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INTERSTATE COMMERCE COMMISSION

AGREEMENT AND ASSIGNMENT (the "Assignment") dated as of February 16, 1979 between NATIONAL RAILWAY UTILIZATION CORPORATION (the "Builder") and THE FIRST NATIONAL BANK OF MARYLAND (the "Assignee").

WHEREAS, the Builder and its wholly-owned subsidiary, N. R. Financial Corporation (the "Vendee"), have entered into a Conditional Sale Agreement dated as of the date hereof (the "Conditional Sale Agreement"), covering the construction, sale and delivery by the Builder on the conditions therein set forth, and the purchase by the Vendee, of the railroad equipment described in Exhibit A to the Conditional Sale Agreement (the "Equipment"); and

WHEREAS, the Assignee has agreed to provide interim financing to the Builder and the Vendee through the purchase of the Conditional Sale Agreement subject to certain terms and conditions;

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to the Builder, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. The Builder hereby assigns, transfers, and sets over unto the Assignee, its successors and assigns:

- (a) All the right, security title and interest of the Builder in and to each unit of the Equipment, and the security interest

of the Builder in the contract rights, accounts, rentals, fees, charges, income and proceeds arising from or in connection with the use of each unit of the Equipment;

(b) All the right, title and interest of the Builder in and to the Conditional Sale Agreement (except the right to construct and deliver the Equipment and the right to receive reimbursement for taxes paid or incurred by the Builder), and except as aforesaid in and to any and all amounts which may be or become due or owing to the Builder under the Conditional Sale Agreement, including, without limitation, the Conditional Sale Indebtedness (as defined in the Conditional Sale Agreement) and interest thereon, and in and to any other sums becoming due under the Conditional Sale Agreement, other than those hereinabove excluded; and

(c) Except as limited by subparagraph (b) of this paragraph, all the Builder's rights, titles, powers, privileges and remedies under the Conditional Sale Agreement;

with full recourse against the Builder as provided in Article 10 of the Conditional Sale Agreement for or on account of the

failure of the Vendee to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the Conditional Sale Agreement; provided, however, that this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify the obligations of the Builder (i) to construct and deliver the Equipment in accordance with the Conditional Sale Agreement (ii) to comply with its warranties and agreements contained or referred to in the Conditional Sale Agreement, including, but not limited to its unconditional guarantee of the Vendee's obligations as provided in Article 10 of the Conditional Sale Agreement or (iii) to otherwise perform any obligations which, according to their terms and context are intended to survive an assignment. It is understood and agreed that, notwithstanding this Agreement, or any subsequent assignment pursuant to the provisions of Article 18 of the Conditional Sale Agreement, all obligations of the Builder to the Vendee with respect to the Equipment shall be and remain enforceable by the Vendee, its successors and assigns, against and only against the Builder. In furtherance of the foregoing assignment and transfer, the Builder hereby authorizes and empowers the Assignee in the Assignee's own name, or in the name of the Assignee's nominee, or in the name of and as attorney, hereby irrevocably constituted, for the Builder, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Assignment and compliance

by the Vendee and the Builder with the terms and agreements on their part to be performed under the Conditional Sale Agreement, but at the expense and liability and for the sole benefit of the Assignee.

SECTION 2. The Builder agrees that it shall construct the Equipment in full accordance with the Conditional Sale Agreement, and will deliver the same upon completion to the Vendee in accordance with the provisions of the Conditional Sale Agreement; and that, notwithstanding this Assignment, it will perform and fully comply with each of and all the covenants and conditions of the Conditional Sale Agreement set forth to be performed and complied with by the Builder. The Builder further agrees that it will warrant to the Assignee and the Vendee that at the time of delivery of each unit of the Equipment under the Conditional Sale Agreement it had legal title to such unit and good and lawful right to sell such unit and that title to such unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the Conditional Sale Agreement, and the Builder further agrees that it will defend the title to such unit against the demands of all persons whomsoever based on claims originating prior to the delivery of such unit by the Builder under the Conditional Sale Agreement; all subject, however, to the provisions of the Conditional Sale Agreement and the rights of the Vendee thereunder. The Builder will not deliver any of the Equipment to the Vendee

under the Conditional Sale Agreement until the Conditional Sale Agreement and this Agreement have been filed and recorded in accordance with Section 11303 of the Interstate Commerce Act.

