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INTERSTATE COMMERCE COMMISSION

ITEM A TO
COMMITMENT AGREEMENT

RAILROAD EQUIPMENT LEASE

Dated as of May 24, 1973

Between

GENERAL ELECTRIC COMPANY, Lessor

and

LOUISVILLE & NASHVILLE RAILROAD COMPANY, Lessee

RAILROAD EQUIPMENT LEASE

THIS AGREEMENT made as of this 24th day of May, 1973, between General Electric Company, a corporation of the State of New York (hereinafter called "Lessor"), and Louisville and Nashville Railroad Company, a corporation of the Commonwealth of Kentucky (hereinafter called "Lessee");

WITNESSETH:

WHEREAS, Lessor has in process of construction and nearing completion at its plant in Erie, Pennsylvania, the following described equipment (hereinafter called "Locomotives"), viz:

Twenty-five (25) new, model U23B, 2250 H.P. "XR" series Diesel Electric locomotives bearing road numbers 2728 - 2752 (both inclusive)

WHEREAS, the construction of said Locomotives is in accordance with the terms of the Purchase Agreement Letters of Mr. W.I. Johnson, Director of Purchases of Lessee dated March 21, 1973, and May 2, 1973, (hereinafter called collectively the "Purchase Agreement");

WHEREAS, Lessee intends to have the Locomotives accepted under a permanent plan of financing, the terms of which are not yet completed, and consequently, Lessee is not in a position to accept delivery of and pay for Locomotives under the terms of the Purchase Agreement at this time. Lessee, in order that it may use the Locomotives pending completion of the above financing arrangements has requested the Lessor to give the Lessee temporary custody and possession of the Locomotives on their completion, solely as Lessee of the Locomotives and the Lessor is willing to do so upon the following terms and conditions;

NOW, THEREFORE, it is agreed as follows:

1. Lessor hereby leases to Lessee and Lessee hereby hires from Lessor each of said Locomotives subject to the terms and conditions hereinafter set forth. For the use and rental of each Locomotive, Lessee shall pay to Lessor or its assigns a daily rental computed on the basis of a 360-day year, at the minimum commercial lending rate plus 1/4 of 1%, charged from time to time by Morgan Guaranty Trust Company of New York for loans in New York City to responsible and substantial borrowers, on the purchase price of each Locomotive, which is \$272 800 and is subject to adjustment as provided in the Purchase Agreement. Such rental shall accrue from and include the respective dates of delivery and acceptance until the termination of this Agreement as provided herein. The initial rental charged with respect to any Locomotive shall be based upon the minimum commercial lending rate plus 1/4 of 1%, of Morgan Guaranty Trust Company of New York in effect on the first day of the month during which such Locomotive was delivered, provided, however, that in the case of the first Locomotive delivered hereunder and any other locomotives delivered during the same month the initial rental charged with respect thereto shall be based on the minimum commercial lending rate of Morgan Guaranty Trust Company of New York in effect on the date of delivery and acceptance of such first Locomotive. Upon any change in such minimum commercial lending rate plus 1/4 of 1%, the rental will be adjusted effective on the 1st day of the month following such change. Such rental shall be due and payable on the first day of the month next succeeding the date of delivery and acceptance and monthly thereafter on the first day of each succeeding month.

2. Lessor will deliver the Locomotives leased hereunder on tracks of Lessee at a point to be designated by Lessee, with freight charges prepaid and added, starting the month of June, 1973, subject to any delays caused by fires, strikes or other causes beyond the reasonable control of Lessor. The shipment of the Locomotives shall be routed as requested by the Lessee. Each of the Locomotives shall be inspected upon arrival at said place of delivery designated by the Lessee by an authorized representative of Lessee and if found to conform to the specifications contained in the Purchase Agreement, a Certificate of Inspection and Acceptance, in the form affixed hereto, as item C, shall be furnished to Lessor by Lessee.

