPHONE
AREA CODE 202
EXECUTIVE 3-2266

ELIAS C ALVORD (1932-1962)
ELLSWORTH C ALVORD (1937-1964)

GEORGE E ALLEN
JESS LARSON
ROBERT J BIRD
HARRY L BROWN
ALBERT H GREEN
JOHN H DOYLE
RICHARD G DANNE
ROBERT W ALVORD
CHARLES T KAPPLER
THOMAS A FRAZIER JR
ERWIN E REYNOLDS
RICHARD J NEY

35196
No. JUL 17 1968

Date
Fee \$ 50.00

FCC Washington, D. C.

July 17, 1968

REGISTRATION NO. 4955 Filed & Recorded

JUL 17 1968 - 2 11 PM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Washington, D. C.

Gentlemen:

Enclosed for recordation under the provisions of Section 20(c) of the Interstate Commerce Act, as amended, are the original and two counterparts of a Chattel Mortgage Assignment of Rents and Security Agreement dated July 17, 1968.

A general description of the railroad rolling stock covered by the enclosed document is set forth in Schedule A-4 attached to this letter and made a part hereof.

The names and addresses of the parties are:

Mortgagor: D. E. Mundell and Donovan S. Thayer
Co-Trustees under a Trust Agreement
dated as of December 1, 1967
633 Battery Street
San Francisco, California 94111

Mortgagee: The Ohio National Life Insurance Company
P. O. Box 237
Cincinnati, Ohio 45201

The undersigned is agent for one of the trustees mentioned in the enclosed document who has knowledge of the matters set forth therein.

Please return the original Mortgage to C. R. Foltz, Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

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

Very truly yours,

Charles T. Kappler
Charles T. Kappler, as Agent

JUL 17 2 14 PM '68
RECEIVED
I. C. C. BR.
FEE OPERATING BR.

SCHEDULE A-4

No. of Units	12
Description:	Model GP-7 diesel-electric locomotives bearing NYC identifying numbers in the Series NYC 5600 to 5959, inclusive 5900 to 5927, inclusive
Purchase Price:	\$16,000 per unit for a total price of \$480,000
Reconstruction Price:	\$68,000 per unit
Specification No.	1575
Description:	Model GP-7 diesel-electric locomotives
Delivery:	January-June, 1968
New York Central Identification Nos.	9538 - 9549, incl.

NYC Trust No. 6
(Trustor: R. and M. Polchow)
(Mortgagee: The Ohio National Life Insurance Co.)

ed

Interstate Commerce Commission

OFFICE OF THE SECRETARY
Washington, D.C. 20423

July 17, 1968

Mr. C. R. Foltz,
Chapman and Cutler
111 West Monroe St.
Chicago, Illinois 60603

Dear Sir:

The enclosed document was recorded pursuant to the provisions of Section 20c of the Interstate Commerce Act, 49 U.S.C. 20c, on July 17, 1968, at 2:15 P.M., and assigned recordation number 4955 .

Sincerely yours,



H. Neil Garson
Secretary

Encl.

SED Form 30
(1966)

CHattel Mortgage, Assignment of Rents
and
Security Agreement

THIS CHATTEL MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT ("Mortgage") dated as of July 17, 1968 from D. E. MUNDELL and DONOVAN S. THAYER, Co-Trustees under a Trust Agreement dated as of December 1, 1967 (the "Mortgagor") whose Post Office address is 633 Battery Street, San Francisco, California 94111 to
THE OHIO NATIONAL LIFE INSURANCE COMPANY
(the "Mortgagee")

W I T N E S S E T H :

WHEREAS the Mortgagee and the Mortgagor have entered into a Loan Agreement dated as of December 1, 1967 (the "Loan Agreement") providing for the commitment of the Mortgagee to make loans to the Mortgagor from time to time on or before July 31, 1968 not exceeding \$ 819,354 in aggregate principal amount to be evidenced by the 7-1/4% Secured Notes (the "Notes") of the Mortgagor, expressed to bear interest at the rate of 7-1/4% per annum prior to maturity and to mature in 23 semi-annual installments, including both principal and interest, with the final installment payable not later than January 31, 1980, and to be otherwise substantially in the form attached hereto as Exhibit A; and

