

ASSIGNMENT OF LEASE AND AGREEMENT dated as of January 1, 1975 ("this Assignment"), by and between MANUFACTURERS NATIONAL BANK OF DETROIT, not in its individual capacity but solely as Trustee under a Trust Agreement dated as of January 1, 1975 (the "Lessor"), and FEDERAL FINANCING BANK (the "Lender").

7868-^C

RECORDATION NO. _____ Filed & Recorded

MAR 21 1975 - 3 25 PM

~~INDUSTRIAL COMMERCE COMMISSION~~

WHEREAS National Railroad Passenger Corporation (the "Lessee") has agreed to purchase four turbine-powered passenger "RTG" trains pursuant to and more fully described in the Passenger Equipment Purchase Agreement (the "Purchase Agreement") dated as of June 24, 1974, as amended as of January 23, 1975, between ANF-Industrie, S.A. and the Lessee, and the Lessee has agreed to complete the furnishing of such trains as contemplated by Article 3(a)(v) of the Sale and Lease Back Agreement (the "Sale and Lease Back Agreement") dated as of January 1, 1975, between the Lessor and the Lessee (each such train, comprising a front and rear power section, two intermediate trailer sections and one intermediate bar-grill section, completely furnished as aforesaid, being hereinafter called a "Train" and all such trains being hereinafter collectively called the "Trains"; and

WHEREAS the Lessor and the Lessee have entered into an Equipment Lease dated as of January 1, 1975 (the "Lease"),

providing for the leasing by the Lessor to the Lessee of the Trains; and

WHEREAS the Lessee has arranged to finance the acquisition of the Trains under the Loan Agreement and Chattel Mortgage (the "Loan and Mortgage") dated as of January 1, 1975, between the Lessee and the Lender; and

WHEREAS the Lessor has agreed to assume certain obligations of the Lessee under the Loan and Mortgage pursuant to the Sale and Lease Back Agreement; and

WHEREAS in order to provide security for the obligations of the Lessor under the Loan and Mortgage and as an inducement to the Lender to make the Loans (as that term is defined in the Loan and Mortgage), the Lessor has agreed to assign for security purposes its rights in, to and under the Lease to the Lender.

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

1. Subject to the provisions of Paragraph 9 hereof, the Lessor hereby assigns, transfers and sets over unto the Lender, as collateral security for the payment and performance of the Lessor's obligations under the Loan and Mortgage, all the Lessor's right, title and interest, powers, privileges and other benefits under the Lease, including, without limi-

tation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages or otherwise (such moneys not excepted below being hereinafter called the Payments), 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 Lessor is or may become entitled to do under the Lease; provided, however, that the foregoing assignment shall not include (or in any way limit the right of the Lessor to exercise) the right at any time to demand and receive (i) any amounts which may be payable to the Lessor pursuant to Sections 6, 10.2, or 16 of the Lease and (ii) that portion of the rent made up of an amount equal to the Guaranty Fee (defined in the Lease) required pursuant to the Government Guaranty (defined in the Lease); provided, further, that the foregoing assignment shall not limit the right of the Lessor to give notice of an event of default under the Lease and proceed under Section 17 thereof. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Lender in its own name, or in the name of its nominee, or in the name of the Lessor or as its attorney, to ask, demand, sue for, collect and receive any and all sums to which the Lessor is or

may become entitled under the Lease, subject to the provisos in the preceding sentence, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Lender agrees to accept any Payments made by the Lessee, pursuant to Section 2 of the Lease, in fulfillment of obligations of the Lessee and Lessor under the Loan and Mortgage. To the extent received, the Lender will apply such Payments to satisfy the obligations of the Lessor and the Lessee under the Loan and Mortgage and will apply the excess in accordance with Section 2.3 of the Lease.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Lender to, or transfer, or pass, or in any way affect or modify the liability of the Lessor under the Lease, it being understood and 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 Lender, and all obligations of the Lessee to the Lessor shall be and remain enforceable by the Lessor, its successors and assigns, against, and only against, the Lessee or persons other than the Lender. Except to the extent provided in this Assignment, this Assignment shall not affect or modify the liability of the Lessor or the Lessee under the Lease.

3. The Lessor does hereby constitute the Lender the Lessor's 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 Lender may seem to be necessary or advisable in the premises.