3. Lessee will, throughout the term of this Agreement, cause the Locomotives to be kept numbered with their identifying numbers as specified above and will not change the number of any of the Locomotives without prior written consent of Lessor. Lessee will throughout the term of this Agreement keep and maintain plainly, distinctly, permanently and conspicuously marked on each side of each Locomotive a legend (to be determined by Lessee) in form acceptable to the proposed assignee of the Lessor's interest under this Agreement.

For convenience of identification of the leasehold interest hereunder of Lessee in the Locomotives, the Locomotives may be lettered with the names, or initials, or other insignia customarily used by Lessee, or its subsidiaries or its affiliates or in some other appropriate manner. Lessee or any third party or parties acquiring an interest in the Locomotives by reason of a conditional sale, equipment trust or other financing of the

purchase price of the Locomotives by Lessee, shall not by virtue of this Agreement or the possession and use of the Locomotives by Lessee under or pursuant to this Agreement or of anything permitted to be done by Lessee hereunder in respect of the Locomotives, acquire any title to or ownership of the Locomotives, or any thereof, and the title to or ownership of the Locomotives shall remain solely in Lessor.

4. The Locomotives are leased by Lessor and hired by Lessee hereunder for use by Lessee, its subsidiaries, or affiliates, who shall be entitled to use the locomotives upon lines of railroad owned or operated by it, or any subsidiary or affiliate or upon lines of railroad over which the lessee or any such subsidiary or affiliate has trackage or other operating rights, or over which equipment of the lessee or any such subsidiary or affiliate is regularly operated pursuant to contract.

5. From and after the time of delivery of the Locomotives to Lessee, and until the termination of this Lease pursuant to Paragraph 9 hereof, the possession, use, operation and maintenance of the Locomotives shall be at the sole risk and expense of Lessee and Lessee will assume and shall be solely responsible for, and shall indemnify and save harmless Lessor from and against (a) any and all loss or damage, usual wear and tear expected of or to the Locomotives, and (b) any and all claims, demands, suits, judgments or causes of action including but not limited to any claims, demands, suits, judgments or causes of action for or on account of injury to or death of persons other than Lessor's representatives, agents or employees, or loss or damage to property, which may result from or grow in any manner out of the presence, use or operation of the Locomotives

while in the possession of the Lessee under this Agreement.

6. Lessee shall comply with all laws and regulations of any state or governmental authority respecting the manner of using or operating the Locomotives, or any thereof, during the term of this Agreement. In the event such laws or rules require the alteration of any Locomotive, Lessee will conform therewith at its expense. Any parts installed or replacements made by Lessee upon any Locomotive shall be considered as accessions and, without cost or expense to Lessor, there shall be immediately vested in Lessor the same interest in such parts as the interest of Lessor in such Locomotives.

7. The Lessee shall maintain and keep said Locomotives in good order and repair at all times, subject to the right of the Lessor to inspect the condition and the maintenance thereof, and in accordance with Lessor's recommendations in any case affecting the fitness of the Locomotives for operation in any class or type of service different from that for which designed or offered and which might involve the possible impairment of the Locomotives due to overloading or other abuses, and any other factors material to and necessary for the proper maintenance and operation of said Locomotives. The Lessee shall not effect any change in the design, construction or specifications of the Locomotives, body or power plant equipment or component parts thereof, without the written authority and approval of the Lessor.

8. The Lessee agrees promptly to pay any and all taxes or other assessments which may be imposed upon or in respect of said Locomotives by reason of or in connection with Lessee's possession or use of the Locomotives under this Agreement. It is understood, however, that the Lessee shall not be required to pay or discharge any such tax so long as it shall, in good faith, and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not affect or endanger the title

and interest of the Lessor in and to the Locomotives.