WHEREAS the Notes and all principal thereof and interest thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Mortgagor under the terms of the Notes, this Mortgage or the Loan Agreement are hereinafter sometimes referred to as "indebtedness hereby secured"; and

WHEREAS all of the requirements of law have been fully complied with and all other acts and things necessary to make this Mortgage a valid, binding and legal instrument for the security of the Notes have been done and performed;

NOW, THEREFORE, the Mortgagor in consideration of the premises and of the sum of Ten Dollars received by the Mortgagor from the Mortgagee and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Notes according to their tenor and effect, and to secure the payment of all other indebtedness hereby secured and the performance and observance of all the covenants and conditions in the Note and in this Mortgage and in the Loan Agreement contained, does hereby sell, convey,

RECORDATION NO. 4955 Filed & Recorded

N.Y.C. Trust No. 6

JUL 17 1968 -2 12 PM

INTERSTATE COMMERCE COMMISSION

JUL 17 2 24 PM '68
RECEIVED
I. C. C.
OPERATIONS

warrant, mortgage, assign, pledge, grant a security interest in, and hypothecate unto the Mortgagee, its successors and assigns, forever, all and singular the following described properties, rights, interests and privileges (all of which properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "mortgaged property"):

DIVISION I

The railroad rolling stock described in Annex A attached hereto and made a part hereof (hereinafter referred to collectively as the "Equipment" and individually as "Item of Equipment") being a part of the Equipment leased and delivered under that certain Lease of Railroad Equipment dated as of December 1, 1967, (the "Lease") between the Mortgagor, as Lessor, and The New York Central Railroad Company, as Lessee, (the "Lessee") and constituting all of the equipment described in Schedule A-4 to the Lease; together with all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment hereinabove described, whether now owned or hereafter acquired, and all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment together with all the rents, issues, income, profits and avails. From and after the effective date of the merger of The New York Central Railroad Company into The Pennsylvania Railroad Company, the term "Lessee", wherever used herein, shall be deemed to refer to and include Pennsylvania New York Central Transportation Company, a Pennsylvania corporation, and its successor in name, Penn Central Company.

DIVISION II

All right, title and interest of the Mortgagor, as Lessor, in, under and to the Lease and all rents and other sums due and to become due thereunder including any and all extensions or renewals thereof insofar as the same cover or relate to the Equipment, (including all interim rentals but excepting and reserving, however, the initial installment of fixed rental for each Item of Equipment); it being the intent and purpose thereof that the assignment and transfer to the Mortgagee of said rents and other sums due and to become due under the Lease shall be effective and operative immediately and shall continue in full force and effect and the Mortgagee shall have the right to collect and receive said rents and other sums for application in accordance with the provisions of Section 3 hereof at all times during the period from and after the date of this Mortgage until the indebtedness hereby secured has been fully paid and discharged.

SUBJECT, HOWEVER, to (a) the right, title and interest of the Lessee under the Lease, and (b) the lien of current taxes and assessments not in default, or, if delinquent, the validity of which is being contested in good faith.

TO HAVE AND TO HOLD the mortgaged property unto the Mortgagee, its successors and assigns, forever; provided always, however, that these presents are upon the express condition that if the Mortgagor shall pay or cause to be paid all the indebtedness hereby secured and shall observe, keep and perform all the terms and conditions, covenants and agreements herein and in the Loan Agreement and the Notes contained, then these presents and the estate hereby granted and conveyed shall cease and this Mortgage shall become null and void; otherwise to remain in full force and effect.

SECTION 1. COVENANTS AND WARRANTIES:

The Mortgagor covenants, warrants and agrees as follows:

1.1. The Mortgagor covenants and agrees well and truly to perform, abide by and to be governed and restricted by each and all of the terms, provisions, restrictions, covenants and agreements set forth in the Loan Agreement, and in each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, to the same extent as though each and all of said terms, provisions, restrictions, covenants and agreements were fully set out herein and as though any amendment or supplement to the Loan Agreement were fully set out in an amendment or supplement to this Mortgage.

