

RECORDATION NO. 8568-17 - (F)  
NOV 18 1976 3:25 PM  
INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT

ASSIGNMENT OF LEASE AND AGREEMENT, dated as of November 1, 1976 (this "Assignment"), by and between The Citizens and Southern National Bank of South Carolina (together with its successors and assigns the "Owner Trustee"), (not individually but solely in its capacity as Trustee under a Trust Agreement dated as of November 1, 1976 with Funding Systems Leasing Corporation) and Aetna Business Credit, Inc. ("Aetna").

WHEREAS, the Owner Trustee and Pickens Railroad Company (the "Lessee") have entered into a sale agreement dated as of November 1, 1976 (the "Sale Agreement") with U.S. Railway Mfg. Co. providing for the sale to the Owner Trustee of such items (the "Items") of railroad equipment described therein and in annexes thereto as are delivered to and accepted and settled for by the Owner Trustee thereunder; and

WHEREAS, the Owner Trustee and the Lessee have entered into an equipment lease dated as of November 1, 1976 (together with any security interest granted by the Lessee to secure its obligations thereunder, the "Lease") providing for the leasing by the Owner Trustee to the Lessee of the Items; and

WHEREAS, the Lease is guaranteed by National Railway Utilization Corporation (the "Guarantor") under a Guaranty of Lease (the "Guaranty of Lease"); and

WHEREAS, the Owner Trustee and Aetna have entered into a loan agreement (the "Loan Agreement") and an agreement and indenture (the "Indenture"), both dated as of November 1, 1976, whereby the Owner Trustee will borrow from Aetna part of the purchase price of the Items and whereby the borrowings made pursuant thereto shall be secured as provided in the Indenture; and

WHEREAS, in compliance with the provisions of the Indenture, and in order to provide further security for the indebtedness of the Owner Trustee to Aetna pursuant to the Loan Agreement and Indenture, and as an inducement to Aetna to make loans to the Owner Trustee pursuant to the Loan Agreement and Indenture, the Owner Trustee has agreed to assign to Aetna for security purposes its rights in, to and under the Lease and the Guaranty of Lease;

NOW, THEREFORE, to induce and in consideration for Aetna's agreement to make loans to the Owner Trustee, and in consideration of \$1.00 and other good and valuable consideration paid by Aetna to the Owner Trustee, the receipt and sufficiency whereof are hereby acknowledged, the parties hereto agree as follows:

RECORDATION NO. 8568-A  
NOV 12 1976 3 25 PM  
STATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT

ASSIGNMENT OF LEASE AND AGREEMENT, dated as of November 1, 1976 (this "Assignment"), by and between The Citizens and Southern National Bank of South Carolina (together with its successors and assigns the "Owner Trustee"), (not individually but solely in its capacity as Trustee under a Trust Agreement dated as of November 1, 1976 with Funding Systems Leasing Corporation) and Aetna Business Credit, Inc. ("Aetna").

WHEREAS, the Owner Trustee and Pickens Railroad Company (the "Lessee") have entered into a sale agreement dated as of November 1, 1976 (the "Sale Agreement") with U.S. Railway Mfg. Co. providing for the sale to the Owner Trustee of such items (the "Items") of railroad equipment described therein and in annexes thereto as are delivered to and accepted and settled for by the Owner Trustee thereunder; and

WHEREAS, the Owner Trustee and the Lessee have entered into an equipment lease dated as of November 1, 1976 (together with any security interest granted by the Lessee to secure its obligations thereunder, the "Lease") providing for the leasing by the Owner Trustee to the Lessee of the Items; and

WHEREAS, the Lease is guaranteed by National Railway Utilization Corporation (the "Guarantor") under a Guaranty of Lease (the "Guaranty of Lease"); and

WHEREAS, the Owner Trustee and Aetna have entered into a loan agreement (the "Loan Agreement") and an agreement and indenture (the "Indenture"), both dated as of November 1, 1976, whereby the Owner Trustee will borrow from Aetna part of the purchase price of the Items and whereby the borrowings made pursuant thereto shall be secured as provided in the Indenture; and