SECTION 3. The Builder agrees with the Assignee that in any suit, proceeding or action brought by the Assignee under the Conditional Sale Agreement for any installment of, or interest on, the Conditional Sale Indebtedness or to enforce any provision of the Conditional Sale Agreement, the Builder will indemnify, protect and hold harmless the Assignee from and against all expense, loss or damage (including, but not limited to, reasonable counsel fees) suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever claimed by the Vendee arising out of a breach by the Builder of any obligation with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or by reason of any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee by the Builder.

The Builder agrees to indemnify, protect and hold harmless the Assignee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Assignee or its assigns because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination,

article or material which infringes or is claimed to infringe on any patent or other right. The Assignee will give prompt notice to the Builder of any claim actually known to the Assignee which is based upon any such alleged infringement and will give the Builder the right, at the Builder's expense, to compromise, settle or defend against such claim. The Builder agrees that any amounts payable to it by the Vendee with respect to the Equipment, whether pursuant to the Conditional Sale Agreement or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien, charge or security interest upon the Equipment or any unit thereof.

SECTION 4. Upon delivery to and acceptance by the Vendee of the Equipment pursuant to the Conditional Sale Agreement (hereinafter called the Closing Date), the Assignee shall pay to the Builder the sum of One Million Six Hundred Sixty Thousand Five Hundred Dollars (\$1,660,500), provided that there shall have been delivered to the Assignee (with an executed counterpart to the Vendee) the following documents, in form and substance satisfactory to it and to its counsel, in such number of counterparts as may be reasonably requested by said counsel:

(a) A bill of sale from the Builder to the Assignee transferring to the Assignee security title to the units of the Equipment, warranting to the Assignee and to the Vendee that, at the time of delivery of such units

under the Conditional Sale Agreement, the Builder had legal title to such units and good and lawful right to sell such units and that title to such units was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the Conditional Sale Agreement, and covenanting to defend the title to such units against the demands of all persons whomsoever based on claims originating prior to the delivery of such units to the Vendee by the Builder;

(b) A Certificate or Certificates of Acceptance with respect to the units of the Equipment delivered as contemplated by Article 3 of the Conditional Sale Agreement;

(c) A certificate of an officer of the Vendee to the effect that none of the units of the Equipment was placed in the service of the Vendee or otherwise was used by the Vendee prior to delivery and acceptance of such units under the Conditional Sale Agreement;

(d) An invoice of the Builder for the units of the Equipment accompanied by or having endorsed thereon a certification by the Vendee as to its approval thereof;

(e) An opinion of counsel for the Vendee and the Builder, dated as of the Closing Date, stating that (i) the Vendee and the Builder are duly organized and validly existing corporations in good standing under the laws of the State of South Carolina and each has the corporate power and authority to own their respective properties and to carry on their respective businesses as now being conducted, (ii) the Conditional Sale Agreement has been duly authorized, executed and delivered by the Vendee and the Builder, and assuming due authorization, execution and delivery by the other parties thereto, is a legal and valid instrument binding upon the Vendee and the Builder and enforceable against the Vendee and the Builder in accordance with its terms, (iii) this Assignment has been duly authorized, executed and delivered by the Builder, and assuming due authorization, execution and delivery by the other parties thereto, is a legal and valid instrument binding upon the Builder and enforceable against the Builder in accordance with its terms, (iv) the Assignee is vested with all the rights, titles, interests, powers and privileges of the Builder purported to be as-