1.2. Warranty of Title. The Mortgagor is lawfully seized and possessed of the Equipment described in Division I of the granting clause hereof and has good right, full power and authority to convey, transfer and mortgage the Equipment to the Mortgagee for the uses and purposes herein set forth; the Equipment described in said Division I is owned by the Mortgagor free from any and all liens and encumbrances (excepting only the lien of current ad valorem taxes not in default and the right, title and interest of the Lessee under the Lease); and the Mortgagor will warrant and defend the title thereto against all claims and demands whatsoever (excepting only the right, title and interest of the Lessee under the Lease).

1.3. Further Assurances. The Mortgagor will, at its own expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary

or proper for the better assuring, conveying, assigning and confirming unto the Mortgagee all of the mortgaged property, or property intended so to be, whether now owned or hereafter acquired. Without limiting the foregoing but in furtherance of the assignment of rents and other sums due and to become due under the Lease the Mortgagor covenants and agrees that it will notify the Lessee of such assignment and direct and cause the Lessee to make all payments of such rents and other sums due and to become due under the Lease directly to the Mortgagee. The Mortgagor further agrees that prior to or concurrently with each subsequent Closing Date referred to in the Loan Agreement the Mortgagor will execute and deliver a supplement to this Mortgage satisfactory in form and content to the Mortgagee specifically describing as part of the mortgaged property all Items of Equipment sold and delivered to the Mortgagor by the Lessee (or one of its leased lines) subsequent to the date of this Mortgage or the last preceding Supplement executed and delivered by the Mortgagor pursuant to this Section; and the Mortgagor will file and record such Supplement pursuant to Section 20c of the Interstate Commerce Act.

1.4. After-acquired Property. Any and all property described or referred to in the granting clauses hereof which is hereafter acquired shall ipso facto, and without any further conveyance, assignment or act on the part of the Mortgagor or the Mortgagee become and be, subject to the lien of this Mortgage as fully and completely as though specifically described herein, but nothing in this Section 1.4 contained shall be deemed to modify or change the obligation of the Mortgagor under Section 1.3 hereof.

1.5. Recordation and Filing. The Mortgagor will cause this Mortgage and all mortgages supplemental hereto, the Lease and all supplements thereto, and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at its own expense in such manner and in such places as may be required by law in order fully to preserve and protect the rights of the Mortgagee hereunder, and will at its own expense furnish to the Mortgagee promptly after the execution and delivery of this Mortgage and of each supplemental mortgage an opinion of counsel stating that in the opinion of such counsel this Mortgage or such supplemental mortgage, as the case may be, has been properly recorded or filed for record so as to make effective of record the lien intended to be created hereby.

1.6. Modifications of the Lease. The Mortgagor will
not:

(a) declare a default or exercise the remedies of the Lessor under, or terminate, modify or accept a surrender of, or offer or permit any termination, modification, surrender or termination of, the Lease (except as otherwise expressly provided herein) or consent to the creation or existence of any mortgage or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease or any part thereof; or

(b) receive or collect or permit the receipt or collection of any rental payment under the Lease prior to the date for payment thereof provided for by the Lease or assign, transfer or hypothecate (other than to the Mortgagee hereunder) any rental payment then due or to accrue in the future under the Lease in respect of the mortgaged property, except that this restriction shall not apply to the initial installment of fixed rental under the Lease; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to the Mortgagee hereunder) its interest in the Equipment or any part thereof or in any amount to be received by it from the use or disposition of the Equipment.

1.7. Power of Attorney in respect of the Lease. The Mortgagor does hereby irrevocably constitute and appoint the Mortgagee, its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rents, income and other sums which are assigned under Division II of the granting clause hereof with full power to settle, adjust or compromise any claim thereunder as fully as the Mortgagor could itself do, and to endorse the name of the Mortgagor on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Mortgagor, or otherwise, which the Mortgagee may deem necessary or appropriate to collect any and all sums which may be or become due or payable under the Lease or which may be necessary or appropriate to protect and preserve the right, title and interest of the Mortgagee in and to such rents and other sums and the security intended to be afforded hereby.