9. The term of this Agreement including the obligation of the Lessee to pay the rental provided for in paragraph 1 hereof shall in respect of each of said Locomotives be for the period beginning on the date of delivery of such Locomotive to Lessee under this Agreement and terminating without further act or deed by either Lessor or Lessee as to each Locomotive on December 27, 1973, or on such earlier date as Lessor shall receive payment for any such Locomotive, pursuant to an assignment of its interest in a conditional sale agreement, an equipment trust agreement or other equipment financing. Upon expiration of the term of this Agreement, Lessee agrees to purchase or provide a purchaser for all Locomotives at a purchase price equal to the aggregate purchase price of the Locomotives as determined pursuant to paragraph 1 of this Agreement together with accrued and unpaid rental thereon; provided, however, that no reduction in price of any Locomotive pursuant to the Purchase Agreement after the date of delivery and acceptance of such Locomotive shall affect the obligations of the Lessee under this paragraph; and provided further that the Lessee's obligation to pay the purchase price shall be absolute and unconditional regardless of the condition of any Locomotive and regardless of the loss, taking or destruction of any Locomotive and regardless of any defect in the Lessor's title to any Locomotive or any encumbrance thereon.

10. All or any of the rights, benefits and advantages of the Lessor, including the right to receive payment of rental for, or the purchase price of, any Locomotive or any other payments under this Agreement, may be assigned by the Lessor and reassigned by any assignee at any time and from time to time, provided, however, that no such assignment shall subject any assignee to any of the Lessor's guaranties, warranties, indemnities or any

of its other obligations contained in this Agreement or any other agreement relating to the Locomotives. In the event the Lessor assigns its rights to receive any payments under this Agreement and the Lessee receives written notice thereof from the Lessor, together with a counterpart of such assignment, stating the identity and post office address of the assignee, all payments thereafter to be made by the Lessee under this Agreement shall, to the extent so assigned, be made to the assigned against proper receipt therefor in form satisfactory to Lessee.

11. In the event of any assignment by Lessor of its rights to receive any payments under this Agreement, the rights of such assignee to such payments as may be assigned, together with any other rights hereunder which can be and are so assigned, shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Lessor in respect of the Locomotives or the manufacture, construction, delivery, guaranty or warranty thereof or in respect of any other covenant contained in this Agreement nor subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any indebtedness or liability at any time owing to the Lessee by the Lessor nor shall this Agreement terminate, or the obligations of Lessee be otherwise affected by reason of any loss of possession or loss of use or destruction of any or all of the Locomotives from whatsoever cause, the prohibition of or other restriction of Lessee's use of all or any of the Locomotives, the interference with such use by any person or entity (whether public or private) or the seizure, forfeiture, condemnation or other taking of any or all of the Locomotives or any interest therein. Any and all such obligations howsoever arising shall be and remain enforceable by the Lessee, its successors

and assigns, only against the Lessor, its successors and assigns (other than assignees as such, of rights, benefits or advantages assigned pursuant to this Agreement).

12. It is expressly understood and agreed, and the Lessor expressly agrees, warrants and guarantees that, upon due and full payment of all payments provided to be made by the Lessee under this Agreement, Lessor shall thereupon execute and deliver to the Lessee, or to the party designated by the Lessee in writing, a bill of sale in customary form with full warranty of title, free and clear of all liens with respect to such Locomotives and, upon request of Lessee's counsel, the Lessor shall also thereupon furnish to such counsel any reasonable evidence showing that, despite any assignment permitted under this Agreement, Lessor owns and has full title, free and clear of all liens, to such Locomotives at the time such bill of sale is executed and delivered.

13. Prior to the delivery of any locomotives Lessee has caused this Agreement and the first assignment of certain Lessor's rights hereunder to be duly filed, registered or recorded in conformity with Section 20c of the Interstate Commerce Act, and in such other place or places as Lessor may reasonably request for the protection of its title.

14. Lessor warrants that each of the Locomotives delivered to Lessee under this Agreement will be free from defects in material and workmanship under normal use and service; its obligations under this warranty being limited to making good at its factory any part or parts thereof which shall be returned to it with transportation charges prepaid, within two (2) years after delivery of such equipment to Lessee, or before such Locomotive has been 250 000 miles in scheduled service, whichever event shall first occur, and which the Lessor's examination shall disclose to its satisfaction to have been thus defective. This warranty shall not apply to any locomotive components which shall have been repaired or altered,

unless repaired or altered by Lessor or by its authorized service representative, if, in its judgment, such repairs or alterations affect the stability of the equipment, or if the equipment has been subject to misuse, negligence or accident, nor shall it apply to specialities not of the Lessor's own specification or design. The Lessor reserves the right to make changes in design or add any improvement on equipment at any time without incurring any obligation to install the same on equipment previously purchased or leased. This warranty being expressly in lieu of all other warranties expressed or implied, including any implied warranty of merchantability or fitness for a particular purpose, and of all other obligations or liabilities on the Lessor's part, and the Lessor neither assumes nor authorizes any person to assume for it any other liability in connection with the sale of its equipment.

