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INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of August 1, 1974 (hereinafter called "this Assignment"), between UNITED STATES TRUST COMPANY OF NEW YORK, (hereinafter called the Lessor), as trustee for GENERAL ELECTRIC CREDIT CORPORATION, and MANUFACTURERS HANOVER TRUST COMPANY (hereinafter called the Assignee).

WHEREAS the Lessor and Trailer Train Company (hereinafter called the Lessee) have entered into a Lease of Equipment dated as of March 1, 1974 (hereinafter, as amended by an Amendment Agreement dated as of August 1, 1974, called the Lease), providing for the leasing by the Lessor to the Lessee of certain units of railroad equipment; and

WHEREAS, in order to provide security for the obligations of the Lessor under an Equipment Trust Agreement dated as of the date hereof (hereinafter called the Equipment Trust Agreement) between the Assignee and the Lessor, the Lessor agrees 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 11 hereof, the Lessor hereby assigns, transfers and sets over unto the Assignee, as collateral security for the payment and performance of the obligations of the Lessor under the Equipment Trust Agreement, all the Lessor's right, title and interest, powers, privileges, and other benefits 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 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 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. In furtherance of the foregoing assignment, the Lessor hereby

irrevocably authorizes and empowers the Assignee in its own name, or 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, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Assignee agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Assignee will apply such Payments to satisfy the obligations of the Lessor under the Equipment Trust Agreement. So long as no Event of Default (or event which, with notice or lapse of time, or both, could constitute an Event of Default) under the Equipment Trust Agreement shall have occurred and be continuing, any remaining balance shall be paid to the Lessor at such place as the Lessor shall specify in writing. The Assignee will promptly notify the Lessor of the occurrence of an Event of Default (or event which, with notice or lapse of time, or both, could constitute an Event of Default) under the Lease of which it has knowledge; *provided, however,* that any failure to provide such notice shall not affect the rights and remedies of the Assignee hereunder or under the Equipment Trust 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 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 Assignee.

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

(a) The Lessor will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Lessor; without the written consent of the Assignee, the Lessor will not anticipate the rents or other payments under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be per-

formed 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 Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

(b) At the Lessor's sole cost and expense, the Lessor 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 Lessor under the Lease.

(c) Should the Lessor fail to make any payment or to do any act which this Assignment requires the Lessor to make or do, then the Assignee, but without obligation so to do, after first making written demand upon the Lessor and affording the Lessor a reasonable period of time within which to make such payment or do such act, but without releasing the Lessor 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 Lessor 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, and the Lessor will reimburse the Assignee for such costs, expenses and fees.

4. The Lessor does hereby constitute the Assignee 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 Assignee may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all the Lessor's obligations under the Equipment Trust 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 Lessor.

6. If an Event of Default under the Equipment Trust Agreement shall occur and be continuing, the Assignee may declare all sums secured hereby immediately due and payable and may apply all such sums against the amounts due and payable under the Equipment Trust Agreement.

7. The Lessor 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 Assignee in order to confirm or further assure, the interests of the Assignee hereunder.

8. 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.

9. This Assignment shall be governed by the laws of the State of New York, but the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Assignee at its address set forth in the Equipment Trust Agreement, or at such other address as the Assignee shall designate. Any notice required or permitted to be given by the Assignee to the Lessor shall be delivered or made to the Lessor at its address set forth in the Lease, or at such other address as the Lessor shall designate.

11. The Assignee hereby agrees with the Lessor that the Assignee will not, so long as no Event of Default under the Lease or the

Equipment Trust 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 Lessor to the Assignee by this Assignment, except as contemplated by Paragraph 1 hereof. The liability of the Lessor to the Assignee under this Assignment of Lease and Agreement shall be limited in accordance with provisions of the last paragraph of Section 5.04 of the Equipment Trust Agreement.

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.

UNITED STATES TRUST COMPANY
OF NEW YORK,
as Trustee

[CORPORATE SEAL]

by .....
Vice President

Attest:
.....
Assistant Secretary

MANUFACTURERS HANOVER TRUST
COMPANY,

by .....
Vice President

[CORPORATE SEAL]

Attest:
.....
Assistant Secretary

LESSEE'S CONSENT AND AGREEMENT

The undersigned, a corporation duly incorporated under the laws of the State of Delaware, the Lessee named in the Lease (hereinafter called the Lease) referred to in the foregoing Assignment of Lease and Agreement (hereinafter called the Assignment), hereby (a) acknowledges receipt of a copy of the Assignment and (b) consents to all the terms and conditions of the Assignment.

As an inducement to the purchasers and subsequent holders of the equipment trust certificates (hereinafter called the Trust Certificates) to be issued pursuant to the Equipment Trust Agreement (hereinafter called the Equipment Trust Agreement) dated as of August 1, 1974, between Manufacturers Hanover Trust Company, Trustee (hereinafter called the Trustee) and United States Trust Company of New York, as trustee (hereinafter called the Lessor) (a copy of which Equipment Trust Agreement has been delivered to the undersigned) pursuant to which the Lessor is partially financing the purchase of the units of railroad equipment (hereinafter called the Units) being leased by the Lessor to the undersigned pursuant to the Lease, and for other good and valuable consideration, the undersigned:

(1) represents and warrants to the Trustee, for the benefit of the holders of Trust Certificates, that the rentals and other obligations under the Lease have been calculated so as to provide for the due and punctual payment of the principal of, and interest on, the Trust Certificates and the due and punctual performance of all other obligations of the Lessor under the Equipment Trust Agreement (except the obligations of the Lessor under Section 4.03 thereof) and that, pursuant to the Assignment, the Trustee will have the indefeasible right to apply such rentals and other payments under the Lease to the payment of the principal of and interest on the Trust Certificates, and the payment of other obligations of the Lessor under the Equipment Trust Agreement;