SECTION 2. POSSESSION, USE AND RELEASE OF PROPERTY:

2.1. While the Mortgagor is not in default hereunder it shall be suffered and permitted to remain in full possession, enjoyment and control of the Equipment and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto; provided always, that the possession,

enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of the terms of this Mortgage. It is expressly understood that the use and possession of the Equipment by the Lessee under and subject to the Lease shall not constitute a violation of this Section 2.1.

2.2. So long as no default referred to in Section 14 of the Lease has occurred and is continuing to the knowledge of the Mortgagee, the Mortgagee shall execute a release in respect of any Item of Equipment designated by the Lessee for settlement pursuant to Section 11 of the Lease upon receipt of: (i) written notice from the Lessee designating the Item of Equipment in respect of which the Lease will terminate and (ii) settlement by the Lessee for such Item of Equipment in compliance with Section 11 of the Lease.

SECTION 3. APPLICATION OF ASSIGNED RENTALS AND CERTAIN OTHER MONEYS RECEIVED BY THE MORTGAGEE:

3.1. As more fully set forth in Division II of the granting clauses hereof the Mortgagor has hereby sold, assigned, conveyed, pledged and mortgaged to the Mortgagee all rents, issues, profits, income and other sums due and to become due under the Lease in respect of the Equipment (excepting the initial installment of fixed rental for each Item of Equipment) as security for the Notes. So long as no event of default as defined in Section 4 hereof has occurred and is continuing:

(a) The amounts from time to time received by the Mortgagee which constitute payment of the interim rental under the Lease shall be applied to the payment of the initial installment of interest on the Notes and the amounts from time to time received by the Mortgagee which constitute payment of the installments of fixed rents under the Lease shall be applied first, to the payment of the installments of principal and interest on the Notes which have matured or will mature on or before the due date of the installments of fixed rental which are received by the Mortgagee, and the balance, if any, of such amounts shall be paid to or upon the order of the Mortgagor; and

(b) The amounts from time to time received by the Mortgagee which constitute settlement by the Lessee of the "Casualty Value" for any Item of Equipment pursuant to Section 11 of the Lease shall be paid and applied on the Notes, all in such manner and in such amounts so that after giving effect to such application and the release of the Item of Equipment from the Lease and the lien of this Mortgage:

(1) the aggregate principal amount remaining unpaid on the Notes does not exceed the "Present Value of Rents" as hereinafter defined in respect of all other Equipment which then remains subject

to the Lease and the lien of this Mortgage; and

(2) each of the remaining installments of the Notes 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.

Any amounts in excess of the "Present Value of Rents" as hereinafter defined in respect of any Item of Equipment for which settlement is made by the Lessee pursuant to Section 11 of the Lease shall be released to or upon the order of the Mortgagor.

If more than one Note is outstanding at the time any application is made pursuant to this Section 3.1 the application shall be made on all outstanding Notes ratably in accordance with the principal amount remaining unpaid thereon and on the installments of each Note, respectively, in the manner provided for by the preceding paragraphs (a) and (b).

3.2. The term "Present Value of Rents" for any Item of Equipment shall mean as of any date an amount equal to the aggregate fixed rental in respect of such Item reserved for the balance of the term originally provided for in the Lease and remaining unpaid as of the close of business on such date, discounted on the basis of a 7-1/4% per annum interest factor compounded semi-annually to the respective dates on which the fixed rents are payable, with all such discounts to be computed on the basis of a 360-day year of 12 30-day months.

3.3. If an event of default referred to in Section 4 hereof has occurred and is continuing, all amounts received by the Mortgagee under such assignment shall be applied in the manner provided for in Section 4 in respect of proceeds and avails of the mortgaged property.

