RECORDATION NO. 3690-H Filed 1425

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INTERSTATE COMMERCE COMMISSION

SCHEDULE C

ASSIGNMENT OF LEASE AND AGREEMENT dated as of 9-28, 1979, by and between UNITED STATES RAILWAY LEASING COMPANY, an Illinois corporation (hereinafter called the Company), and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee (hereinafter called the Trustee), under an Equipment Trust Agreement dated as of April 15, 1970 (hereinafter called the Equipment Trust Agreement), by and among the Trustee, the Company and United States Railway Equipment Co., an Illinois corporation (hereinafter called the Equipment Co.).

WHEREAS, the Company and Morton Norwich

(hereinafter called the Lessee) have entered into a Lease Agreement dated June 8, 1979 (hereinafter called the Lease), providing for the leasing by the Company to the Lessee of the 49 units of railroad equipment (hereinafter called Units) described in the Lease, which has been filed and recorded with the Interstate Commerce Commission and bears Recordation Number 3690, an executed counterpart of the Lease being delivered to the Trustee concurrently herewith; and

WHEREAS, this Assignment of Lease and Agreement is being made pursuant to Section 4.09 of the Equipment Trust Agreement to secure the payment and performance by the Company of all obligations of the Company arising under the Equipment Trust Agreement, including, but not limited to, the obligations of the Company arising under its guaranty endorsed or to be endorsed on the Equipment Trust Certificates issued or to be issued under the Equipment Trust Agreement (all such obligations being hereinafter called the Liabilities);

NOW, THEREFORE, in consideration of the sum of $10 duly paid by the Trustee to the Company and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. As security for the payment and performance of the Liabilities, the Company hereby assigns, transfers, and sets over unto the Trustee all the Company's right, title and interests as lessor under the Lease, together with all rights, powers, privileges, and other benefits of the Company as lessor under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Company under or pursuant to the provisions of the Lease 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, and to do any and all other things whatsoever which the Company, as lessor, is or may become entitled to do under the Lease; *provided, however,* that until an Event of Default under the Equipment Trust Agreement, or any event which notice or lapse of time or both, would constitute such an Event of Default, shall occur, it is understood that the Company shall be entitled for the benefit of the Trustee to give all notices and to take all action upon the happening of an event of default specified in the Lease provided that the Trustee is first advised of such action proposed to be taken. In furtherance of the foregoing assignment, the Company hereby irrevocably authorizes and empowers the Trustee in its own name, or in the name of its nominee, or in the name of the Company or as its attorney, to ask, demand, sue for, collect and receive any and all sums to which the Company is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Company will cause notice of this Assignment forthwith to be given to the Lessee (together with a copy of this Assignment) and will direct the Lessee to pay all rentals, profits and other sums payable to or receivable by the Company under or pursuant to the provisions of the Lease on and after such notice of this Assignment is given (hereinafter called Rentals) directly to the Trustee (a copy of such notice and direction to be given to the Trustee). If under the provisions of the Lease the Lessee is entitled to

a credit in respect of the Rentals thereunder on account of mileage payments payable to the Lessor, the Lessor will furnish the Trustee with a duplicate copy of its current rental invoice to the Lessee setting forth the amount of the credit to be applied against the Rentals payable under the Lease on or before each Rental payment date under the Lease and the net amount of Rentals payable to the Trustee by the Lessee. The Trustee may conclusively rely upon such duplicate invoice as to the facts stated therein and shall be under no duty or obligation whatsoever to investigate or verify the mileage payments credited against the Rentals or the Rentals payable under the Lease. The Trustee will accept payments of Rentals made to it by the Lessee pursuant to the Lease and this Assignment and the Trustee will apply the Rentals as follows: *first,* to or toward the payment of all amounts due and payable under the Equipment Trust Agreement at the time of receipt of such Rentals, and the Trustee shall credit such Rentals so applied to the amounts then due and payable by the Company under the Equipment Trust Agreement; and, *second,* so long as, to the actual knowledge of the Trustee, the Company is not in default under any provision of the Equipment Trust Agreement, any balance of Rentals remaining shall be paid over to the Company by the Trustee. The Trustee hereby appoints the Company as its agent, and the Company hereby accepts such appointment, to collect and receive for the account of the Trustee all mileage payments payable in respect of the Units, and the Company agrees to segregate and hold all such payments in trust for the account of the Trustee. On each April 15 and October 15 the Company, as such agent, will apply all such mileage payments as follows: *first,* to or toward the payment of all amounts then due and payable by the Company pursuant to the provisions of the Equipment Trust Agreement, and the Trustee shall credit such payment to the amounts then due and payable by the Company under the Equipment Trust Agreement; and, *second,* so long as, to the actual knowledge of the Trustee, the Company is not in default under any provision of the Equipment Trust Agreement, any balance remaining may be released

by the Company, as such agent, to the Company in its individual capacity.

