



LOUISVILLE & NASHVILLE RAILROAD COMPANY

908 W. BROADWAY • LOUISVILLE, KENTUCKY 40201 • TELEPHONE (502) 587-5474

LAW DEPARTMENT

January 31, 1977

CHAUNCEY E. BRUMMER
ATTORNEY

Mr. Robert L. Oswald, Secretary
Interstate Commerce Commission
Washington, D. C. 20423

RECORDATION NO. 8684-K
Filed & Recorded
FEB 1 1977 12 05 PM
INTERSTATE COMMERCE COMMISSION

Dear Mr. Secretary:

There is transmitted to you herewith for filing and recordation, pursuant to Section 20c of the Interstate Commerce Act, four duly executed counterparts of an Agreement and Assignment dated as of January 15, 1977 between each of Bethlehem Steel Corporation, an assignor, whose address is Bethlehem, Pennsylvania 18016, Greenville Steel Car Company, an assignor, whose address is Greenville, Pennsylvania 16125, and Mercantile-Safe Deposit and Trust Company, as Agent, assignee, whose address is Two Hopkins Plaza, Baltimore, Maryland 21203.

By said Agreement and Assignment, Bethlehem Steel Corporation and Greenville Steel Car Company each assigned to the Agent all its right, title and interest in and to that Conditional Sale Agreement dated as of January 15, 1977 and in and to the Equipment delivered by it under said Conditional Sale Agreement.

This Agreement and Assignment is supplemental to that Conditional Sale Agreement dated as of January 15, 1977 between Bethlehem Steel Corporation, Greenville Steel Car Company and Mercantile-Safe Deposit and Trust Company which is being filed concurrently with this Agreement and Assignment.

This letter of transmittal is signed by an officer of Louisville and Nashville Railroad Company designated for the purpose hereof who has knowledge of the matters set forth herein.

Attached hereto is a draft in the amount of \$10 payable to the Treasurer of the United States to cover the prescribed recordation fee for said Agreement and Assignment.

C. H. Kumbel
Completed

After recordation, please return the recorded counterparts of said Agreement and Assignment to:

Mr. Chauncey E. Brummer
Attorney
Louisville and Nashville Railroad Company
908 West Broadway
Louisville, Kentucky 40201

Respectfully yours,

LOUISVILLE AND NASHVILLE RAILROAD COMPANY

By 
Chauncey E. Brummer

Attachments

AGREEMENT AND ASSIGNMENT

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AGREEMENT AND ASSIGNMENT, dated as of January 15, 1977, between MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY acting as Agent under a Finance Agreement dated as of the date hereof (hereinafter called the Finance Agreement) (said Agent, so acting, being hereinafter called the Assignee), and each of BETHLEHEM STEEL CORPORATION, a Delaware corporation, and GREENVILLE STEEL CAR COMPANY, a Pennsylvania corporation (hereinafter individually called a Builder and collectively the Builders).

WHEREAS, the Builders and LOUISVILLE AND NASHVILLE RAILROAD COMPANY (hereinafter called the Railroad), have entered into a Conditional Sale Agreement dated as of the date hereof (hereinafter called the Conditional Sale Agreement), covering the construction, sale and delivery, on the conditions therein set forth, by the Builders, severally, and the purchase by the Railroad of the railroad equipment described in Schedule A to the Conditional Sale Agreement (said equipment being hereinafter called the Equipment, and the Equipment constructed, sold and delivered by each Builder being hereinafter sometimes called such Builder's Equipment or its Equipment);

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT (hereinafter called the Assignment) WITNESSETH: That, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to each Builder, the receipt and sufficiency of which is hereby acknowledged, as well as of the mutual covenants herein contained; the parties agree as follows:

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

(a) all the right, title and interest of such Builder in and to each unit of its Equipment when and as severally delivered to and accepted by the Railroad and when and as payment is made by the Assignee to such Builder of the amount required to be paid under Section 4 hereof;