signed to it by this Assignment; (v) security title to the units of the Equipment is validly vested in the Assignee and such units are free from all claims, liens, security interests and other encumbrances (other than those created by the Conditional Sale Agreement), (vi) the lien of the Conditional Sale Agreement is and constitutes a valid perfected first security interest in the Equipment (within the United States of America) and the Additional Security (as defined in the Conditional Sale Agreement), (vii) no approval of the Interstate Commerce Commission or any other governmental authority is necessary for the valid execution and delivery of the Conditional Sale Agreement or this Assignment, and the terms thereof comply in all respects with the applicable provisions of the Interstate Commerce Act and the rules and regulations of the Interstate Commerce Commission thereunder, (viii) the Conditional Sale Agreement and this Assignment have been duly filed and recorded with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act and the necessary financing

statements have each been duly recorded and filed in the form and manner required by law in all appropriate offices and places necessary to perfect the lien on and security interest in the Equipment (within the United States of America) and the Additional Security intended to be created by the Conditional Sale Agreement; no other filing or recordation is necessary to provide the Assignee full security title in and to the Equipment and a valid perfected first security interest in and to the Equipment and the Additional Security, (ix) registration of the Conditional Sale Agreement or this Assignment is not required under the Securities Act of 1933, as amended, and qualification of an indenture with respect thereto is not required under the Trust Indenture Act of 1939, as amended and (x) the sale of the Equipment by the Builder and the execution of the Conditional Sale Agreement and this Assignment are not subject to the competitive bidding requirements of Section 10 of the Clayton Act (15 U.S.C.A. §20); and such opinion shall also cover such other matters as may reasonably be requested by the Assignee;

In giving the opinions specified in subparagraph (e) of this Section 4, counsel may qualify any opinion to the effect that any agreement is a legal, valid and binding instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally.

SECTION 5. The Assignee may assign all or any of its rights under the Conditional Sale Agreement, including the right to receive any payments due or to become due to it from the Vendee or the Builder thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment and upon giving the written notice required in Article 18 of the Conditional Sale Agreement, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 6. The Builder hereby represents and warrants to and agrees with the Assignee, its successors and assigns:

(a) that it is a duly organized and existing corporation in good standing under the laws of its jurisdiction of incorporation and has the power and authority to own its own properties and to carry on its business as now conducted;

(b) that the Conditional Sale Agreement was duly authorized by it and lawfully executed and delivered by it for a valid consideration, that, in so far as the Builder is concerned, the Conditional Sale Agreement is a legal, valid and existing agreement binding upon the Builder and enforceable against the Builder in accordance with its terms, and that the Conditional Sale Agreement is now in force without amendment thereto;

(c) that this Assignment was duly authorized by it and lawfully executed and delivered by it for a valuable consideration, and that assuming due authorization, execution, and delivery thereof by Assignee, this Assignment is insofar as the Builder is concerned, a legal, valid and existing agreement binding upon the Builder and enforceable against the Builder in accordance with its terms;

(d) that the Assignee is vested with all the rights, titles, interests, powers and privileges of the Builder purported to be assigned to it by this Assignment, and that security title to and security interest in the units of Equipment is validly vested in the Assignee;

(e) agrees that it will from time to time

and at all times, at the request of the Assignee or its successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance and do such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to the Assignee or intended so to be; and

(f) agrees that, upon request of the Assignee, its successors and assigns, it will execute any and all instruments which may be necessary or proper in order to discharge of record the Conditional Sale Agreement or any other instrument evidencing any interest of the Builder therein or in the Equipment.

SECTION 7. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the State of Maryland, provided, however, that the parties shall be entitled to all the rights conferred by Section 11303 of the Interstate Commerce Act, such additional rights arising out of the filing, recording or depositing of the Conditional Sale Agreement, any financing statement with respect thereto and this Assignment as shall be conferred by the laws of the several jurisdictions in which the Conditional Sale Agreement,

any financing statement with respect thereto or this Assignment shall be filed, recorded or deposited, or in which any unit of the Equipment shall be located, and any rights arising out of the marking on the units of the Equipment.