SECTION 4. DEFAULTS AND OTHER PROVISIONS:

4.1. The terms and provisions of Section 6 of the Loan Agreement are incorporated herein by reference to the same extent as though fully set forth herein and the Mortgagor agrees that when any "event of default" as defined in said Section 6 has occurred and is continuing, the Mortgagee shall have the rights, options, duties and remedies of a secured party, and the Mortgagor shall have the rights and duties of a debtor, under the Uniform Commercial Code (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and without limiting the foregoing may

exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(a) The Mortgagee may, by notice in writing to the Mortgagor declare the entire unpaid balance of the Notes to be immediately due and payable; and thereupon all such unpaid balance, together with all accrued interest thereon shall be and become immediately due and payable;

(b) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Mortgagee 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 mortgaged property, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Mortgagor, with or without notice, demand, process of law or legal procedure, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until sold; it being understood, without limiting the foregoing, that the Mortgagee may, and is hereby given the right and authority to, keep and store said mortgaged property, or any part thereof, on the premises of the Mortgagor; and that the Mortgagee shall not thereby be deemed to have surrendered, or to have failed to take, possession of such mortgaged property;

(c) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Mortgagee may, 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 Mortgagor once at least ten days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of said mortgaged property, or any part thereof, at public 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 Mortgagee may determine, and at any place (whether or not it be the location of the mortgaged property or any part thereof) designated in the notice above referred to. 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 Mortgagee or the holder or holders of the Notes, or of any interest therein, may bid and become the purchaser at any such sale;

(d) The Mortgagee may proceed to protect and enforce this Mortgage and said Notes 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 appointment of a receiver or receivers for the mortgaged property or any part thereof, or, subject to the provisions of Section 5.1 hereof, for the recovery of judgment for the indebtedness hereby secured, or for the enforcement of any other proper legal or equitable remedy available under applicable law;

(e) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Mortgagee may proceed to exercise all rights, privileges and remedies of the Lessor under the Lease, and may exercise all such rights and remedies either in the name of the Mortgagee or in the name of the Mortgagor for the use and benefit of the Mortgagee.

4.2. In case of any sale of the mortgaged property, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Mortgage, the principal of the Notes, if not previously due, and the interest accrued thereon, shall at once become and be immediately due and payable; also in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Note and any claims for interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Notes including principal and interest thereof out of the net proceeds of such sale after allowing for the proportion of the total purchase price required to be paid in actual cash.

4.3. The Mortgagor 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, 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 mortgaged property or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained, 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 property so sold or any part thereof, and hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Mortgagor acquiring any interest in or title to the mortgaged property 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 the Mortgagee, but will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

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 Mortgagor in and to the property sold shall be a perpetual bar, both at law and in equity, against the Mortgagor, its successors and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through the Mortgagor, its successors or assigns (subject, however, to the then existing rights, if any, of the Lessee under the Lease).

4.4. The purchase money proceeds and/or avails of any sale of the mortgaged property, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

(a) To the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Mortgagee, or the holder or holders of the Note, and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) To the payment to the holder or holders of the Notes of the amount then owing or unpaid on the Notes for principal and interest; and in case any such proceeds shall be insufficient to pay the whole amount so due upon the Notes then to the ratable payment of the principal and interest then owing and unpaid on the Notes, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, ratably in proportion to the aggregate of such principal and accrued and unpaid interest; and

(c) To the payment of the surplus, if any, to the Mortgagor, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

4.5. In case the Mortgagee shall have proceeded to enforce any right under this Mortgage 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 Mortgagor, the Mortgagee and the holders of the Notes shall be restored to their former positions and rights hereunder with respect to the property subject to the lien of this Mortgage.