(b) all the right, title and interest of such Builder in and to the Conditional Sale Agreement (except the right to construct and deliver its Equipment and the right to receive the payments specified in the third paragraph of Article 2 thereof and in subparagraph (a) of the third paragraph of Article 3 thereof and the last paragraph of Article 14 thereof and reimbursements for taxes paid or incurred by such Builder as provided in Article 4 thereof), and in and to any and all amounts which may be or become due or owing by the Railroad to such Builder under the Conditional Sale Agreement on account of its indebtedness in respect of the Purchase Price (as defined in the Conditional Sale Agreement) of its Equipment and interest thereon, and in and to any other sums becoming due from the Railroad under the Conditional Sale Agreement, other than those hereinabove excluded; and

(c) except as limited by subparagraph (b) hereof, all such Builder's rights, powers, privileges and remedies under the Conditional Sale Agreement;

without any recourse against the Builder for or on account of the failure of the Railroad 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 impose upon the Assignee or require the Assignee to assume any of the duties or obligations of such Builder to the Railroad under the Conditional Sale Agreement, except where specifically set forth, and this Assignment shall not transfer, or pass, or in any way affect or modify, the liability of such Builder to construct and deliver its Equipment in accordance with the Conditional Sale Agreement or with respect to its obligations contained or referred to in Article 13 of the Conditional Sale Agreement, or any other obligation which according to its terms or context is intended to survive an assignment, or relieve the Railroad from its obligations under the Conditional Sale Agreement including its obligations to the Builders contained or referred to in Articles 1, 2, 3, 4, 12, 13 and 14 of the Conditional Sale Agreement, it being understood and agreed that, notwithstanding this Assignment, or any subsequent assignment pursuant to the provisions of Article 14 of the Conditional Sale Agreement, all obligations of each Builder to the Railroad with respect to

such Builder's Equipment shall be and remain enforceable by the Railroad, its successors and assigns, against and only against such Builder. In furtherance of the foregoing assignment and transfer, each Builder hereby authorizes and empowers the Assignee, in the Assignee's own name of and as attorney hereby irrevocably constituted for such 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 to ask, demand, sue for and enforce compliance by the Railroad with the terms and agreements on its 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. Each Builder agrees that it shall construct its Equipment in full accordance with the Conditional Sale Agreement and will deliver the same upon completion to the Railroad 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 such Builder. Each Builder further agrees that it will warrant to the Assignee and the Railroad that at the time of delivery of each unit of its 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 (other than those created by the Conditional Sale Agreement and this Assignment); and each Builder further agrees that it will defend the title to each unit of its Equipment against demands of all persons whomsoever based on claims originating prior to the delivery of such unit by such Builder under the Conditional Sale Agreement; all subject, however, to the provisions of the Conditional Sale Agreement and the rights of the Railroad thereunder. No Builder will deliver any of its Equipment to the Railroad under the Conditional Sale Agreement until the filings and recordations referred to in Article 18 of the Conditional Sale Agreement have been effected (the respective Builders and their counsel being entitled to rely on advice from the Railroad or special counsel for the Assignee that such filings and recordations have been effected).

SECTION 3. Each 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, indebtedness in respect of the Purchase Price of the Equipment or to enforce any provision of the Conditional Sale Agreement, such Builder will indemnify, protect and hold harmless the Assignee from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever of the Railroad arising out of a breach by such Builder of any obligation with respect to its 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 Railroad or its successor in interest by such Builder. Each Builder's obligation so to indemnify, protect and hold harmless the Assignee is conditional upon (a) the Assignee's timely motion or other appropriate action, on the basis of Article 14 of the Conditional Sale Agreement, to strike any defense, setoff, counterclaim or recoupment asserted by the Railroad in any such suit, proceeding or action and (b) if the court or other body having jurisdiction in such suit, proceeding or action denies such motion or other action and accepts such defense, setoff, counterclaim or recoupment as a triable issue in such suit, proceeding or action, the Assignee's prompt notification to such Builder of the asserted defense, setoff, counterclaim or recoupment and the Assignee's giving such Builder the right, at such Builder's expense, to compromise, settle or defend against such defense, setoff, counterclaim or recoupment.

