RECORDATION NO. 5865-A Filed & Recorded
MAY 14 1971 -10 20 AM
INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of April 1, 1971 by and between UNITED STATES RAILWAY EQUIPMENT CO., 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 Agreement and Indenture (Security Agreement) dated as of April 1, 1971 (hereinafter called the Indenture), by and among the Company and the Trustee.

*WHEREAS, the Company and TOLEDO, PEORIA & WESTERN R. R. CO. (hereinafter called the Lessee) have entered into a Lease Agreement dated Oct. 12, 1970 (hereinafter called the Lease), providing for the leasing by the Company to the Lessee of the 46 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 5865, 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 4.1 of the Indenture to secure the payment and performance by the Company of all obligations of the Company arising under the Indenture (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:

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*~~Additional recitations and certain modifications will be made in each Assign~~ment of Lease and Agreement between the Company and ~~the Trustee~~ with respect to the two RSP Leases to ~~reflect the fact~~ that the Lessor under the RSP Leases is RSP ~~and that RSP~~ has assigned its interest to the Company as ~~security for the RSP Note.~~

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 Indenture, 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 whatsover 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 Indenture 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 Indenture; and, *second,* so long as, to the actual knowledge of the Trustee, the Company is not in default under any provision of the Indenture, 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 quarterly payment date of the Notes described in the Indenture 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 Indenture, and the Trustee shall credit such payment to the amounts then due and payable by the Company under the Indenture; and, *second,* so long as, to the actual knowledge of the Trustee, the Company is not in default under any provision of the Indenture, 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 Indenture or upon the demand of not less than 20% in principal amount of the Noteholders as provided in Section 10.6A of the Indenture, (i) the Trustee shall not pay over any of the Rentals to the Company, but, during the continuance of such default or after such demand, shall apply all Rentals received by the Trustee to the payment of all amounts then or thereafter due and payable under the Indenture 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 and (iii) the Trustee shall notify the Lessees that all payments with respect to the Leases shall be paid directly to the Trustee.

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.

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 a lease specifically described Exhibit B of the Indenture, the Company will, concurrently with the execution and delivery of this Assignment, deliver to the Trustee the favorable opinion of the lessee's counsel stating with respect to the Lease the matters set forth in paragraph 20 of the leases specifically described in Exhibit B of the Indenture and the opinion of Messrs. Rosenthal and Schanfield, counsel for the Company, or an opinion of other counsel satisfactory to the Trustee, to the effect that this Assignment has been duly authorized executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company enforceable in accordance with its terms except to the extent limited by laws affecting creditors' rights generally.

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 by 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.

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.

STATE OF ILLINOIS }
COUNTY OF COOK } ss.

On this 13th day of May, before me personally appeared John C. Sutton, to me personally known, who, being by me duly sworn, says that he is a Vice President of UNITED STATES RAILWAY EQUIPMENT Co., 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.

Robert Shem
Notary Public

[NOTARIAL SEAL]

My Commission expires .....

STATE OF ILLINOIS }
COUNTY OF COOK } ss.

On this 13th day of May, 1971, before me personally appeared V. L. BEDINGFIELD, 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 banking corporation, 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.

R. SLATER *Notary Public*

[NOTARIAL SEAL]

My Commission expires January 14, 1973

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 Equipment Co.

by .....

~~Vice~~ *President.*

Attest:

.....

Assistant Secretary.

[corporate seal]

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

by .....

..... *Vice President*

Attest:

.....

Trust Officer