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RECORDATION NO.            Filed & Recorded

OCT 27 1972 - 9 02 AM

COLLATERAL ASSIGNMENT OF LEASE AND AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE AND AGREEMENT dated as of October 9, 1972 (hereinafter called this Assignment), by and between CFSC Leasing Corp., a Connecticut corporation (hereinafter called the Assignor), and Pullman Incorporated (Pullman-Standard division) (hereinafter called the Assignee).

WHEREAS, the Assignor has entered into a Conditional Sale Agreement dated as of October 9, 1972 (hereinafter called the Conditional Sale Agreement), with the Assignee, providing for the sale to the Assignor of such units of railroad equipment (hereinafter called the Units) described in Annex B to the Conditional Sale Agreement as are delivered to and accepted by the Assignor thereunder; and

WHEREAS, the Assignor and George P. Baker, Richard C. Bond, Jervis Langdon, Jr. and Willard Wirtz, Trustees of the Property of Penn Central Transportation Company, Debtor (hereinafter collectively called the Lessee), have entered into a Lease of Railroad Equipment dated October 9, 1972 (hereinafter called the Lease), providing for the leasing by the Assignor to the Lessee of the Units; and

WHEREAS, in order to provide security for the obligations of the Assignor under the Conditional Sale Agreement, the Assignor has agreed to assign for security purposes its rights in, to and under the Lease to the Assignee.

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 12 hereof, the Assignor hereby assigns, transfers and sets over unto the Assignee, as collateral security for the payment and performance

of the Assignor's obligations under the Conditional Sale Agreement (without regard to the limitations specified in Articles 4 or 23 of the Conditional Sale Agreement), all the Assignor's right, title and interest as Lessor under the Lease, together with all rights, powers, privileges, and other benefits of the Assignor 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 Assignor from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages or otherwise (such moneys 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 Assignor, as Lessor, is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Assignor hereby irrevocably authorizes and empowers the Assignee in its own name, or the name of its nominee, or in the name of the Assignor or as its attorney, to ask, demand, sue for, collect and receive any and all sums to which the Assignor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Assignor agrees to cause all the Payments to be made by the Lessee and hereby directs the Lessee to make all Payments directly to or on the order of the Assignee. The Assignee agrees to hold and disburse the Payments in accordance with the provisions of the Conditional Sale Agreement.

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

3. To protect the security afforded by this Assignment the Assignor agrees as follows:

(a) The Assignor will faithfully perform and discharge each and every obligation and agreement which the Lease provides are to be performed by the Assignor; without the written consent of the Assignee, the Assignor will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, conditions and agreements to be performed by the Lessee, 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 Assignor agrees that any amendment, modification or termination thereof without such consent shall be void; the Assignor will hold all Payments received by the Assignor which are assigned and set over to the Assignee by this Assignment in trust for the Assignee and will turn them over to the Assignee forthwith in the same form in which they are received for application in accordance with the terms and conditions hereof.

(b) At the Assignor's sole cost and expense, the Assignor will appear in and defend every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of the Assignor under the Lease.

(c) Should the Assignor fail to make any payment or to do any act which this Assignment requires the Assignor to make or do, then the Assignee, but without obligation so to do, after first making written demand upon the Assignor and affording the Assignor a reasonable period of time within which to make such payment or do such act, but without releasing the Assignor from any obligation hereunder, may make or do the same in such manner and to such extent as the Assignee may deem necessary to protect the security hereof, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Assignee, and also the right to perform and discharge each and every obligation, covenant and

agreement of the Assignor contained in the Lease; and in exercising any such powers, the Assignee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees.

4. The Assignor does hereby constitute the Assignee the Assignor's true and lawful attorney, irrevocably, with full power (in the name of the Assignor, 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 Assignor 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 Assignee may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all the Assignor's obligations under the Conditional Sale Agreement, this Assignment and all rights herein assigned to the Assignee shall terminate, and all estate, right, title and interest of the Assignee in and to the Lease shall revert to the Assignor.

6. The Assignor represents and warrants that (a) the execution and delivery by the Assignor of the Lease, this Assignment and the Conditional Sale Agreement have each been duly authorized, and the Lease, this Assignment and the Conditional Sale Agreement are and will remain the valid and binding obligations of the Assignor in accordance with their terms; (b) the Assignor has not executed any other assignment of the Lease and the Assignee's right to receive all payments under the Lease is and will continue to be free and clear of any and all liens, agreements, security interests or other encumbrances; (c) notwithstanding this Assignment, the Assignor will conform and comply with each and all of the covenants and conditions in the Lease and the Conditional Sale Agreement set forth to be complied with by it; (d) to the knowledge of the Assignor, it has performed all obligations on its part to be performed under the Lease and the Conditional Sale Agreement on or prior to the date hereof; and (e) the Lease and the Conditional Sale Agreement are in full force and effect and have not been cancelled and to the knowledge of the Assignor there has not occurred on or prior to the date hereof any event of default under the Conditional Sale Agreement or any event which with notice and/or lapse of time would constitute such an event of default.