WHEREAS, in compliance with the provisions of the Indenture, and in order to provide further security for the indebtedness of the Owner Trustee to Aetna pursuant to the Loan Agreement and Indenture, and as an inducement to Aetna to make loans to the Owner Trustee pursuant to the Loan Agreement and Indenture, the Owner Trustee has agreed to assign to Aetna for security purposes its rights in, to and under the Lease and the Guaranty of Lease;

NOW, THEREFORE, to induce and in consideration for Aetna's agreement to make loans to the Owner Trustee, and in consideration of \$1.00 and other good and valuable consideration paid by Aetna to the Owner Trustee, the receipt and sufficiency whereof are hereby acknowledged, the parties hereto agree as follows:

1. Subject to the provisions of Paragraph 10 hereof, the Owner Trustee hereby assigns, transfers and sets over unto Aetna, as collateral security for the payment and performance of the Owner Trustee's obligations pursuant to (a) the Notes issued under the Indenture and (b) the Indenture (collectively, the "Security Document"), all the Owner Trustee's right, title and interest, powers, privileges, and other benefits under the Lease and the Guaranty of Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Owner Trustee from the Lessee or the Guarantor under or pursuant to the provisions of the Lease or the Guaranty of Lease whether as rentals, payments on account of any Casualty Occurrence, liquidated damages, indemnity or otherwise (collectively, the "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease or the Guaranty of Lease, and to do any and all other things whatsoever which the Owner Trustee is or may become entitled to do under the Lease or the Guaranty of Lease. In furtherance of the foregoing assignment, the Owner Trustee hereby irrevocably authorizes and empowers Aetna in its own name, or in the name of its nominee, or in the name of the Owner Trustee or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Owner Trustee is or may become entitled under the Lease or the Guaranty of Lease, and to enforce compliance by the Lessee and the Guarantor with all the terms and provisions thereof.

Aetna agrees to accept, for the account of the Owner Trustee, any payments made by the Lessee pursuant to the Lease which are made to Aetna pursuant to the Indenture and this Assignment. To the extent received, Aetna will apply such Payments to satisfy the obligations of the Owner Trustee then due and payable under the Security Document, and, so long and only so long as no Default or Event of Default shall exist and be continuing under the Security Document, any balance (if there be one) shall be paid forthwith to and retained by the Owner Trustee for distribution pursuant to the Trust Agreement.

2. This Assignment is executed only as security for the obligations of the Owner Trustee under the Security Document and, therefore the execution and delivery of this Assignment shall not subject Aetna to, or transfer, or pass, or in any way affect or modify the liability of the Owner Trustee under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Owner Trustee to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, but only against, the Owner Trustee or persons other than Aetna.

3. To protect the security afforded by this Assignment, the Owner Trustee agrees as follows:

(a) The Owner Trustee will faithfully abide by, perform and discharge each and every obligation, covenant and agreement (if there be any remaining unperformed) which the Lease provides are to be performed by the Owner Trustee;

(b) Without the written consent of Aetna, the Owner Trustee will not (i) anticipate the rents under the Lease, (ii) waive, excuse, condone, forgive or in any manner release or discharge the Lessee or the Guarantor of or from the obligations, covenants, conditions and agreements to be performed by either or both of them (including, without limitation, the obligation to pay the rents in the manner and at the time and place provided for therein) or (iii) enter into any agreement amending, modifying, terminating or in any way changing the Lease or the Guaranty of Lease (and the Owner Trustee agrees that any such amendment, modification, termination or change thereof without such consent shall be void).

(c) At the Owner Trustee's sole cost and expense, the Owner Trustee will appear in and defend every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of the Owner Trustee under the Lease.

(d) Should the Owner Trustee fail to make any payment or to do any act which this Assignment requires the Owner Trustee to make or do, then Aetna may, but shall have no obligation to, and shall not thereby release the Owner Trustee from any obligation hereunder, make or do the same in such manner and to such extent as Aetna may deem necessary or advisable to protect the security provided hereby, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of Aetna, and also the right to perform and discharge each and every obligation, covenant and agreement of the Owner Trustee (if any remain to be performed) contained in the Lease; and in exercising any such powers, Aetna may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and the Owner Trustee will reimburse Aetna for such costs, expenses and fees.