15. The following events shall constitute Events of Default:

(a) Lessee shall fail to make any payment of rental or of the purchase price pursuant to paragraph 9 and such default shall continue for a period of 10 days; or

(b) Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure shall continue unremedied for a period of 30 days; or

(c) Any representation or warranty made by Lessee herein or in any document or certificate furnished Lessor (or any assignee of Lessor's interest) in connection herewith or pursuant hereto shall prove to be incorrect as of the time when made in any material respect unless the same shall be remedied without any damage to Lessor (or any assignee of Lessor's interest) within 30 days after written notice thereof to Lessee; or

(d) Lessee shall default (as principal or guarantor or other surety) in the payment of any principal or premium, if any, or interest on any indebtedness in respect of borrowed money or in the performance of or compliance with any term of any evidence of such indebtedness or of any mortgage, indenture or other agreement relating thereto, and such default shall result in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable; or

(e) Lessee shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts as they become due, or shall file a voluntary petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file any answer admitting or not contesting the material allegations of a petition filed against Lessee in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Lessee or of all or any substantial part of the properties of Lessee or if Lessee or its directors or majority stockholders shall take any action looking to the dissolution or liquidation of Lessee; or

(f) Within 60 days after the commencement of any action against Lessee seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under Section 77 of the Bankruptcy Act, as now constituted or as may be hereafter amended, or under any present or future statute, law or regulation, such action shall not have been dismissed or all orders or proceedings thereunder affecting the operations or the business of Lessee stayed, or if the stay of any such order or proceeding shall thereafter be set aside, or if, within 60 days after the appointment without the consent or acquiescence of Lessee of any

trustee, receiver or liquidator of Lessee or of all or any substantial part of the properties of Lessee such appointment shall not have been vacated; or

(g) Lessee shall default in the payment of rent under any lease which provides for total payments over the term of the lease from Lessee to a lessor aggregating in excess of \$500 000, or Lessee shall default in the performance of or compliance with any provision of such a lease and such default shall result in such lease being declared in default or Lessor exercising any of its remedies thereunder.

16. Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing Lessor may, at its option, declare Lessee to be in default, and at any time thereafter, so long as Lessee shall not have remedied all outstanding defaults, Lessor may exercise one or more of the following remedies, as Lessor in its sole discretion shall elect, to the extent such remedies shall be available to a lessor under such laws as may then be in effect and applicable to the exercise of such remedies, and subject always to any mandatory requirements of such laws:

(a) Terminate this lease upon five days' notice to Lessee, whereupon Lessee shall, without further demand, as liquidated damages for loss of a bargain and not as a penalty, forthwith pay to Lessor an amount equal to any accrued and unpaid rental due on or before the date of termination plus an amount equal to the purchase price of all Locomotives calculated as provided in paragraph 9, plus any applicable indemnification payments under paragraphs 5 and 8;

(b) Cause Lessee at its expense to return the Locomotives to the Lessor at a point in the United States of America designated by Lessor, and, in connection therewith forthwith place the Locomotives upon such storage tracks of Lessee as Lessor may designate or, in the absence of such designation, as Lessee may select, permit Lessor to store the Locomotives on such tracks for a period not exceeding six months at the risk of Lessee, and transport the same, at any time within such six months' period, to any place on the lines of railroad operated by it or to any connecting carrier for shipment, all as directed by Lessor; or Lessor may enter upon the premises where the Locomotives are located and take immediate possession of and remove them by summary proceedings or otherwise, all without liability of Lessor for or by reason of such entry or taking possession, whether for the repair of damage to property caused by such taking or otherwise;