Except in cases of articles or materials specified by the Railroad and not manufactured by a Builder and in cases of designs, systems, processes, formulae or combinations specified by the Railroad and not developed or purported to be developed by a Builder, each Builder agrees, except as otherwise specifically provided in Article 13 of the Conditional Sale Agreement, 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 such Builder's 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 appropriate Builder of any such liability or claim actually known to the Assignee and will give such Builder the right, at such Builder's expense, to compromise, settle or defend against such claim. Each Builder agrees that any amounts payable to it by the Railroad 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 but each Builder shall have the right to sue and collect from the Railroad amounts payable pursuant to subparagraph (a) of the third paragraph of Article 3 of the Conditional Sale Agreement.

SECTION 4. The Assignee, on each Closing Date fixed as provided in Article 3 of the Conditional Sale Agreement with respect to a Group (as defined in said Article 3) of the Equipment, shall pay to the appropriate Builder an amount equal to the portion of the Purchase Price thereof which, under the terms of said Article 3 is payable in instalments, provided that there shall have been delivered to the Assignee, as provided in Article 14 of the Conditional Sale Agreement, at least six business days (as defined in said Article 3) prior to such Closing Date, the following documents in form and substance satisfactory to it and to its special counsel hereinafter mentioned, in such number of counterparts as may be reasonably requested by said special counsel:

(a) A bill of sale from the appropriate Builder to the Assignee transferring to the Assignee security title to the units of the Equipment in such Group, warranting to the Assignee and to the Railroad that at the time of delivery of such units under the Conditional Sale Agreement such 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 (other than those created by the Conditional Sale Agreement and this Assignment), 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 by such Builder under the Conditional Sale Agreement;

(b) A Certificate or Certificates of Acceptance with respect to the units of the Equipment in such Group as contemplated by Article 2 of the Conditional Sale Agreement;

(c) An invoice of the appropriate Builder for the units of such Builder's Equipment in such Group accompanied by or having endorsed thereon a certification by the Railroad as to the correctness of the prices of such units stated herein;

(d) An opinion of Messrs. Cadwalader, Wickersham & Taft, who are acting as special counsel for the Assignee and, if the Assignee is acting as agent for Investors under a Finance Agreement, the Investors named in the Finance Agreement, dated as of such Closing Date, stating that (i) any such Finance Agreement, assuming due authorization, execution and delivery by such Investors, has been duly authorized, executed and delivered and is a legal, valid and binding instrument, (ii) the Conditional Sale Agreement has been duly authorized, executed and delivered by the Railroad and such Builder and is a legal, valid and binding instrument, (iii) this Assignment has been duly authorized, executed and delivered by such Builder and the Assignee and is a legal, valid and binding instrument, (iv) the Assignee is vested with all the rights, titles, interests, powers and privileges purported to be assigned to it by this Assignment, (v) security title to the units of the

Equipment in such Group is validly vested in the Assignee and such units, at the time of delivery thereof to the Railroad under the Conditional Sale Agreement, were free from all claims, liens, security interests and other encumbrances (other than those created by the Conditional Sale Agreement and this Assignment), (vi) no approval of the Interstate Commerce Commission or any other governmental authority is necessary for the valid execution and delivery of any such Finance Agreement, the Conditional Sale Agreement or this Assignment, or if any such authority is necessary, it has been obtained, (vii) the Conditional Sale Agreement and this Assignment have been duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and no other filing or recordation is necessary for the protection of the rights of the Assignee in any state of the United States of America or in the District of Columbia and (viii) registration of the Conditional Sale Agreement, this Assignment or any certificates of interest delivered pursuant to any such Finance Agreement 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 such opinion shall also cover such other matters as may reasonably be requested by the Assignee or any such Investors;

(e) An opinion of counsel for the Railroad, dated as of such Closing Date, to the effect set forth in clauses (i), (ii), (iii), (vi) and (vii) of subparagraph (d) above (said counsel, in rendering such opinion, being permitted to assume due authorization, execution and delivery of the Finance Agreement and this Agreement

by parties thereto other than the Railroad) and stating that the Railroad 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 properties and to carry on its business as now conducted;