If an event of default under the Conditional Sale Agreement shall occur and be continuing, the Assignee may declare all sums secured hereby immediately due and payable and may at its option without notice and without regard to the adequacy of the security of the sums hereby secured, either in person or by an agent with or without bringing any action or proceeding or by a receiver to be appointed by a court, take possession of and operate the Units or any part thereof in accordance with the terms of the Conditional Sale Agreement and do any acts which the Assignee deems proper to protect the security hereof, either with or without taking possession of the Units. The taking possession of the Units and the taking of any action permitted as aforesaid shall not cure or waive any default or waive, modify or affect any default hereunder or under the Lease or invalidate any act done hereunder.

7. The Assignor covenants and agrees with the Assignee that in any suit, proceeding or action brought by the Assignee, as assignee of the Assignor's right, title and interest under the Lease for any instalment of, or interest on, any rental or other sum owing thereunder, or to enforce any provisions of the Lease, the Assignor will save, indemnify and keep the Assignee 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 Assignor 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 by the Assignor. Any and all such obligations of the Assignor shall be and remain enforceable against and only against the Assignor and shall not be enforceable against the Assignee or any party or parties in whom any of the rights of the Assignor under the Lease shall vest by reason of successive assignments or transfers.

8. The Assignor will, from time to time, do and perform 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 Agent in order to confirm or further assure, to the satisfaction of the Assignee and its counsel, the security intended by this Assignment.

9. The Assignee 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 Assignee hereunder.

10. 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.

11. The Assignor shall cause copies of all notices received in connection with the Lease to be promptly delivered to the Assignee at its office at 200 South Michigan Avenue, Chicago, Illinois 60604, or at such other address as the Assignee shall designate.

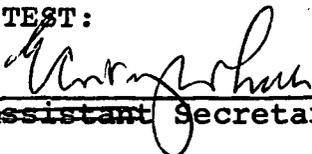
12. Anything herein or in the Lease or in the Conditional Sale Agreement contained to the contrary notwithstanding:

(a) the Assignor may, but shall be under no obligation to, cure any Event of Default (as Event of Default is defined in § 9 of the Lease) suffered or permitted to occur by the Lessee under the Lease by making any payment (whether of rent, casualty payment, indemnity payment or other payment) or by performing any act which the Lease requires the Lessee to make or perform. Upon the making of any such payment or the performance of any such act by the Assignor, the Event of Default under the Lease or any event of default under the Conditional Sale Agreement which occurred in consequence of the Lessee's having failed to make such payment or to perform such act, shall for all purposes of both the Lease and the Conditional Sale Agreement be deemed to have been cured to the same extent as if the Lessee had made such payment or performed such act. The curing of any Event of Default by the Assignor shall not be deemed to impose any obligation or liability upon the Assignor to cure any subsequent Event of Default suffered or permitted to occur by the Lessee; and

(b) the Assignee for itself and its successors and assigns, hereby agrees with the Assignor and its successors and assigns, that except for the direct collection by the Assignee of all rentals, profits and other sums payable by the Lessee to the Assignor pursuant to the Lease, the Assignee will not, so long as no Event of Default under the Lease or an event of default under the Conditional Sale Agreement 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 Assignor to the Assignee by this Assignment.

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.

ATTEST:

  
Assistant Secretary

CFSC LEASING CORP.

By   
Vice President

ATTEST:

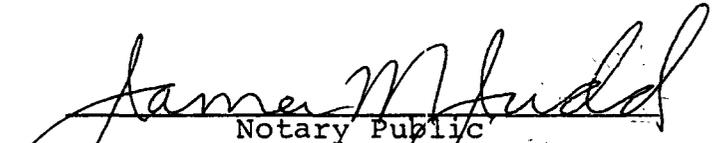
  
Assistant Secretary

PULLMAN INCORPORATED  
(Pullman-Standard division)

By   
Vice President

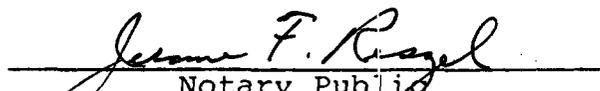
STATE OF Connecticut )  
COUNTY OF Fairfield ) ss.: Budgepoet

On this 11 day of October, 1972, before me personally appeared W. A. Threl, to me personally known, who, being by me duly sworn, says that he is President of CFSC LEASING CORP., 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.

  
Notary Public  
My commission expires April 1, 1973

STATE OF ILLINOIS )  
COUNTY OF COOK ) ss.:

On this 9<sup>th</sup> day of October, 1972, before me personally appeared H. R. Bock, to me personally known, who, being by me duly sworn, says that he is a Vice President of PULLMAN INCORPORATED (Pullman-Standard division), 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  
MY COMMISSION EXPIRES FEB. 24, 1974