

RECORDATION NO. 10802 Filed 1425

CRAVATH, SWAINE & MOORE

SEP - 7 1979 - 3 35 PM

ONE CHASE MANHATTAN PLAZA

NEW YORK, N.Y. 10005

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RECORDATION NO. Filed 1425

SEP - 7 1979 - 3 35 PM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 10802-13 Filed 1425

SEP - 7 1979 - 3 35 PM

INTERSTATE COMMERCE COMMISSION

SEP 7 1979  
Date  
Fee \$ 100.00  
ICC Washington, D. C.

INTERSTATE COMMERCE COMMISSION

COUNSEL

ROSSELL L. GILPATRICK  
CARLYLE E. MAW  
ALBERT R. CONNELLY  
FRANK H. DETWEILER  
GEORGE G. TYLER

RECORDATION NO.

SEP - 7 1979

INTERSTATE COMMERCE COMMISSION

OPERATION DR.

GEORGE B. BRESLIN, JR.  
GEORGE B. TURNER  
JOHN H. MORSE  
HAROLD R. MEDINA, JR.  
CHARLES R. LINTON

4, PLACE DE LA CONCORDE  
75008 PARIS, FRANCE  
TELEPHONE: 265-81-54  
TELEX: 290530

33 THROGMORTON STREET  
LONDON, EC2N 2BR, ENGLAND  
TELEPHONE 01-606-1421  
TELEX: 8814901

CABLE ADDRESSES  
CRAVATH, SWAINE & MOORE  
CRAVATH, SWAINE & MOORE  
CRAVATH, SWAINE & MOORE

RECORDATION NO.

SEP 7 1979  
September 7, 1979  
3 35 PM

INTERSTATE COMMERCE COMMISSION

Consolidated Rail Corporation  
Lease Financing Dated as of August 1, 1979  
10.75% Conditional Sale Indebtedness

Dear Mr. Homme:

Pursuant to 49 U.S.C. § 11303(a) and the Commission's rules and regulations thereunder, I enclose herewith on behalf of Consolidated Rail Corporation for filing and recordation counterparts of the following documents:

(1) (a) Conditional Sale Agreement dated as of August 1, 1979, between United States Trust Company of New York, as Trustee, and Whitehead & Kales Company; and

(b) Agreement and Assignment dated as of August 1, 1979, between Whitehead & Kales Company and Mercantile-Safe Deposit and Trust Company, as Agent

(2) (a) Lease of Railroad Equipment dated as of August 1, 1979, between Consolidated Rail Corporation and United States Trust Company of New York, as Trustee; and

(b) Assignment of Lease and Agreement dated as of August 1, 1979, between United States Trust Company of New York, as Trustee, and Mercantile-Safe Deposit and Trust Company, as Agent.

MAURICE T. MOORE  
BRUCE BROMLEY  
WILLIAM B. MARSHALL  
RALPH L. McAFEE  
ROYALL VICTOR  
ALLEN H. MERRILL  
HENRY W. de KOSMIAN  
ALLEN F. MAULSBY  
STEWART R. BROSS, JR.  
HENRY P. RIORDAN  
JOHN R. HUPPER  
SAMUEL C. BUTLER  
WILLIAM J. SCHRENK, JR.  
BENJAMIN F. CRANE  
FRANCIS F. RANDOLPH, JR.  
JOHN F. HUNT  
GEORGE J. GILLESPIE, III  
RICHARD S. SIMMONS  
WAYNE E. CHAPMAN  
THOMAS D. BARR  
MELVIN L. BEDRICK  
GEORGE T. LOWY  
ROBERT ROSENMAN  
JAMES H. DUFFY