(f) An opinion of counsel for such Builder, dated as of such Closing Date, to the effect set forth in clauses (iv) and (v) of subparagraph (d) above and stating that (i) such Builder 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 properties and to carry on its business as now conducted, (ii) the Conditional Sale Agreement has been duly authorized, executed and delivered by such Builder and is a legal and valid instrument binding upon such Builder and enforceable against such Builder in accordance with its terms and (iii) this Assignment has been duly authorized, executed and delivered by such Builder and is a legal and valid instrument binding upon such Builder (said counsel, in rendering such opinion, being permitted to assume due authorization, execution and delivery of the Conditional Sale Agreement and this Agreement by parties thereto other than such Builder); and

(g) Certificate of an officer of the Railroad dated as of such Closing Date to the effect that (i) no event of default or event which with notice or the lapse of time and a demand provided for in the Conditional Sales Agreement would constitute an Event of Default shall have occurred and is then continuing and (ii) no tax liens (including tax liens filed pursuant to Section 6323 of the Internal Revenue Code of 1954, as amended) have been filed and are currently in effect which would adversely effect the security interest of the Assignee in the Equipment.

(h) A receipt from such Builder for any payment (other than the payment being

made by the Assignee pursuant to the first paragraph of this Section 4) required to be made on such Closing Date to the Builder with respect to the Equipment, unless such payment is made by the Assignee with funds furnished to it for that purpose by the Railroad.

In giving the opinions specified in subparagraphs (d), (e) and (f) 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. In giving the opinion specified in said paragraphs (d) and (e), counsel may rely, as to authorization, execution and delivery by such Builder of the documents executed by such Builder and title to the Equipment at the time of delivery thereof under the Conditional Sale Agreement, on the opinion of counsel for such Builder; and, in giving the opinion specified in said subparagraph (d), counsel may rely as to any matter governed by the law of any jurisdiction other than New York or the United States, on the opinion of counsel for such Builder or the opinion of counsel for the Railroad as to such matter.

If the Assignee is acting as agent for Investors under a Finance Agreement, the obligation of the Assignee hereunder to make payment for any Group of the Equipment is hereby expressly conditioned upon the Assignee's having on deposit, pursuant to the terms of the Finance Agreement, sufficient funds available thereunder to make such payment. The Assignee shall not be obligated to make payment at any time after the commencement of any proceedings specified in clause (c) or (d) of Article 15 of the Conditional Sale Agreement or if an event of default, or any event which with the lapse of time and/or demand provided for in the Conditional Sale Agreement or the Finance Agreement could constitute an event of default, shall have occurred and be continuing under the Conditional Sale Agreement or the Finance Agreement. In the event that the Assignee shall not make any such payment, the Assignee shall reassign to such Builder, without recourse to the Assignee, all right, title and interest of the Assignee under this Assignment and under the Conditional Sale Agreement in and to the units of the Equipment with respect to which payment has not been made by the Assignee in exchange for a release from any further obligations with respect to such Equipment.

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 Railroad thereunder. In the event of any such assignment any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all obligations of the Assignee hereunder.

SECTION 6. Each Builder hereby:

(a) represents and warrants to the Assignee, its successors and assigns, that the Conditional Sale Agreement was duly authorized by it and lawfully executed and delivered by it for a valid consideration, that, assuming due authorization, execution and delivery by the Railroad, the Conditional Sale Agreement is, in so far as such Builder is concerned, a valid and existing agreement binding upon it and the Railroad in accordance with its terms and that it is now in force without amendment thereto;

(b) 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

(c) 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 such Builder therein or in the Equipment, provided that this obligation shall be conditioned upon the Assignee's making all payments required hereby.

SECTION 7. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Kentucky; provided, however, that the parties shall be entitled to all the rights conferred as provided in Article 22 of the Conditional Sale Agreement.

