

RECORDATION NO. 7723-C  
Filed & Recorded

NOV 21 1974 - 2 25 PM

INTERSTATE COMMERCE COMMISSION

**LEASE ASSIGNMENT**

**Dated as of November 15, 1974**

**FROM**

**FIRST PENNSYLVANIA BANK N.A.**

**Trustee**

**and**

**FIRST PENNSYLVANIA BANK N.A.**

**Trustee**

**to**

**GIRARD TRUST BANK**

**Agent**

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**Filed and recorded with the Interstate Commerce Commission pursuant to  
Section 20c of the Interstate Commerce Act on \_\_\_\_\_, 1974, at  
\_\_\_\_\_, recordation number \_\_\_\_\_.**

## LEASE ASSIGNMENT

LEASE ASSIGNMENT dated as of November 15, 1974 given by First Pennsylvania Bank N.A., as trustee under a trust agreement dated as of the date hereof with The Philadelphia National Bank and First Pennsylvania Bank N.A., as trustee under a trust agreement dated as of the date hereof with Fidelity Union Trust Company (each such trustee being hereinafter individually called a "Vendee" and such trustee collectively being called the "Vendees", each such trust agreement being hereinafter individually called a "Trust Agreement" and such Trust Agreements collectively being called the "Trust Agreements" and The Philadelphia National Bank and Fidelity Union Trust Company being hereinafter individually called a "Trustor" or collectively called the "Trustors") to Girard Trust Bank as Agent (hereinafter called the "Agent") for NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY, GREAT AMERICAN INSURANCE COMPANY and SECURITY MUTUAL LIFE INSURANCE COMPANY OF NEW YORK (said corporations, together with their successors and assigns, being hereinafter called the "Investors").

WHEREAS, GENERAL MOTORS CORPORATION (hereinafter called the "Builder") and the Vendees, have entered into a conditional sale agreement dated as of the date hereof (hereinafter called the "Conditional Sale Agreement") covering the construction, sale and delivery, on the conditions therein set forth, by the Builder and the purchase by the Vendees of the railroad equipment described in Annex A to the Conditional Sale Agreement (said equipment being hereinafter called the "Equipment"); and the Vendees are leasing the Equipment to Andrew L. Lewis, Jr. and Joseph L. Castle, Trustees of the property of Reading Company, Debtor (hereinafter the "Debtor" and such Trustees together with their successors and assigns being hereinafter collectively called the "Lessee") pursuant to a lease of railroad equipment dated as of the date hereof (hereinafter called the "Lease");

WHEREAS, concurrently with execution of this Lease Assignment, the Agent is acquiring, pursuant to an agreement and assignment dated as of the date hereof (hereinafter called the "Assignment"), the security title, rights and interests of the Builder under the Conditional Sale Agreement in the units of the Equipment, all upon and subject to the terms and conditions of a finance agreement (hereinafter called the "Finance Agreement") dated the date hereof between the Investors and the Agent:

NOW, THEREFORE, THIS LEASE ASSIGNMENT (hereinafter called the "Lease Assignment") WITNESSETH:

That in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Agent to the Vendees, the receipt of which is hereby acknowledged, the execution and delivery of the Finance Agreement and the Assignment by the Agent, and the mutual covenants herein contained:

SECTION 1. The Vendees hereby assign, transfer, and set over unto the Agent the Lease and all of the Vendees' rights, powers, privileges and remedies thereunder, except the certain rights granted to the Vendees pursuant to § 17 of the Lease and the rights to enforce the provisions of § 17 under the remedies provided in § 10 of the Lease.

SECTION 2. Anything herein contained to the contrary notwithstanding, the Vendees shall, so long as there is no existing Declaration of Default under the Conditional Sale Agreement, be entitled to exercise all of their

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rights under the Lease to enforce the obligation of the Lessee to make payments of lease rental under the Lease.

SECTION 3. Anything herein contained to the contrary notwithstanding, the Vendees shall remain fully liable under the Lease to perform all of the obligations assumed by them thereunder, and the Agent, its successors or assigns, shall have no obligation or liability under the Lease by reason of or arising out of this Lease Assignment, nor shall the Agent, its successors or assigns, be required or obligated in any manner to perform or fulfill any obligation of the Vendees under or pursuant to the Lease, or to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, its successors or assigns, or to press or file any claim or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it, its successors or assigns, or to which it, its successors or assigns, may have been entitled at any time or times, provided that the Agent shall have first fully informed the Vendees promptly in writing of any such matters of which it has knowledge.

SECTION 4. The rights hereby assigned include, without limitation thereto, the right of the Vendees to perform the Lease at any time or from time to time and the right to receive all monies due and to become due under the Lease, and such rights may be further assigned to another person or persons, in connection with the enforcement of the pledge thereof; and the obligations of the Vendees under the Lease may be performed by the Agent or its successors or assigns, without releasing the Vendees therefrom.

SECTION 5. The Vendees do hereby constitute the Agent, its successors or assigns, the Vendees' true and lawful attorney with full power (in the name of the Vendees or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due or to become due under or arising out of the Lease, to draw any checks or other instruments or orders in connection therewith and to file any claims or to take any action or institute any proceedings which the Agent, its successors or assigns, may deem to be necessary or advisable in the premises, all moneys received pursuant to this Lease Assignment to be applied as hereinafter provided.