4. Subject to the provisions of Paragraph 10 hereof, the Owner Trustee does hereby constitute Aetna the Owner Trustee's true and lawful attorney, irrevocably, with full power (in the name of the Owner Trustee, or otherwise), to ask, require, demand, receive, compound and give acquittance for each and every Payment due and to become due under or arising out of the Lease or Guaranty of Lease to which the Owner Trustee is or may become entitled, to enforce compliance by the Lessee with each and every term and provision of the Lease, to enforce compliance by the Guarantor with each and every term and provision of the Guaranty of Lease, to endorse each and every check or other instrument or order in connection therewith and to file any claim or claims, take any action or actions or institute any proceeding or proceedings which Aetna may deem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all of the Owner Trustee's obligations under the Security Document, this Assignment and all rights herein assigned to Aetna shall terminate, and all estate, right, title and interest of Aetna in and to the Lease and the Guaranty of Lease shall revert to the Owner Trustee.

6. The Owner Trustee will, from time to time, do and perform any other act and will execute, acknowledge, deliver and file, register, record and deposit (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or requested by Aetna in order to confirm or further assure, the interests of Aetna hereunder.

7. Pursuant to the provisions of the Indenture relating to the assignment by Aetna of its interests thereunder to a collateral trustee, Aetna may assign all or any of the rights assigned to it hereby or arising under the Lease or the Guaranty of Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such assignee or subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all rights and privileges and be subject to all obligations of Aetna hereunder. Aetna will give written notice to the Owner Trustee and the Lessee of any such assignment.

8. This Assignment shall be governed by, construed, and enforced in accordance with the law of the state governing the Indenture; provided that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

9. The Owner Trustee shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to Aetna in the manner and at the place provided for in the Indenture, or at such other address or in such other manner as Aetna shall designate.

10. Aetna hereby agrees with the Owner Trustee that, so long as no Event of Default shall exist under the Security Document or unless the Owner Trustee shall be in default of any of its obligations hereunder, Aetna will not exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits assigned and transferred by the Owner Trustee to Aetna by this Assignment, except the right to receive and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease and the Security Document, the Owner Trustee, so long as (a) no Event of Default under the Security Document shall exist, and (b) the Owner Trustee shall not be in default of any of its obligations hereunder, may exercise or enforce, or seek to exercise or enforce, such rights, powers, privileges, authorizations or benefits.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

THE CITIZENS AND SOUTHERN NATIONAL  
BANK OF SOUTH CAROLINA, Owner  
Trustee

(Corporate Seal)

By *Wanda Boyant*  
Title Vice President and Senior Trust Officer

Attest:

*James E. Wall*  
Secretary ASSISTANT TRUST OFFICER

AETNA BUSINESS CREDIT, INC.

(Corporate Seal)

By *Louanna J. Stillman*  
Title Loan Officer

Attest:

*Kirkland E. Tolson*  
ASST Secretary

State of Conn :  
County of HARTFORD : ss.  
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On this 9 day of Nov, 1976, before me personally appeared Laurence D. STALLMAN to me personally known, who being by me duly sworn, says that he is the LOAN OFFICER of ACTON BUSINESS CREDIT, that the seal affixed to the foregoing instrument 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.

(Seal) Richard B. Tolney  
Title  
My commission expires My Commission Expires Mar. 31, 1980

State of SOUTH CAROLINA :  
County of SOUTH CAROLINA : ss.  
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On this 11<sup>th</sup> day of NOVEMBER, 1976, before me personally appeared WADE H. BRYANT, to me personally known, who being by me duly sworn, says that he is the VICE PRESIDENT SENIOR TRUST OFFICER of CITIZEN'S AND SOUTHERN NATIONAL BANK of SOUTH CAROLINA, that the seal affixed to the foregoing instrument 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.

(Seal) Carolyn P. Bayette  
Title NOTARY PUBLIC

My commission expires 5/19/80.