ALAN J. HRUSKA  
JOHN E. YOUNG  
JAMES M. EDWARDS  
DAVID G. ORMSBY  
DAVID L. SCHWARTZ  
RICHARD J. HIEGEL  
FREDERICK A. O. SCHWARZ, JR.  
CHRISTINE BESHAR  
ROBERT S. RIFKIND  
DAVID BOIES  
DAVID O. BROWNWOOD  
PAUL M. DODYK  
RICHARD M. ALLEN  
THOMAS R. BROME  
ROBERT D. JOFFE  
ROBERT F. MULLEN  
ALLEN FINKELSON  
RONALD S. ROLFE  
JOSEPH R. SAHID  
PAUL C. SAUNDERS  
MARTIN L. SENZEL  
DOUGLAS D. BROADWATER  
ALAN C. STEPHENSON

Counterpart

Ward J. Solis  
New Member -

- A

- B

- C

Vendor

Vendor

Agent

Lessee

Trustee

Assignor

Agent

The names and addresses of the parties to the  
aforementioned Agreements are as follows:

(1) Assignee-Agent-Vendor:

Mercantile-Safe Deposit and  
Trust Company  
P. O. Box 2258  
Baltimore, Maryland 21203

(2) Vendee-Lessor:

United States Trust Company  
of New York, as Trustee  
130 John Street  
New York, New York 10015

(3) Builder-Vendor:

Whitehead & Kales Company  
58 Haltiner Street  
River Rouge, Michigan 48218

(4) Lessee:

Consolidated Rail Corporation  
1310 Six Penn Center Plaza  
Philadelphia, Pennsylvania 19103

Please file and record the documents referred to in  
this letter and cross-index them under the names of the  
Assignee-Agent-Vendor, the Vendee-Lessor, the Builder-Vendor  
and the Lessee.

The equipment covered by the aforementioned docu-  
ments consists of the following:

273 enclosed trilevel autoracks, bearing identify-  
ing numbers of the Lessee CR4725 through CR4997, inclusive.

There is also enclosed a check for \$100 payable to  
the Interstate Commerce Commission, representing the fee for  
recording the Conditional Sale Agreement and related Agree-  
ment and Assignment (together constituting 1 document) and  
the Lease of Railroad Equipment and related Assignment of  
Lease and Agreement (together constituting 1 document).

Please stamp all counterparts of the enclosed documents with your official recording stamp. You will wish to retain one copy of the instruments for your files. It is requested that the remaining counterparts be delivered to the bearer of this letter.

Very truly yours,



John S. Herbert  
As Agent for Consolidated  
Rail Corporation

H. G. Homme, Esq., Secretary,  
Interstate Commerce Commission,  
Washington, D. C. 20423

Encls.

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RECORDATION NO. 10802-C Filed 1425

[CS&ME Ref: 2043-940] 1979-8-25 PM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of August 1, 1979 (this "Assignment"), between UNITED STATES TRUST COMPANY OF NEW YORK, not individually but solely as Trustee (the "Lessor") under a Trust Agreement dated as of August 1, 1979, being an amendment to and restatement of an original Trust Agreement dated as of December 15, 1978 (the "Trust Agreement"), with the parties named in Annex A thereto as beneficiaries (the "Beneficiaries"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent (together with its successors and assigns, the "Vendor") under a Participation Agreement dated as of the date hereof (the "Participation Agreement").

WHEREAS the Lessor is entering into a Conditional Sale Agreement dated as of the date hereof (the "CSA") with Whitehead & Kales Company (the "Builder"), providing for the sale to the Lessor of such units of railroad equipment (the "Units") described in Annex B thereto as are delivered to and accepted by the Lessor thereunder;

WHEREAS the Lessor and Consolidated Rail Corporation (the "Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease") which provides for the leasing by the Lessor to the Lessee of the Units; and

WHEREAS, in order to provide security for the obligations of the Lessor under the CSA and as an inducement to the Vendor and the Original Investor (as defined in the Participation Agreement) for whom the Vendor is acting to invest in the CSA Indebtedness (as defined in the CSA), the Lessor has agreed to assign, for security purposes, certain of its rights in, to and under the Lease to the Vendor.