So long as, to the actual knowledge of the Trustee, the Company shall be in default under any provision of the Equipment Trust Agreement, (i) the Trustee shall not pay over any of the Rentals to the Company, but, during the continuance of such default, shall apply all Rentals received by the Trustee to the payment of all amounts then or thereafter due and payable under the Equipment Trust Agreement and (ii) the Company shall forthwith upon receipt thereof deposit with the Trustee all mileage payments received in respect of the Units, which payments shall also be applied by the Trustee in like manner as Rentals under clause (i) above.

2. The assignment made hereby is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Trustee to, or transfer, or pass, or in any way affect or modify the liability of the Company under the Lease, it being understood and agreed that notwithstanding such assignment or any subsequent assignment all obligations of the Company to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Company.

3. Upon the full discharge and satisfaction of the Liabilities, the assignment made hereby shall terminate, and all estate, right, title and interest of the Trustee in and to the Lease shall revert to the Company.

Upon transfer by the Trustee of title to any of the Units pursuant to Section 4.06 of the Equipment Trust Agreement, the Trustee shall execute and deliver to the Company a release or reassignment of this Assignment as to such Units.

4. The Company warrants and covenants that (a) the execution and delivery by the Company of the Lease and this Assignment have each been duly authorized, and the

Lease and this Assignment are and will remain the valid and binding obligations of the Company in accordance with their terms; (b) the Company has not executed any other assignment of the Lease or of its right to receive all payments under the Lease and the Lease will continue to be free and clear of any and all claims, liens, agreements, security interests or other encumbrances (except this Assignment and except to the extent the Company is contesting the validity of the same in good faith by appropriate proceedings), (c) notwithstanding this Assignment, the Company will conform and comply with each and all of the covenants and conditions in the Lease set forth to be complied with by it and (d) to the knowledge of the Company, it has performed all obligations on its part to be performed under the Lease on or prior to the date hereof.

Unless the Lease is an Existing Lease (as defined in the Equipment Trust Agreement), the Company will, concurrently with the execution and delivery of this Assignment, deliver to the Trustee the opinion of Messrs. Rosenthal and Schanfield, counsel for the Company, or an opinion of other counsel satisfactory to the Trustee, to the effect set forth in subparagraph (e) of Section 3.04 of the Equipment Trust Agreement relating to the Lease.

5. The Company covenants and agrees with the Trustee that in any suit, proceeding or action brought by the Trustee under the Lease for any Rental, or to enforce any provisions of the Lease, the Company will save, indemnify and keep the Trustee harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever of the Lessee or its successors, arising out of a breach of the Company of any obligation under the Lease or arising out of any other indebtedness or liability at any time owing to the Lessee or its successors from the Company. Any and all such obligations of the Company shall be and remain enforceable against and only against the Company and shall not be enforceable against the Trustee or any party or parties in

whom any of the rights of the Company under the Lease shall vest by reason of the successive assignments or transfers.

6. The Company will from time to time execute all such financing statements and supplemental instruments as the Trustee may from time to time reasonably request in order to confirm or further assure the assignment made hereby and the provisions hereof.

7. The Trustee may assign all or any of its rights under the Lease, including the right to receive any payments due or to become due to it from the Lessee 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 the obligations of the Trustee hereunder.

8. Notwithstanding anything to the contrary contained in Section 1 of this Assignment, the Company agrees that it will not, without the prior written consent of the Trustee, enter into any agreement amending, modifying or terminating the Lease and that any amendment, modification or termination thereof without such consent shall be void. The Trustee shall consent to any such agreement if (a) it does not affect the Rentals, the term, the maintenance or the possession and use provisions or any other provision which the Trustee or its special counsel deems to materially and adversely affect the security provided hereby or (b) the holders of more than 50% in aggregate unpaid principal amount of the Trust Certificates then outstanding consent in writing thereto.

9. This Assignment shall be governed by the laws of the State of Illinois, but the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

In witness whereof, the Company and the Trustee have caused this instrument to be signed in their respective names by their respective officers thereunto duly authorized, as of the date first above written.

United States Railway Leasing Company,

by .....

Vice President.

Attest:

Thomas L. Schoenbeck

Assistant Secretary.

[corporate seal]

Continental Illinois National Bank and Trust Company of Chicago, as Trustee,

by .....

Vice President.

Attest:

.....

~~*Assistant Secretary.*~~ TRUST OFFICER

STATE OF ILLINOIS }
COUNTY OF COOK } SS.:

On this 28 day of Sept, 1979, before me personally appeared Paul R. Leak, to me personally known, who, being by me duly sworn, says that he is a Vice President of UNITED STATES RAILWAY LEASING COMPANY, 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.

Mary A. Williamson
Notary Public
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES JULY 12 1980
ISSUED THRU ILLINOIS NOTARY ASSOC

[NOTARIAL SEAL]

My Commission expires

STATE OF ILLINOIS }
COUNTY OF COOK } SS.:

On this 11th day of Oct 1979, before me personally appeared DONALD W. ALFVIN to me personally known, who, being by me duly sworn, says that he is a Vice President of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, that the seal affixed to the foregoing instrument is the corporate seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association 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]

My Commission expires December 6, 1981