SECTION 6. All sums payable to the Vendees under the Lease and assigned hereby, whether as rental payments, indemnities or otherwise, shall be paid by the Lessee directly to the Agent, its successors or assigns. All sums paid to the Agent, its successors or assigns, by the Lessee by virtue of this Lease Assignment shall be held or applied by the Agent, its successors or assigns, in accordance with the applicable provisions of the Finance Agreement and Conditional Sale Agreement.

SECTION 7. The Vendees agree that at any time and from time to time, upon the written request of the Agent, its successors or assigns, the Vendees will promptly and duly execute and deliver any and all such further instruments and documents as the Agent, its successors or assigns, may reasonably request in obtaining the full benefits of this Lease Assignment and of the rights and powers herein granted.

SECTION 8. The Vendees do hereby warrant and represent that they have not assigned or pledged, and hereby covenant that they will not assign or pledge, so long as this Lease Assignment shall remain in effect, any of

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their right, title or interest in or to the Lease to anyone other than the Agent, its successors or assigns, and that they will not take or omit to take any action, the taking or omission of which might result in an alteration, amendment, modification or impairment of the Lease or this Lease Assignment, or of any of the rights created by any of such instruments; provided, however, that the Vendees' assignment of the Lessors' Interests as defined in the Builder's Agreement shall not violate the provisions of this section. The Vendees do hereby ratify and confirm the Lease and do warrant and represent that the Lease is in full force and effect and that the Vendees are not in default thereunder.

SECTION 9. The terms of this Lease Assignment and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Pennsylvania; *provided, however*, that the parties shall be entitled to all the rights conferred by Section 20c of the Interstate Commerce Act, such additional rights arising out of the filing, recording or depositing of the Lease and this Lease Assignment as shall be conferred by the laws of the several jurisdictions in which the Lease or this Lease Assignment shall be filed, recorded or deposited, or in which any unit of the Equipment shall be located, and any rights arising out of the marking on the units of the Equipment.

SECTION 10. This Lease Assignment may be executed in any number of counterparts, but the counterpart delivered to the Interstate Commerce Commission for recording and subsequently redelivered to the Agent shall be deemed to be the original counterpart. Although this Lease Assignment is dated as of November 15, 1974, for convenience, 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.

SECTION 11. This Lease Assignment shall take effect immediately upon the execution hereof and the powers and authorities granted to the Agent, its successors or assigns, herein, having been given for valuable consideration, are hereby declared to be irrevocable; *provided, however*, that when all of the Conditional Sale Indebtedness (as defined in the Conditional Sale Agreement) and all other sums payable under the Conditional Sale Agreement have been paid or discharged in accordance with the terms thereof, and all other covenants and agreements contained therein shall have been performed, all right, title and interest herein assigned shall revert to the Vendees and this Lease Assignment shall terminate.

SECTION 12. In the event that the Agent has actual notice of an Event of Default under the Lease, the Agent will give prompt notice to the Vendees, the Builder and the Trustors of such Events of Default.

SECTION 13. The Agent agrees to furnish to the Vendees such information, statements and reports which the Vendees may reasonably request for the purpose of the Vendees carrying out of their powers, obligations and duties under the Trust Agreement or the Lease, or as will enable the Vendees or the Trustors to prepare tax returns; and the Agent will make available at reasonable times for review or copying such books and records as the Vendees or the Trustors may reasonably request.

LEASE ASSIGNMENT

IN WITNESS WHEREOF, the Vendees, pursuant to due corporate authority, have caused this instrument to be executed in their corporate names by duly authorized officials, and their corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

[CORPORATE SEAL]

FIRST PENNSYLVANIA BANK N.A.

ATTEST:

*A. Roman*  
Assistant Secretary

By: *W. W. W. W.*  
Vice President

[CORPORATE SEAL]

FIRST PENNSYLVANIA BANK N.A.

ATTEST:

*A. Roman*  
Assistant Secretary

By: *W. W. W. W.*  
Vice President

COMMONWEALTH OF PENNSYLVANIA }  
COUNTY OF PHILADELPHIA } ss.:

On this 14th day of November, 1974, before me personally appeared November, to me personally known, who, being by me duly sworn, says that he is a Vice President of First Pennsylvania Bank N.A., 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.

*Elizabeth J. Sabers*  
Notary Public

Notary Public, Phila. Co.  
My Commission Expires 3/1/76

[NOTARIAL SEAL]

COMMONWEALTH OF PENNSYLVANIA }  
COUNTY OF PHILADELPHIA } ss.:

On this 14th day of November, 1974, before me personally appeared A. N. Krayer, to me personally known, who, being by me duly sworn, says that he is a Vice President of First Pennsylvania Bank N.A., 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.

*Elizabeth J. Sabers*  
Notary Public

Notary Public, Phila. Co.  
My Commission Expires

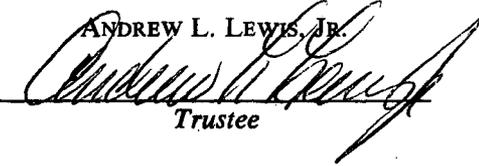
[NOTARIAL SEAL]

LEASE ASSIGNMENT

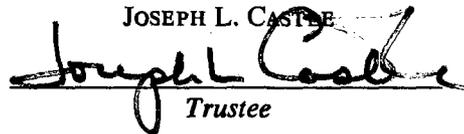
ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Lease Assignment is hereby acknowledged as of November 15, 1974.

ANDREW L. LEWIS, JR.

  
Trustee

JOSEPH L. CASTLE

  
Trustee

*As Trustees of the property  
of Reading Company,  
Debtor, and not individually.*