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment and performance of the obligations of the Lessor under the the CSA, all the Lessor's rights, titles and interests,

powers, privileges, and other benefits in, to and under the Lease (including those inuring to the benefit of the Beneficiaries, but not including those excepted below), including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable from the Lessee by the Lessor and any Beneficiary under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys, except as set forth below, being hereinafter called the "Payments"), and the right to make all waivers, modifications 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 Lessor is or may become entitled to do under or with respect to the Lease; provided, however, that the Vendor shall not at any time without the prior written consent of the Lessor waive or consent to any modification or amendment of, or give any release in respect of, any obligation of the Lessee (i) under § 5, 6, 7, 9, 12, 14, 16 or 17 of the Lease or (ii) to make payments under the Lease other than payments of such amount or amounts as are applicable pursuant to the terms of the CSA and this Assignment to the satisfaction of the obligations of the Lessor under the CSA; provided, further, however, that the term "Payments" as used herein shall not be deemed to include, at any time either before or after an Event of Default under the Lease shall have occurred and be continuing, payments by the Lessee to any Beneficiary pursuant to § 9 or 16 of the Lease or to the Vendee in its individual capacity. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor, or as attorney for the Lessor, to ask, demand, sue for, collect and receive any and all Payments to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Vendor will apply such Payments first, to satisfy the obligations of the Lessor under the CSA, and second, so long as no event of default or event which with the lapse of time and/or demand provided for in the CSA could constitute an event of default thereunder shall have occurred and be continuing, any balance shall be paid to the Lessor on the same date such Payment is applied to satisfy such obligations of the Lessor by

bank wire to the Lessor at its address specified in § 18 of the Lease or at such other address as may be specified to the Vendor in writing, and such balance shall be retained by the Lessor. If the Vendor shall not receive any rental payment under the first paragraph of § 3 of the Lease when due, the Vendor shall promptly notify the Lessor at the address set forth in the Lease; provided, however, that the failure of the Vendor to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the CSA.

2. The assignment made by the Lessor hereunder is executed only as security and shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify, the liability of the Lessor under the Lease, it being agreed that, notwithstanding this Assignment or any subsequent assignment, all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Lessor or persons other than the Vendor. The Lessor shall appear in and defend every action in connection with its obligations or duties under the Lease at its sole cost.

3. The Lessor represents and warrants to the Vendor that the Lessor has not entered into any assignment of its interests in the Lease other than this Assignment, has not entered into any amendment of the Lease and has not created or suffered to exist with respect to the Lease or any of its interests therein any claim, lien or charge arising by, through or under the Lessor.

The Lessor agrees that it will from time to time and at all times, at the request of the Vendor 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 herein set forth and more perfectly to confirm the interests hereby assigned and transferred to the Vendor or intended so to be.

4. The Lessor will perform and discharge each and every obligation and agreement which the Lease provides is to be performed by the Lessor; without the written consent of the Vendor, the Lessor will not anticipate the rents under the Lease or waive, excuse, forgive or in any manner release the Lessee of or from the obligations, conditions and agreements to be performed by the Lessee thereunder,

including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

5. The Lessor does hereby constitute the Vendor its true and lawful attorney, irrevocably, with full power (in the name of the Lessor or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Lessor is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Vendor may seem to be necessary or advisable in the premises.

6. Upon the full discharge and satisfaction of all sums due from the Lessor under the CSA, the Lessor's assignment hereunder of its rights in, to and under the Lease shall terminate, and all estate, right, title and interest of the Vendor in and to the Lease shall revert to the Lessor. The Vendor, if so requested by the Lessor at that time, will execute, acknowledge and deliver an instrument releasing its entire estate, right, title and interest in the Lease and transferring such estate, right, title and interest to the Lessor and any and all further instruments required by law or reasonably requested by the Lessor in order to confirm or further assure the interest in the Lease which shall have reverted or been so transferred to the Lessor.