(c) Sell the Locomotives at public or private sale and with or without notice to Lessee or advertisement, as Lessor may determine, and Lessor may hold Lessee liable for any unpaid rental due on or before the date of such sale plus any deficiency between the net proceeds of such sale and the purchase price of all Locomotives calculated as provided in paragraph 9 plus any applicable indemnification payments under paragraphs 5 and 8;

(d) Sell, dispose of, hold, use, operate, lease, or keep idle the Locomotives in whole or in part as Lessor in its sole discretion may decide, without any duty to account to Lessee with respect to such action or for any proceeds thereof, except to such extent as may be required in connection with any exercise of the remedy provided in subparagraph (c) above; or

(e) Rescind this Agreement or exercise any other right or remedy which may be available under applicable law or proceed by appropriate court

action to enforce the terms hereof or to recover damages for the breach hereof.

In addition, Lessee shall be liable for all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by reason of the occurrence of any Event of Default and the exercise of Lessor's remedies with respect thereto. No remedy referred to in this paragraph is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity; and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by it of any or all such and any or all other remedies. No express or implied waiver by Lessor of any Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Event or Default. After default, Lessor may first apply all proceeds of rental, sale or other recoveries to costs, charges and expenses incurred in taking, removing, holding, repairing, overhauling, rehabilitating, maintaining and selling the Locomotives. Any disposition of Locomotives after return thereof as provided for herein may be made by Lessor before any final judgment in any repossession or replevin suit, and shall not constitute conversion. After default, Lessor may use Lessee's premises without payment of rent for a reasonable period of time to hold, repair, overhaul, rehabilitate, maintain, store, sell, rent or otherwise dispose of the Locomotives or any item thereof after Lessor takes possession of the Locomotives or any item thereof.

17. This Agreement shall be governed by and constructed in accordance with the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of

the Interstate Commerce Act and by the recordation provisions of any other act pursuant to which this Agreement is recorded.

18. The indemnity agreements contained in paragraphs 5 and 8 shall remain operative and in full force and effect regardless of the payment of the purchase price pursuant to paragraph 9 or the delivery of a bill of sale pursuant to paragraph 10.

19. This Agreement may be simultaneously executed in two or more counterparts each of which so executed shall be deemed to be an original and such counterparts, together, shall constitute but one and the same agreement, which shall be sufficiently evidenced by any such original counterpart.

20. LESSEE agrees to pay (a) all costs, charges and expenses incident to the delivery and recordation of this Lease and of the first assignment hereof by the Lessor, and (b) all expenses incurred by the assignee in connection with the proposed transaction including an amount equal to the reasonable fees and disbursements of Messrs. Davis Polk & Wardwell, special counsel to the proposed assignee of this Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized and their corporate seals to be hereto affixed as of the day and year first above written.

GENERAL ELECTRIC COMPANY

By
Vice President and General Manager
Transportation Systems Business Division

Attest:

(Corporate Seal)

Attesting Secretary

LOUISVILLE & NASHVILLE RAILROAD COMPANY

By
Vice President

Attest:

(Corporate Seal)

Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA

ss:

County of Erie

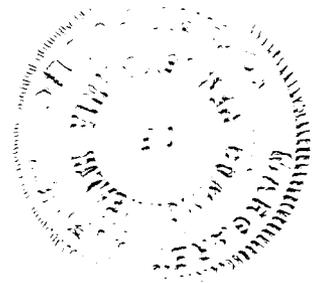
The undersigned, a Notary Public for the Commonwealth and County aforesaid, certifies that, on the date hereinafter stated, personally appeared before me in said Commonwealth and County, Louis V. Tomasetti, to me personally known, who thereupon produced before me the foregoing instrument, and who, being by me duly sworn, says that he is Vice President and General Manager - Transportation Systems Business Division, of General Electric Company, a corporation, that the seal affixed to said instrument is the corporate seal of said corporation, that said instrument was signed and sealed by him on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution and delivery of said instrument was the free act and deed of said corporation.