SECTION 8. The Assignee agrees to deliver an executed counterpart of this Assignment to the Railroad, which delivery shall constitute due notice of the assignment hereby made. Although this Assignment is dated for convenience as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

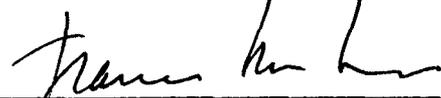
SECTION 9. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. It shall not be necessary that any counterpart be signed by all the parties so long as any counterpart be signed by the Assignee and one or more Builders. Each Builder shall be bound hereunder, notwithstanding the failure of any other Builder to execute and deliver this Agreement, or perform its obligations hereunder, and this Agreement shall be deemed to be a separate Agreement between the Assignee and each of the respective Builders.

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

BETHLEHEM STEEL CORPORATION

[CORPORATE SEAL]

By



Vice President

Attest:


Assistant Secretary

GREENVILLE STEEL CAR COMPANY

[CORPORATE SEAL]

By

Vice President

Attest:

Assistant Secretary

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY,
as Agent.

[CORPORATE SEAL]

By 
Assistant Vice President

Attest: 
Corporate Trust Officer

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

LOUISVILLE AND NASHVILLE RAILROAD COMPANY
hereby acknowledges due notice of and consents to the as-
signment made by the foregoing Agreement and Assignment
as of January 15, 1977.

LOUISVILLE AND NASHVILLE
RAILROAD COMPANY

By: 
Assistant Vice President

AGREEMENT AND ASSIGNMENT

Dated as of January 15, 1977

Between each of

BETHLEHEM STEEL CORPORATION,
GREENVILLE STEEL CAR COMPANY

and

MERCANTILE-SAFE DEPOSIT
AND TRUST COMPANY,
as Agent

AGREEMENT AND ASSIGNMENT

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AGREEMENT AND ASSIGNMENT, dated as of January 15, 1977, between MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY acting as Agent under a Finance Agreement dated as of the date hereof (hereinafter called the Finance Agreement) (said Agent, so acting, being hereinafter called the Assignee), and each of BETHLEHEM STEEL CORPORATION, a Delaware corporation, and GREENVILLE STEEL CAR COMPANY, a Pennsylvania corporation (hereinafter individually called a Builder and collectively the Builders).

WHEREAS, the Builders and LOUISVILLE AND NASHVILLE RAILROAD COMPANY (hereinafter called the Railroad), have entered into a Conditional Sale Agreement dated as of the date hereof (hereinafter called the Conditional Sale Agreement), covering the construction, sale and delivery, on the conditions therein set forth, by the Builders, severally, and the purchase by the Railroad of the railroad equipment described in Schedule A to the Conditional Sale Agreement (said equipment being hereinafter called the Equipment, and the Equipment constructed, sold and delivered by each Builder being hereinafter sometimes called such Builder's Equipment or its Equipment);

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT (hereinafter called the Assignment) WITNESSETH: That, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to each Builder, the receipt and sufficiency of which is hereby acknowledged, as well as of the mutual covenants herein contained; the parties agree as follows:

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

(a) all the right, title and interest of such Builder in and to each unit of its Equipment when and as severally delivered to and accepted by the Railroad and when and as payment is made by the Assignee to such Builder of the amount required to be paid under Section 4 hereof;

(b) all the right, title and interest of such Builder in and to the Conditional Sale Agreement (except the right to construct and deliver its Equipment and the right to receive the payments specified in the third paragraph of Article 2 thereof and in subparagraph (a) of the third paragraph of Article 3 thereof and the last paragraph of Article 14 thereof and reimbursements for taxes paid or incurred by such Builder as provided in Article 4 thereof), and in and to any and all amounts which may be or become due or owing by the Railroad to such Builder under the Conditional Sale Agreement on account of its indebtedness in respect of the Purchase Price (as defined in the Conditional Sale Agreement) of its Equipment and interest thereon, and in and to any other sums becoming due from the Railroad under the Conditional Sale Agreement, other than those hereinabove excluded; and