SECTION 8. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Assignee shall be deemed to be the original counterpart. Although this Assignment is dated as of the date first above written, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements attached hereto.

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

NATIONAL RAILWAY UTILIZATION
CORPORATION

[Corporate Seal]

By Richard J. Kelly
Richard J. Kelly
Vice President

ATTEST:

L. W. Storz

THE FIRST NATIONAL BANK OF MARYLAND

[Corporate Seal]

By

Arthur E. Jones, Jr.
Arthur E. Jones, Jr.,
Senior Loan Executive

ATTEST:

Peter M. Black

State of Pa)
City of Phila) SS:

I HEREBY CERTIFY, that on this *28th* day of February, 1979, before the subscriber, a Notary Public in and for said City and State, personally appeared *Richard J. Kelly*, who, being by me duly sworn, says that he is a Vice President of National Railway Utilization Corporation, that one of the seals 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.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this *28th* day of February, 1979.

Darlene Marquette
Notary Public

[Notarial Seal]

My Commission expires:

DARLENE MARQUETTE
Notary Public, Phila., Phila. Co.
My Commission Expires Sept. 13, 1982

STATE OF MARYLAND)
COUNTY) SS:
CITY OF BALTIMORE)

I HEREBY CERTIFY, that on this *1st* day of *March*,
1979, before the subscriber, a Notary Public in and for said
City and State personally appeared Arthur E. Jones, Jr., who,
being by me duly sworn, says that he is a Senior Loan Execu-
tive of The First National Bank of Maryland, that one of the
seals 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 corpo-
ration.

IN TESTIMONY WHEREOF, I have hereunto set my hand
and official seal, this *1st* day of *March*, 1979.

[Notarial Seal]

Linda Lee Gunk
Notary Public

My Commission expires: July 1, 1982

ACKNOWLEDGEMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Agreement and Assignment is hereby acknowledged by the undersigned as of February 16, 1979. The undersigned hereby agrees that, until otherwise instructed in writing by The First National Bank of Maryland, all payments required by the Conditional Sale Agreement shall be paid to The First National Bank of Maryland, P. O. Box 1596, Baltimore, Maryland, 21203, Attention: Arthur E. Jones, Jr.

N. R. FINANCIAL CORPORATION

[Corporate Seal]

By Woodrow B. Moats, Jr.
~~Charles P. Turnburke,~~
President
Woodrow B. Moats, Jr.
Vice President

Attest:

Martha E. Turner
Asst. Secretary

NATIONAL RAILWAY UTILIZATION CORPORATION

[Corporate Seal]

By Richard J. Kelly
Richard J. Kelly,
Vice President

Attest:

G. W. Stoyak

State of Pa)
City of Phila) SS:

I HEREBY CERTIFY, that on this 28th day of February, 1979, before the subscriber, a Notary Public in and for said City and State, personally appeared *Andrew B. Meats, Jr.*, who, being by me duly sworn, says that he is a Vice President of N. R. Financial Corporation, that one of the seals 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.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this 28th day of February, 1979.

Darlene Marquette
Notary Public

[Notarial Seal]

My Commission expires:

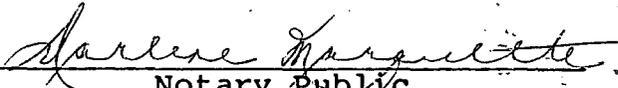
DARLENE MARQUETTE
Notary Public, Phila., Phila. Co.
My Commission Expires Sept. 13, 1982

State of Pa)
City of Phila) SS:

I HEREBY CERTIFY, that on this 28th day of February, 1979, before the subscriber, a Notary Public in and for said City and State, personally appeared *Richard J. Kelly*, who, being by me duly sworn, says that he is a Vice President of National Railway Utilization Corporation, that one of the

seals 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.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this 28th day of February, 1979.


Notary Public

[Notarial Seal]

My Commission expires:

DARLENE MARQUETTE
Notary Public, Phila., Phila. Co.
My Commission Expires Sept. 13, 1982