Witness my hand and notarial seal, this 30th day of *May*, 1973.

Margaret M. Frew
Notary Public
Commonwealth of Pennsylvania
My Commission expires

(Notarial Seal)

MARGARET M. FREW, Notary Public
Erie, Erie Co., Pa.
My Commission Expires June 7, 1976



COMMONWEALTH OF KENTUCKY

ss:

County of Jefferson

The undersigned, a Notary Public for the Commonwealth and County aforesaid, certifies that, on the date hereinafter stated, personally appeared before me in said Commonwealth and County, *R. E. Bisha*, to me personally known, who thereupon produced before me the foregoing instrument, and who, being by me duly sworn, says that he is Vice President of Louisville and Nashville Railroad Company, a corporation, that the seal affixed to said instrument is the corporate seal of said corporation, that the instrument was signed and sealed by him on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution and delivery of said instrument was the free act and deed of said corporation.

Witness my hand and notarial seal, this *1st* day of *June*, 1973.

Sandra A. Herdt
Notary Public
Jefferson County, Kentucky
My commission expires *January 5, 1977.*

(Notarial Seal)

ITEM B TO
COMMITMENT AGREEMENT

ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS, That:

WHEREAS, General Electric Company,
a New York Corporation (the "Manufacturer"), and Louisville & Nashville
Railroad Company, a Kentucky corporation (the "Railroad"), have hereto-
fore entered into a certain agreement (the "Lease") dated as of
May 24 , 1973, for the lease and sale by the Manufacturer and hire
and purchase by the Railroad of certain railroad equipment (the
"Locomotives") to wit:

Twenty-five (25) new, model U23B, 2250 HP, "XR" series Diesel
Electric Locomotives bearing road numbers 2728 - 2752 (both
inclusive)

upon the terms and conditions, and for the rental and purchase price, as
in and by the Lease provided; and

WHEREAS, pursuant to Section 13 of the Lease the Railroad has
agreed to duly file and record this Assignment and the Lease as therein
provided, for the protection of the right, title and interest of the
parties to this Assignment and the Lease; and

WHEREAS, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, a New York
corporation, with its office and place of business in the City of New York
(the "Assignee"), has agreed to buy the Manufacturer's right to receive
certain payments under the Lease;

NOW, THEREFORE, for value received and upon the terms and conditions
set forth

1. The Manufacturer does hereby sell, assign, transfer and set
over to the Assignee all of the right, title and interest of the Manufacturer

in and to the rentals payable by the Railroad with respect to the Locomotives, in and to the payment by the Railroad of the purchase price of the Locomotives under the Lease, in any other amounts paid by the Railroad under paragraphs 5 and 8 of the Lease, and all of the Manufacturer's rights, powers, privileges, and remedies under the lease. In furtherance of this assignment and transfer, the Manufacturer does hereby authorize and empower the Assignee in its own name to sue for, collect, receive and enforce all payments to be made and compliance on the part of the Railroad with the terms and provisions of the Lease. The Manufacturer has irrevocably directed Railroad to make all payments of such rentals, such purchase price and such other amounts directly to the Assignee and Railroad has so agreed.

2. The Manufacturer warrants and covenants that it is the lawful owner of all the rights in and title to said Locomotives under the Lease; that it has good and lawful right to sell and assign the same and that its right and title thereto are free from all liens and encumbrances and that notwithstanding this Assignment, it will perform and comply with each and all of the covenants and conditions in the Lease set forth to be complied with by the Manufacturer and not intended to be transferred by this Assignment and, at its sole cost and expense, enforce or secure the performance of and compliance with each and every term of the Lease to be performed or complied with by Railroad.

3. The Manufacturer represents and warrants that the Lease has been duly authorized and executed by it and covenants that it will notify the Railroad in writing of this Assignment and that it will from time to time, at the request of the Assignee, make, execute and deliver all such

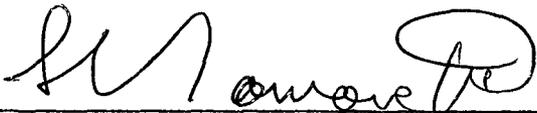
further instruments of assignment, transfer and assurance and do such further acts and things in the premises, to give effect to the provisions hereof and more perfectly to confirm the right, title and interest hereby assigned and transferred to the Assignee intended so to be.