4. Upon the full discharge and satisfaction of all the Lessor's obligations under the Loan and Mortgage, this Assignment and all rights herein assigned to the Lender shall automatically terminate, and all estate, right, title and interest of the Lender in and to the Lease shall revert to the Lessor; provided, however, that if the Lessee shall purchase any Trains from the Lessor pursuant to the provisions of the Lease, this Assignment shall then terminate in respect of the Trains so purchased.

5. If an event of default under the Loan and Mortgage shall occur and be continuing, the Lender shall apply all Payments against the amounts due and payable under the Loan and Mortgage and may otherwise enforce all the rights and remedies of the Lessor under the Lease and apply all proceeds from such exercise against the amounts due and payable under the Loan

and Mortgage.

6. The Lessor will, from time to time, do and perform, or cause to be done or performed, any other act and will execute, acknowledge, deliver and file, register, deposit and record (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Lender in order to confirm or further assure, the interests of the Lender hereunder.

7. The Lender 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. 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 Lender hereunder. Any such subsequent or successive assignee or assignees shall be either an insurance company, a commercial or savings bank, a pension fund, a financial institution of recognized standing organized under the laws of the United States or any state thereof, or an agency or instrumentality of the United States government.

8. This Assignment shall be governed by the laws of the District of Columbia, but the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act. This Assignment may be executed in any number of

counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

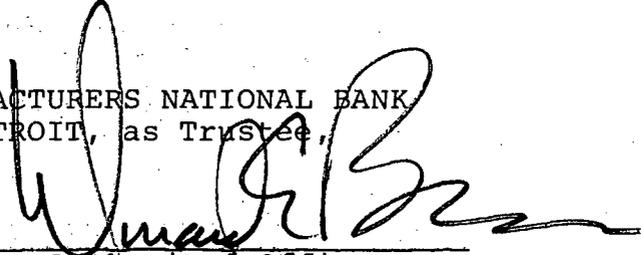
9. The Lender hereby agrees with the Lessor that, except as contemplated by Sections 1, 6 and 7 of this Assignment, the Lender will not, so long as no event of default under the Lease or an event of default under the Loan and Mortgage has occurred and is then continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits assigned and transferred by the Lessor to the Lender by this Assignment, and the Lender agrees that the Lessor may continue to exercise such rights, powers, privileges, authorizations and benefits until the occurrence of such an event of default.

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 seals to be affixed and duly attested, all as of the

date first above written.

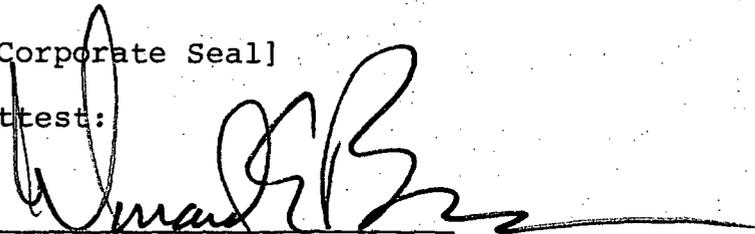
MANUFACTURERS NATIONAL BANK
OF DETROIT, as Trustee,

by


Authorized Officer

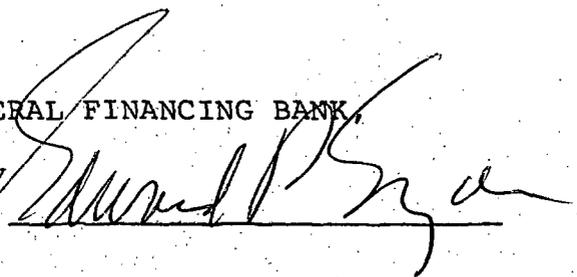
[Corporate Seal]

Attest:


Authorized Officer

FEDERAL FINANCING BANK,

by



Attest:


Secretary

CITY OF WASHINGTON,)
) ss.:
DISTRICT OF COLUMBIA,)

On this 20 day of March 1975, before me personally appeared Edward P. Snyder, to me personally known, who, being by me duly sworn, says that he is a Vice President of FEDERAL FINANCING BANK, that the foregoing instrument was signed on behalf of said bank 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 bank.

Salvatore Squillacchi
Notary Public

[Seal]

My Commission expires:

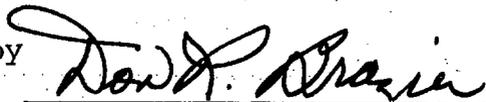
My Commission Expires August 31, 1978

ACKNOWLEDGEMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Assignment of Lease and Agreement is hereby acknowledged as of January 1, 1975.

NATIONAL RAILROAD PASSENGER
CORPORATION,

by



Treasurer