7. The Lessor will pay and discharge any and all taxes, claims, liens, charges or security interests (other than those created by the CSA) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor or its successors and assigns (other than the Vendor), not arising out of the transactions contemplated by the CSA or the Lease (but including tax liens arising out of the receipt of the rentals and other payments under the Lease and any other proceeds from the Units) which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or such rentals or other payments, unless the Lessor shall be contesting the same in good faith by approp-

riate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect such interests of the Vendor.

8. The Lessor will, from time to time, execute, acknowledge and deliver any and all further instruments required by law or reasonably requested by the Vendor in order to confirm the interest of the Vendor hereunder.

9. The Vendor may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. 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 Vendor hereunder.

10. This Assignment shall be governed by the laws of the State of New York, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303 and such additional rights arising out of the filing or deposit hereof, if any, as shall be conferred by the laws of the several jurisdictions in which this Assignment shall be filed or deposited.

11. The Lessor shall cause copies of all notices and other documents received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Vendor at its address set forth in Article 20 of the CSA, or at such other address as the Vendor shall designate in writing.

12. The Vendor hereby agrees with the Lessor that the Vendor will not, so long as no event of default under the CSA has occurred and is continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Lessor to the Vendor by this Assignment and which are for the sole benefit of the Lessor, without the prior written consent of the Lessor.

13. Anything in this Assignment to the contrary notwithstanding, each and all of the representations, undertakings and agreements in this Assignment made on the part of the Lessor are made and intended not as personal representations, undertakings and agreements by United States Trust Company of New York or for the purpose or with

the intention of binding it personally but are made and intended for the purpose of binding only the Estate as such term is used in the Trust Agreement, and this Agreement is executed and delivered by the said trust company solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and no personal liability or responsibility is assumed by or shall at any time be enforceable against the said trust company or the Beneficiaries on account of any representation, undertaking or agreement of the Lessor or the Beneficiaries hereunder, either expressed or implied, all such personal liability, if any, being expressly waived by the Vendor and by all persons claiming by, through or under the Vendor; provided, however, that the Vendor or any person claiming by, through or under the Vendor, making claim hereunder, may look to said Estate for the satisfaction of the same.

14. This Assignment may be executed in any number of counterparts, such counterparts together constituting but one and the same contract, but the counterpart marked "original counterpart" delivered to the Assignee shall be deemed the original counterpart and all other counterparts shall be deemed to be duplicates thereof. Although for convenience this Assignment is dated as of the date first above written, 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.

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

UNITED STATES TRUST COMPANY  
OF NEW YORK, not individually but  
solely as Trustee,

by

*A. Bonnell*  
Assistant Vice President

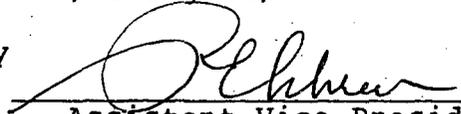
[Corporate Seal]

Attest:

*Thomas B. Zepowski*  
Assistant Secretary

MERCANTILE-SAFE DEPOSIT AND TRUST  
COMPANY, as Agent,

by

  
Assistant Vice President

[Corporate Seal]

Attest:

---

Corporate Trust Officer

STATE OF NEW YORK, )  
 ) ss.:  
COUNTY OF NEW YORK, )

On this            day of            1979, before me personally appeared           , to me personally known, who, being by me duly sworn, says that he/she is an Assistant Vice President of UNITED STATES TRUST COMPANY OF NEW YORK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Trustees, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

[Notarial Seal]

STATE OF MARYLAND, )  
 ) ss.:  
CITY OF BALTIMORE, )

On this <sup>5<sup>th</sup></sup> day of *September* 1979, before me personally appeared **R. E. SCHREIBER**, to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, and 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.