4.6. No delay or omission of the Mortgagee or of the holder of any Note to exercise any right or power arising from any default on the part of the Mortgagor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Mortgagee, or the holder of any Note of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom, except as may be otherwise provided herein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing. Nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Mortgage operate to prejudice, waive or affect the security of this Mortgage or any rights, powers or remedies hereunder, nor shall the Mortgagee or the holder of any of the Notes be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

SECTION 5. MISCELLANEOUS:

5.1. Anything in this Mortgage, the Notes, or the Loan Agreement to the contrary notwithstanding, it is understood and agreed that, subject to the proviso hereto, the Mortgagee, its successors and assigns, shall have no claim or right to proceed against the trust estate created by the Trust Agreement dated as of December 1, 1967 (other than the Equipment and the sums due and to become due in respect thereof) or the Trustees either in their fiduciary capacity or in their respective individual capacities or R. and M. Polchow, the beneficiary under the Trust Agreement, (the "Trustor") or United States Leasing Corporation for any deficiency or any other sum owing on account of the indebtedness evidenced by the Notes; and the Mortgagee by

the acceptance of this Mortgage waives and releases the personal liability of the trust estate created by the Trust Agreement and the Trustees both in their fiduciary capacity and in their respective individual capacities, the Trustor and United States Leasing Corporation for and on account of the indebtedness and agrees to look solely to the mortgaged property and the sums due and to become due under the Lease for the payment of said indebtedness; provided, however, nothing herein contained shall limit, restrict or impair the right of the Mortgagee to accelerate the maturity of the Note upon a default hereunder, to bring suit and obtain a judgment against the Mortgagor on the Note (provided that neither the trust estate created by the Trust Agreement nor the Trustees in their fiduciary capacity or their respective individual capacities nor the Trustor nor United States Leasing Corporation shall have any personal liability on any such judgment and the satisfaction thereof shall be limited to the mortgaged property and the sums due and to become due under the Lease), or to foreclose the lien hereof or otherwise realize upon the mortgaged property or the sums due or to become due under the Lease, including the right to proceed against the Lessee under the Lease.

5.2. Whenever any of the parties hereto is referred to such reference shall be deemed to include the successors and assigns of such party; and all the covenants, premises and agreements in this Mortgage contained by or on behalf of the Mortgagor or by or on behalf of the Mortgagee, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

5.3. The unenforceability or invalidity of any provision or provisions of this Mortgage shall not render any other provision or provisions herein contained unenforceable or invalid.

5.4. All communications provided for herein shall be in writing and shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when delivered personally or when deposited in the United States mail, registered, postage prepaid, addressed as follows:

If to the Mortgagor, at United States Leasing Corporation
633 Battery Street
San Francisco, California 94111
Attention: Donovan S. Thayer

If to the Mortgagee, at P. O. Box 237
Cincinnati, Ohio 45201

or as to the Mortgagor or the Mortgagee at such other address as the Mortgagor or the Mortgagee may designate by notice duly given in accordance with this Section to the other party.

5.5. The Mortgagee shall release this Mortgage and the lien hereof by proper instrument or instruments upon presentation of satisfactory evidence that all indebtedness secured hereby has been fully paid or discharged.

5.6. This Mortgage may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Mortgage.

IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be executed, all as of the day and year first above written.

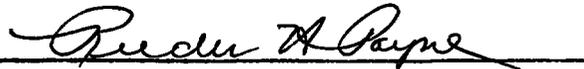

not individually but solely as
Trustee as aforesaid


not individually but solely as
Trustee as aforesaid

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO } SS

On this 17th day of July, 1968, before me personally appeared D. E. Murrell, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

(SEAL)



My commission expires:

My Commission Expires April 12, 1970

STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO

} SS

On this 17th day of July, 1968, before me personally appeared Conoran S. Thayer to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

Reeder H. Payne

(SEAL)

My commission expires:

My Commission Expires April 12, 1970

SCHEDULE A-4

No. of Units	12
Description:	Model GP-7 diesel-electric locomotives bearing NYC identifying numbers in the Series NYC 5600 to 5959, inclusive 5900 to 5927, inclusive
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Specification No.	1575
Description:	Model GP-7 diesel-electric locomotives
Delivery:	January-June, 1968
New York Central Identification Nos.	9538 - 9549, incl.

NYC Trust No. 6
(Trustor: R. and M. Polchow)
(Mortgagee: The Ohio National Life Insurance Co.)