(c) except as limited by subparagraph (b) hereof, all such Builder's rights, powers, privileges and remedies under the Conditional Sale Agreement;

without any recourse against the Builder for or on account of the failure of the Railroad 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 impose upon the Assignee or require the Assignee to assume any of the duties or obligations of such Builder to the Railroad under the Conditional Sale Agreement, except where specifically set forth, and this Assignment shall not transfer, or pass, or in any way affect or modify, the liability of such Builder to construct and deliver its Equipment in accordance with the Conditional Sale Agreement or with respect to its obligations contained or referred to in Article 13 of the Conditional Sale Agreement, or any other obligation which according to its terms or context is intended to survive an assignment, or relieve the Railroad from its obligations under the Conditional Sale Agreement including its obligations to the Builders contained or referred to in Articles 1, 2, 3, 4, 12, 13 and 14 of the Conditional Sale Agreement, it being understood and agreed that, notwithstanding this Assignment, or any subsequent assignment pursuant to the provisions of Article 14 of the Conditional Sale Agreement, all obligations of each Builder to the Railroad with respect to

such Builder's Equipment shall be and remain enforceable by the Railroad, its successors and assigns, against and only against such Builder. In furtherance of the foregoing assignment and transfer, each Builder hereby authorizes and empowers the Assignee, in the Assignee's own name of and as attorney hereby irrevocably constituted for such 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 to ask, demand, sue for and enforce compliance by the Railroad with the terms and agreements on its 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. Each Builder agrees that it shall construct its Equipment in full accordance with the Conditional Sale Agreement and will deliver the same upon completion to the Railroad 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 such Builder. Each Builder further agrees that it will warrant to the Assignee and the Railroad that at the time of delivery of each unit of its 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 (other than those created by the Conditional Sale Agreement and this Assignment); and each Builder further agrees that it will defend the title to each unit of its Equipment against demands of all persons whomsoever based on claims originating prior to the delivery of such unit by such Builder under the Conditional Sale Agreement; all subject, however, to the provisions of the Conditional Sale Agreement and the rights of the Railroad thereunder. No Builder will deliver any of its Equipment to the Railroad under the Conditional Sale Agreement until the filings and recordations referred to in Article 18 of the Conditional Sale Agreement have been effected (the respective Builders and their counsel being entitled to rely on advice from the Railroad or special counsel for the Assignee that such filings and recordations have been effected).

SECTION 3. Each 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, indebtedness in respect of the Purchase Price of the Equipment or to enforce any provision of the Conditional Sale Agreement, such Builder will indemnify, protect and hold harmless the Assignee from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever of the Railroad arising out of a breach by such Builder of any obligation with respect to its 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 Railroad or its successor in interest by such Builder. Each Builder's obligation so to indemnify, protect and hold harmless the Assignee is conditional upon (a) the Assignee's timely motion or other appropriate action, on the basis of Article 14 of the Conditional Sale Agreement, to strike any defense, setoff, counterclaim or recoupment asserted by the Railroad in any such suit, proceeding or action and (b) if the court or other body having jurisdiction in such suit, proceeding or action denies such motion or other action and accepts such defense, setoff, counterclaim or recoupment as a triable issue in such suit, proceeding or action, the Assignee's prompt notification to such Builder of the asserted defense, setoff, counterclaim or recoupment and the Assignee's giving such Builder the right, at such Builder's expense, to compromise, settle or defend against such defense, setoff, counterclaim or recoupment.

Except in cases of articles or materials specified by the Railroad and not manufactured by a Builder and in cases of designs, systems, processes, formulae or combinations specified by the Railroad and not developed or purported to be developed by a Builder, each Builder agrees, except as otherwise specifically provided in Article 13 of the Conditional Sale Agreement, 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 such Builder's 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 appropriate Builder of any such liability or claim actually known to the Assignee and will give such Builder the right, at such Builder's expense, to compromise, settle or defend against such claim. Each Builder agrees that any amounts payable to it by the Railroad 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 but each Builder shall have the right to sue and collect from the Railroad amounts payable pursuant to subparagraph (a) of the third paragraph of Article 3 of the Conditional Sale Agreement.

