RECORDATION NO. 7727
Filed & Recorded
NOV 25 1974
INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of November 1, 1974, by and between UNITED STATES RAILWAY LEASING COMPANY, an Illinois corporation (hereinafter called the Company), and BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, as Trustee (hereinafter called the Trustee), under an Equipment Trust Agreement dated as of November 1, 1974 (hereinafter called the Equipment Trust Agreement), by and among the Trustee, the Company, United States Railway Equipment Co., an Illinois corporation (hereinafter called the Equipment Co.) and U. S. Railway Mfg. Co., and Illinois corporation (hereinafter called Railco).

WHEREAS, the Company and LOUISVILLE, NEW ALBANY AND CORYDON R. R. COMPANY (hereinafter called the Lessee) have entered into a Lease Agreement dated January 16, 1973* (hereinafter called the Lease), providing for the leasing by the Company to the Lessee of the 70 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 7089;** and 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 4.09 of the Equipment Trust Agreement to secure the payment and performance by the Company of all obligations arising under the Equipment Trust Agreement, including, but not limited to, the obligations arising under the guaranty endorsed or to be endorsed on the Equipment Trust Certificates issued or to be issued under the Equipment Trust Agreement (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:

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 interest as lessor under the Lease,

* as amended August 12, 1974

** and 7089-A

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, the right to receive all proceeds from the sale of any unit of Trust Equipment payable to the Company pursuant to the Lessee's exercise of an option to purchase any such unit pursuant to 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 Equipment Trust Agreement, or any event which with notice or lapse of time or both, could 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.

Until such time as, to the actual knowledge of the Trustee (obtained at is Corporate Trust Office as that term is defined in the Equipment Trust Agreement), the Company shall be in default under any provision of the Equipment Trust Agreement, the Company shall be entitled to receive all rentals, profits and other sums payable to or receivable by the Company under or pursuant to the provisions of the Lease (hereinafter called Rentals), except that the Company shall be entitled to receive proceeds from the sale of any unit of Trust Equipment payable to it pursuant to the Lessee's exercise of an option to purchase any such unit only upon compliance with the first paragraph of Section 4.06 of the Equipment Trust Agreement.

If, to the actual knowledge of the Trustee (obtained as provided above), the Company shall be in default under any provision of the Equipment Trust Agreement, the Company, during the continuance

of such default, shall forthwith, upon written notice thereof from the Trustee, direct the Lessee to pay all Rentals directly to the Trustee and the Company shall, if it receives the same, forthwith deposit the same with the Trustee, which payments shall be applied by the Trustee to the payment of all amounts then or thereafter due and payable under the Equipment Trust Agreement.

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.

Upon transfer by the Trustee of title to any of the Units pursuant to Section 4.06 of the Equipment Trust Agreement, the Trustee shall execute and deliver to the Company a release or reassignment as to such Units.

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) except as provided in Section 4.09 of the Equipment Trust Agreement with respect to a lease other than an Existing Lease, 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 an Existing Lease (as defined in the Equipment Trust Agreement), the Company will, concurrently with the execution and delivery of this Assignment, deliver to the Trustee the opinion of Messrs. Rosenthal and Schanfield, counsel for the Compnay, or an opinion of other counsel satisfactory to the Trustee, to the effect set forth in subparagraph (e) of Section 3.04 of the Equipment Trust Agreement relating to the Assignment of the Lease.

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 (a) 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 and (b) all liability, loss, expense or damage under or arising out of any provisions of the Lease. Any and all such obligations of the Company shall be and remain enforceable 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 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.

7. Notwithstanding anything to the contrary contained in this Assignment or the Equipment Trust Agreement, the Company shall have the right, without the prior written consent of the Trustee to enter into any agreement amending or terminating the Lease, provided that upon the effective date of such agreement not less than 85% of the units constituting the Trust Estate covered by the Equipment Trust Agreement are covered by leases assigned to the Trustee; otherwise such consent shall be required. The Trustee shall consent to any such agreement if (a) it does not reduce the Rentals or the term or any other provision which the Trustee or its counsel deems to materially

and adversely affect the security provided hereby or (b) the holders of more than 50% in aggregate unpaid principal amount of the Trust Certificates then outstanding consent in writing thereto.

8. 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.

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 Leasing Company,

by _____
Vice President.

Attest:

_____
Assistant Secretary.

[corporate seal]

Bank of America National Trust and Savings Association,

by _____
Vice President.

Attest:

_____
Assistant Secretary.

[corporate seal]

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this 20 day of Nov. , 1974, before me personally appeared G. L. SOLOMONSON , to me personally known, who, being by me duly sworn, says that he is a Vice President of UNITED STATES RAILWAY LEASING COMPANY, 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.

Paula Teller
Notary Public

[NOTARIAL SEAL]

My Commission expires

My Commission Expires April 16, 1975

STATE OF CALIFORNIA }
CITY AND COUNTY OF SAN FRANCISCO } ss.:

On this 21st day of November , 1974, before me personally appeared George G. Curtis , to me personally known, who, being by me duly sworn, says that he is a Vice President of BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, that the seal affixed to the foregoing instrument is the corporate seal of said national banking association, 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 association.

Edmund Lee Kelly
Notary Public

[NOTARIAL SEAL]

My Commission expires
1/22/76

EDMOND LEE KELLY
NOTARY PUBLIC-CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO
My Commission Expires Jan. 22, 1976