7-1/4% SECURED NOTE

No. _____

, 1968

\$ _____

FOR VALUE RECEIVED the undersigned, D. E. MUNDELL and DONOVAN S. THAYER, not individually but solely as Co-Trustees under a Trust Agreement dated as of December 1, 1967 (the "Mortgagor"), promise to pay to the order of

the principal sum of

DOLLARS (\$ _____)

together with interest from the date hereof until maturity on the principal balance from time to time remaining unpaid hereon at the rate of 7-1/4% per annum (computed on the basis of a 360-day year of 12 consecutive 30-day months) in installments as follows:

an installment of interest only on the principal balance remaining unpaid hereon for the period from the date hereof to July 31, 1968,

and 23 installments including both principal and interest as follows:

\$ _____ on January 31, 1969, and

\$ _____ on the last day of each January and July thereafter to and including July 31, 1979

with a final installment on January 31, 1980 in an amount equal to the entire principal and interest remaining unpaid as of said date,

and to pay interest at the rate of 8% per annum on the principal of each of said installments after the maturity thereof, whether by acceleration or otherwise, until paid.

All payments of principal of and interest on this Note shall be made at the principal office of the payee herein named in _____, or at such other place as the holder hereof shall designate in writing to the Mortgagor, in coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts.

EXHIBIT A

This Note is one of a series of Notes not exceeding \$ _____ in aggregate principal amount, issued under and pursuant to that certain Loan Agreement dated as of December 1, 1967 (the "Loan Agreement") between the Mortgagor and _____ (the "Mortgagee") and is further issued under and, equally and ratably with said other Notes, secured by that certain Chattel Mortgage, Assignment of Rents and Security Agreement dated as of _____, 1968 (the "Mortgage") from the Mortgagor to the Mortgagee.

This Note and the holder hereof are entitled, equally and ratably with the holders of all other Notes outstanding under the Loan Agreement, to all of the benefits and security provided for by or referred to in the Loan Agreement and the Mortgage and all supplemental mortgages executed pursuant to the Loan Agreement or the Mortgage, to which instruments reference is hereby made for a statement thereof, including a description of the mortgaged property, the nature and extent of the security and the rights of the holder or holders of the Notes and of the Mortgagor in respect thereof.

This Note may be declared due prior to its expressed maturity date all in the events, on the terms and in the manner provided for in the Loan Agreement and the Mortgage. Certain prepayments are required to be made hereon on the terms and in the manner provided for in the Loan Agreement and the Mortgage.

Anything in this Note, the Mortgage or the Loan Agreement to the contrary notwithstanding, it is understood and agreed that the Mortgagee, its successors and assigns, and the holder of this Note shall have no claim or right to proceed against the trust estate created by the Trust Agreement dated as of December 1, 1967 (other than the mortgaged property and the sums due and to become due under the Lease referred to in the Mortgage) or the Co-Trustees either in their fiduciary capacity or in their respective individual capacities or _____, the beneficiary under the Trust Agreement (the "Trustor") or United States Leasing Corporation for any deficiency or any other sum owing on account of the indebtedness evidenced by the Note; and the Mortgagee and the holder hereof by the acceptance of this Note waive and release the personal liability of the trust estate created by the Trust Agreement dated as of December 1, 1967 and the Co-Trustees both in their fiduciary capacity and in their respective individual capacities and the Trustor and United States Leasing Corporation for and on account of the indebtedness and agrees to look solely to the mortgaged property and the sums due and to become due under said Lease for the payment of said indebtedness; provided, however, nothing herein contained shall

limit, restrict or impair the right of the Mortgagee to accelerate the maturity of the Note upon a default under the Mortgage, to bring suit and obtain a judgment against the Co-Trustees on the Note (provided that neither the trust estate created by the Trust Agreement nor the Co-Trustees in their fiduciary capacity or their respective individual capacities nor the Trustor nor United States Leasing Corporation shall have any personal liability on any such judgment and the satisfaction thereof shall be limited to the equipment and the sums due and to become due under the Lease) or to foreclose the lien hereof or otherwise realize upon the mortgaged property or the sums due or to become due under the Lease, including the right to proceed against the Lessee under said Lease.