SECTION 4. The Assignee, on each Closing Date fixed as provided in Article 3 of the Conditional Sale Agreement with respect to a Group (as defined in said Article 3) of the Equipment, shall pay to the appropriate Builder an amount equal to the portion of the Purchase Price thereof which, under the terms of said Article 3 is payable in instalments, provided that there shall have been delivered to the Assignee, as provided in Article 14 of the Conditional Sale Agreement, at least six business days (as defined in said Article 3) prior to such Closing Date, the following documents in form and substance satisfactory to it and to its special counsel hereinafter mentioned, in such number of counterparts as may be reasonably requested by said special counsel:

(a) A bill of sale from the appropriate Builder to the Assignee transferring to the Assignee security title to the units of the Equipment in such Group, warranting to the Assignee and to the Railroad that at the time of delivery of such units under the Conditional Sale Agreement such 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 (other than those created by the Conditional Sale Agreement and this Assignment), 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 by such Builder under the Conditional Sale Agreement;

(b) A Certificate or Certificates of Acceptance with respect to the units of the Equipment in such Group as contemplated by Article 2 of the Conditional Sale Agreement;

(c) An invoice of the appropriate Builder for the units of such Builder's Equipment in such Group accompanied by or having endorsed thereon a certification by the Railroad as to the correctness of the prices of such units stated herein;

(d) An opinion of Messrs. Cadwalader, Wickersham & Taft, who are acting as special counsel for the Assignee and, if the Assignee is acting as agent for Investors under a Finance Agreement, the Investors named in the Finance Agreement, dated as of such Closing Date, stating that (i) any such Finance Agreement, assuming due authorization, execution and delivery by such Investors, has been duly authorized, executed and delivered and is a legal, valid and binding instrument, (ii) the Conditional Sale Agreement has been duly authorized, executed and delivered by the Railroad and such Builder and is a legal, valid and binding instrument, (iii) this Assignment has been duly authorized, executed and delivered by such Builder and the Assignee and is a legal, valid and binding instrument, (iv) the Assignee is vested with all the rights, titles, interests, powers and privileges purported to be assigned to it by this Assignment, (v) security title to the units of the

Equipment in such Group is validly vested in the Assignee and such units, at the time of delivery thereof to the Railroad under the Conditional Sale Agreement, were free from all claims, liens, security interests and other encumbrances (other than those created by the Conditional Sale Agreement and this Assignment), (vi) no approval of the Interstate Commerce Commission or any other governmental authority is necessary for the valid execution and delivery of any such Finance Agreement, the Conditional Sale Agreement or this Assignment, or if any such authority is necessary, it has been obtained, (vii) the Conditional Sale Agreement and this Assignment have been duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and no other filing or recordation is necessary for the protection of the rights of the Assignee in any state of the United States of America or in the District of Columbia and (viii) registration of the Conditional Sale Agreement, this Assignment or any certificates of interest delivered pursuant to any such Finance Agreement 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 such opinion shall also cover such other matters as may reasonably be requested by the Assignee or any such Investors;

(e) An opinion of counsel for the Railroad, dated as of such Closing Date, to the effect set forth in clauses (i), (ii), (iii), (vi) and (vii) of subparagraph (d) above (said counsel, in rendering such opinion, being permitted to assume due authorization, execution and delivery of the Finance Agreement and this Agreement

made by the Assignee pursuant to the first paragraph of this Section 4) required to be made on such Closing Date to the Builder with respect to the Equipment, unless such payment is made by the Assignee with funds furnished to it for that purpose by the Railroad.

In giving the opinions specified in subparagraphs (d), (e) and (f) 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. In giving the opinion specified in said paragraphs (d) and (e), counsel may rely, as to authorization, execution and delivery by such Builder of the documents executed by such Builder and title to the Equipment at the time of delivery thereof under the Conditional Sale Agreement, on the opinion of counsel for such Builder; and, in giving the opinion specified in said subparagraph (d), counsel may rely as to any matter governed by the law of any jurisdiction other than New York or the United States, on the opinion of counsel for such Builder or the opinion of counsel for the Railroad as to such matter.