(2) for value received, hereby unconditionally and irrevocably guarantees prompt payment of the principal of, and interest on, the Trust Certificates when due and that all other covenants and obligations of the Lessor under the Equipment Trust Agreement will be duly and punctually performed (except for the obligations of the Lessor under Section 4.03 thereof), whether at stated maturity or by declaration or otherwise, irrespective of any enforcement against the Lessor of any of

the rights of the Trustee thereunder, by the due and punctual payment of the rentals and the due and punctual performance of the other obligations of the undersigned under the Lease and such other sums as may be necessary for such purpose in the event that the payments calculated as warranted in clause (1) above are inadequate for such purposes or are not paid by the Lessor for any other reason;

(3) will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys provided for in the Lease (which moneys are hereinafter called the Payments) due and to become due under the Lease in respect of the Units leased thereunder, directly to the Trustee, at 40 Wall Street, New York, New York 10015, attention of Corporate Trust Department (or at such other address as may be furnished in writing to the undersigned by the Trustee); and, if the undersigned fails for any reason whatsoever to pay to the Trustee any Payments, it will pay to the Trustee, on the respective dates and times set forth in the Lease on which the Payments are specified to be due thereunder, sums equivalent to the Payments which the undersigned shall not theretofore have paid to the Trustee; it being hereby agreed that the undersigned's obligation to pay all the aforesaid Payments or sums equivalent to the Payments is absolute and unconditional and the undersigned hereby agrees to indemnify the Trustee against, any liens, charges or claims of any nature whatsoever (other than liens, charges or claims created or incurred by the Trustee not arising out of the transactions contemplated by the Equipment Trust Agreement, the Lease or the Assignment) which result from a breach by the undersigned of its obligations under the Lease and which may be prior to or *pari passu* with the right of the Trustee to apply such Payments or sums equivalent thereto as provided in the Assignment;

(4) agrees that its obligations hereunder shall not be subject to any right of setoff or counterclaim or other defense which the undersigned might have against the Lessor or otherwise under the Lease or otherwise, and shall be performed irrespective of the genuineness, validity, or enforceability of the Lease, the Assignment, the Equipment Trust Agreement or otherwise (including termination of the Lease by operation of law or otherwise or failure of the Lessor to observe or satisfy any term or condition of the Lease) or any interference with the right of the Trustee to apply the rentals and other obligations under the

Lease as provided in the Assignment and irrespective of the limitations contained in the last paragraph of Section 5.04 of the Equipment Trust Agreement;

(5) agrees that any rights acquired by the undersigned, by subrogation or otherwise, against the Lessor under the Equipment Trust Agreement or the Lease pursuant to the Assignment with respect to any of the Units by reason of any payments made by the undersigned pursuant hereto may not be exercised until the Trustee has been paid all sums payable to it under the Equipment Trust Agreement and the holders of the Trust Certificates have been paid the full principal amount of, and all interest on, the Trust Certificates;

(6) agrees that the obligations of the undersigned under this Consent and Agreement shall be superior in right of payment to all the undersigned's Thirty Year Subordinated Notes sold or to be sold pursuant to a Note Purchase Agreement dated as of January 1, 1967, among the undersigned and certain of its stockholders;

(7) agrees that the Trustee shall be entitled to the benefits of, and to receive and enforce performance of, all of the covenants to be performed by the undersigned under the Lease as though the Trustee were named therein as the Lessor and agrees that the Trustee and the holders of Trust Certificates shall not, by virtue of the Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise;

(8) agrees that the Lease shall not, without the prior written consent of the Trustee, be amended, terminated or modified, or any action be taken or omitted by the undersigned, the taking or omission of which might result in an alteration or impairment of the Lease, the Assignment or this Consent and Agreement or of any of the rights created by any thereof; and

(9) will (i) execute, deliver and/or furnish all notices, certificates, communications, instruments, agreements, legal opinions and other documents and papers required to be executed, delivered and/or furnished by it (or its counsel) pursuant to the provisions of the Equipment Trust Agreement and (ii) do all such acts and execute and deliver all such further assurances required to be done and/or executed and delivered by it pursuant to the provisions of any thereof.

In consideration of the premises, the Lessee's covenants aforementioned and other good and valuable consideration, the Trustee agrees to pay to the Lessee in accordance with Section 9.04 of the Equipment Trust Agreement such amounts, if any, as are therein specified to be paid to the Lessee, provided that the Lessor is not in default under the Equipment Trust Agreement and the Lessee is not in default under the Lease.

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed an original, and such counterparts together shall constitute one and the same instrument.

This Consent and Agreement, when accepted by the Trustee by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the State of New York and, for all purposes, shall be construed in accordance with the laws of said State.

Dated as of August 1, 1974

TRAILER TRAIN COMPANY,

by .....

Vice President—Finance
and Treasurer

[CORPORATE SEAL]

Attest: .....

Accepted:

MANUFACTURERS HANOVER TRUST COMPANY,
Trustee,

by .....

Vice President

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this 10th day of Sept, 1974, before me personally appeared N. V. REICHERT, to me personally known, who, being by me duly sworn, says that he is the Vice President—Finance and Treasurer of TRAILER TRAIN COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation and 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.

Evelyn L. Senkiewicz
Notary Public

My Commission expires April 24, 1978