4. The Manufacturer agrees that no modification or waiver of the terms of the Lease will be made without the written consent of the Assignee.

5. If the Manufacturer shall fail to perform any acts as herein provided, then the Assignee may (but shall not be obligated to), without notice to or demand on the Manufacturer and without releasing the Manufacturer from any obligation hereunder, perform the same in such manner and to such extent as, the Assignee may deem necessary to protect its interests under this Assignment, including, the right to appear in and defend any action or proceeding purporting to affect its interest hereunder and in the Locomotives and the rights or powers of the Assignee and also the right to perform and discharge each and every obligation, covenant and agreement of Assignor contained in the Lease. In exercising any such powers the Assignee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees.

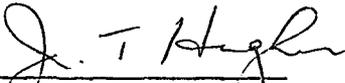
IN WITNESS WHEREOF the Manufacturer has caused this instrument to be executed by its proper officer thereunto duly authorized and its corporate seal to be hereunto affixed as of the 24th day of May, 1973.

GENERAL ELECTRIC COMPANY

By 
Vice President and General Manager
Transportation Systems Business Division

(Corporate Seal)

ATTEST:


Attesting Secretary



COMMONWEALTH OF PENNSYLVANIA

SS:

County of Erie

The undersigned, a Notary Public for the Commonwealth and County aforesaid, certifies that, on the date hereinafter stated, personally appeared before me in said Commonwealth and County, Louis V. Tomasetti, to me personally known, who thereupon produced before me the foregoing instrument, and who, being by me duly sworn, says that he is Vice President and General Manager - Transportation Systems Business Division, of General Electric Company, a corporation, that the seal affixed to said instrument is the corporate seal of said corporation, that said instrument was signed and sealed by him on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution and delivery of said instrument was the free act and deed of said corporation.

Witness my hand and notarial seal, this 30th day of *May*, 1973.

Margaret M. Frew
Notary Public
Commonwealth of Pennsylvania
My Commission expires

(Notarial Seal)

MARGARET M. FREW, Notary Public
Erie, Erie Co., Pa.
My Commission Expires June 7, 1976



ITEM C TO
COMMITMENT AGREEMENT

CERTIFICATE OF INSPECTION AND ACCEPTANCE
RAILROAD EQUIPMENT LEASE

To: Morgan Guaranty Trust Company of New York, As Assignee
299 Park Avenue
New York, New York 10017

General Electric Company, as Lessor
2901 East Lake Road
Erie, Pennsylvania 16501

I, a duly appointed inspector and authorized representative of Louisville and Nashville Railroad Company ("L&N"), do hereby certify that I have inspected, received, approved and accepted, on behalf of the L&N under the Railroad Equipment Leased dated as of May 24, 1973, between General Electric Company ("GE") and L&N, and the Assignment thereof dated as of the same date, between GE and Morgan Guaranty Trust Co., the following units of equipments ("Equipment"):

TYPE OF EQUIPMENT: 2250 HP U23-B Diesel-electric locomotives

PLACE ACCEPTED: Walton, Kentucky

DATE ACCEPTED:

NUMBER OF UNITS:

NUMBERED:

I do further certify that the foregoing Equipment is in good order and condition and conforms to the Specifications applicable thereto, and at the time of delivery to the L&N there was plainly, distinctly, permanently and conspicuously marked upon each side of each unit of Equipment the following legend in letters not less than one inch (1") in height:

SUBJECT TO A SECURITY AGREEMENT FILED UNDER THE INTERSTATE
COMMERCE ACT, SECTION 20c.

The execution of this certificate will in no way relieve or decrease the responsibility of the Builder of the Equipment for warranties it has made with respect to the Equipment.

Inspector and Authorized Representative of
Louisville & Nashville Railroad Company

Date _____