If the Assignee is acting as agent for Investors under a Finance Agreement, the obligation of the Assignee hereunder to make payment for any Group of the Equipment is hereby expressly conditioned upon the Assignee's having on deposit, pursuant to the terms of the Finance Agreement, sufficient funds available thereunder to make such payment. The Assignee shall not be obligated to make payment at any time after the commencement of any proceedings specified in clause (c) or (d) of Article 15 of the Conditional Sale Agreement or if an event of default, or any event which with the lapse of time and/or demand provided for in the Conditional Sale Agreement or the Finance Agreement could constitute an event of default, shall have occurred and be continuing under the Conditional Sale Agreement or the Finance Agreement. In the event that the Assignee shall not make any such payment, the Assignee shall reassign to such Builder, without recourse to the Assignee, all right, title and interest of the Assignee under this Assignment and under the Conditional Sale Agreement in and to the units of the Equipment with respect to which payment has not been made by the Assignee in exchange for a release from any further obligations with respect to such Equipment.

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 Railroad thereunder. In the event of any such assignment any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all obligations of the Assignee hereunder.

SECTION 6. Each Builder hereby:

(a) represents and warrants to the Assignee, its successors and assigns, that the Conditional Sale Agreement was duly authorized by it and lawfully executed and delivered by it for a valid consideration, that, assuming due authorization, execution and delivery by the Railroad, the Conditional Sale Agreement is, in so far as such Builder is concerned, a valid and existing agreement binding upon it and the Railroad in accordance with its terms and that it is now in force without amendment thereto;

(b) 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

(c) 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 such Builder therein or in the Equipment, provided that this obligation shall be conditioned upon the Assignee's making all payments required hereby.

SECTION 7. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Kentucky; provided, however, that the parties shall be entitled to all the rights conferred as provided in Article 22 of the Conditional Sale Agreement.

SECTION 8. The Assignee agrees to deliver an executed counterpart of this Assignment to the Railroad, which delivery shall constitute due notice of the assignment hereby made. Although this Assignment is dated for convenience as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

SECTION 9. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. It shall not be necessary that any counterpart be signed by all the parties so long as any counterpart be signed by the Assignee and one or more Builders. Each Builder shall be bound hereunder, notwithstanding the failure of any other Builder to execute and deliver this Agreement, or perform its obligations hereunder, and this Agreement shall be deemed to be a separate Agreement between the Assignee and each of the respective Builders.

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

BETHLEHEM STEEL CORPORATION

[CORPORATE SEAL]

By _____
Vice President

Attest:

Assistant Secretary

GREENVILLE STEEL CAR COMPANY

[CORPORATE SEAL]

By FB Dwyer
Vice president

Attest:

Michael J. [Signature]
Assistant Secretary

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY,
as Agent.

[CORPORATE SEAL]

By


Vice President

Attest:



Corporate Trust Officer

COMMONWEALTH OF PENNSYLVANIA)
: ss.:
COUNTY OF LEHIGH)

On this _____ day of January, 1977, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is a Vice President of BETHLEHEM STEEL 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.

Notary Public

[NOTARIAL SEAL]

COMMONWEALTH OF PENNSYLVANIA)
: ss.:
COUNTY OF MERCER)

On this *25th* day of January, 1977, before me personally appeared *F. B. Logan*, to me personally known, who, being by me duly sworn, says that he is a *Vice President* of GREENVILLE STEEL CAR COMPANY, 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.

Leora Smith

Notary Public

LEORA SMITH, Notary Public
GREENVILLE, PENNSYLVANIA
My Commission Expires February 1, 1977

[NOTARIAL SEAL]

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

LOUISVILLE AND NASHVILLE RAILROAD COMPANY
hereby acknowledges due notice of and consents to the as-
signment made by the foregoing Agreement and Assignment
as of January 15, 1977.

LOUISVILLE AND NASHVILLE
RAILROAD COMPANY

CEB

By: _____

[Signature]
Assistant Vice President