*Patricia A. Hilow*  
\_\_\_\_\_  
Notary Public

[Notarial Seal]

My commission expires July 1, 1982

STATE OF NEW YORK, )  
 ) ss.:  
COUNTY OF NEW YORK, )

On this 5<sup>th</sup> day of Sept, 1979, before me personally appeared **GEORGE BOSWELL**, to me personally known, who, being by me duly sworn, says that he/she is an Assistant Vice President of UNITED STATES TRUST COMPANY OF NEW YORK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Trustees, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Federico C. Santos*

Notary Public

[Notarial Seal]

FEDERICO C. SANTOS  
Notary Public, State of New York  
No. 41-4691650  
Qualified in Queens County  
Commission Expires March 30, 1981

STATE OF MARYLAND, )  
 ) ss.:  
CITY OF BALTIMORE, )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1979, before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, and 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]

## CONSENT AND AGREEMENT

The undersigned, CONSOLIDATED RAIL CORPORATION (the "Lessee"), the lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Lease Assignment"), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys provided for in the Lease, other than amounts not assigned to the Vendor (as hereinafter defined) pursuant to the Lease Assignment, due and to become due under the Lease or otherwise in respect of the Units leased thereunder, directly to Mercantile-Safe Deposit and Trust Company, as Agent (the "Vendor"), the assignee named in the Lease Assignment, by 11:00 a.m. Baltimore time, on the date such payment is due, by bank wire transfer of immediately available funds to The Annapolis Banking and Trust Company, Main Street and Church Circle, Annapolis, Maryland, for credit to the Agent's Account No. 52076-1, with a request that The Annapolis Banking and Trust Company advise Mrs. K. M. Tollberg, Assistant Vice President, Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, that the funds are "RE: Conrail 8/1/79" (or at such other address as may be furnished in writing to the Lessee by the Vendor);

(2) it shall not be entitled to any abatement of rent or additional rent, reduction thereof or setoff against or recoupment of rent or additional rent, including, but not limited to, abatements, reductions, setoffs or recoupments due or alleged to be due by reason of any past, present or future claims or counter-claims of the Lessee against the Lessor under the Lease or under the CSA referred to in the Lease Assignment, or against the Builder (as defined in the Lease Assignment) or the Vendor or otherwise;

(3) the Vendor shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Vendor were named therein as the Lessor;

(4) the Vendor shall not, by virtue of the Lease Assignment, be or become subject to any liability or obligation under the Lease or otherwise; and

(5) the Lease shall not, without the prior written consent of the Vendor (and the Lessor in the cases specified in Paragraph 1 of the Lease Assignment), be terminated, amended or modified, nor shall any waiver or release be given or accepted with respect thereto nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, when accepted by the Vendor by signing the acceptance at the foot hereof, shall be deemed to be a contract for the benefit of the Vendor and its successors and assigns under the laws of the State of New York and, for all purposes, shall be construed in accordance with the laws of said State.

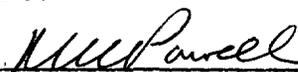
CONSOLIDATED RAIL CORPORATION,

by



[Corporate Seal]

Attest:

  
Assistant Secretary

The foregoing Consent and Agreement is hereby accepted, as of the 1st day of August 1979.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent,

by

Assistant Vice President

(4) the Vendor shall not, by virtue of the Lease Assignment, be or become subject to any liability or obligation under the Lease or otherwise; and

(5) the Lease shall not, without the prior written consent of the Vendor (and the Lessor in the cases specified in Paragraph 1 of the Lease Assignment), be terminated, amended or modified, nor shall any waiver or release be given or accepted with respect thereto nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, when accepted by the Vendor by signing the acceptance at the foot hereof, shall be deemed to be a contract for the benefit of the Vendor and its successors and assigns under the laws of the State of New York and, for all purposes, shall be construed in accordance with the laws of said State.

CONSOLIDATED RAIL CORPORATION,

by

[Corporate Seal]

Attest:

\_\_\_\_\_  
Assistant Secretary

The foregoing Consent and Agreement is hereby accepted, as of the 1st day of August 1979.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent,

by

  
\_\_\_\_\_  
Assistant Vice President