

CRAVATH, SWAINE & MOORE

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ONE CHASE MANHATTAN PLAZA

NEW YORK, N. Y. 10005

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No. 0-085A085
Date MAR 25 1980
Fee \$ 30.00
RECORDATION NO. 11059 E
Filed 1425
MAR 25 1980 - 10 30 AM
INTERSTATE COMMERCE COMMISSION

MAR 25 1980 - 10 30 AM
ICC Washington, D. C.

INTERSTATE COMMERCE COMMISSION

March 6, 1980

Badische Corporation
Lease Financing Dated as of January 1, 1980
10-3/4% Secured Notes Due December 31, 2000
[CS&M Ref.: 2097-022]

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. § 11303(a) and the Commission's rules and regulations thereunder, I enclose herewith on behalf of Badische Corporation, for filing and recordation as additional filings under recordation number 11059, counterparts of the following documents:

(a) Amended and Restated Lease Agreement dated as of November 1, 1979, between The Connecticut Bank and Trust Company as Owner Trustee and Badische Corporation; and

(b) Assignment of Lease and Agreement dated as of January 1, 1980, between The Connecticut Bank and Trust Company as Owner Trustee and John Hancock Mutual Life Insurance Company.

Please cross-index the Amended and Restated Lease Agreement and the Assignment of Lease and Agreement with the following document which is being filed simultaneously:

Security Agreement dated as of January 1, 1980,

*Mrs. Lee -
I do not know
what the next
letters are
under 11059*

Handwritten signature/initials

*-D
-E*

Handwritten mark

between the Connecticut Bank and Trust Company as Owner
Trustee and John Hancock Mutual Life Insurance Company,
Recordation No. 11602

The names and addresses of the parties to the
aforementioned Agreements are as follows:

(1) Owner Trustee-Lessor:

The Connecticut Bank and Trust Company
One Constitution Plaza
Hartford, Connecticut 06115

(2) Lessee:

Badische Corporation
Drawer D
Williamsburg, Virginia 23185

(3) Secured Party-Assignee:

John Hancock Mutual Life Insurance Company
John Hancock Place
P.O. Box 111
Boston, Massachusetts 02117

Please file and record the Amended and Restated
Lease Agreement and the Assignment of Lease and Agreement
(~~together constituting one document~~) referred to in this
letter and cross-index them under the names of the Owner
Trustee-Lessor, the Lessee and the Secured Party-Assignee.

The equipment covered by the aforementioned docu-
ments consists of the following:

15 26,800 gallon noncoiled, noninsulated tank cars
equipped with 100-ton roller bearing trucks; AAR Mechanical
Designation TM; bearing identifying numbers DBCX 201-DBCX 215
both inclusive;

26 5,250 cubic foot center-flow covered hopper
cars equipped with 100-ton roller bearing trucks with 20-inch
diameter Knapp natches; AAR Mechanical Designation LO; bear-
ing identifying numbers DBCX 308-DBCX 333, both inclusive;
and

34 4,750 cubic foot aluminum covered hopper cars
equipped with 100-ton roller bearing trucks and oblong

RECORDATION NO. 110595 Filed 1425

MAR 25 1980 -10 22 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of January 1, 1980 (this "Assignment"), by and between THE CONNECTICUT BANK AND TRUST COMPANY, not individually but solely as owner trustee (the "Lessor") under an Amended and Restated Owner Trust Agreement (the "Trust Agreement") dated as of November 1, 1979, with J. P. Morgan Interfunding Corp. (the "Owner Participant"), and JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY (the "Assignee").

WHEREAS the Lessor and Badische Corporation (the "Lessee") have entered into an Amended and Restated Lease Agreement (the "Lease") dated as of November 1, 1979, providing for the acquisition by the Lessor of the items of railroad equipment (the "Items") described in Schedule I to the Lease and the leasing by the Lessor to the Lessee of the Items;

WHEREAS the Lessor is entering into a Security Agreement dated as of the date hereof (the "Security Agreement") with the Assignee; and

WHEREAS in order to provide security for the obligations of the Lessor under the Note Purchase Agreement dated as of the date hereof among the Lessor, the Owner Participant and the Assignee (the "Note Purchase Agreement"), and as an inducement to the Assignee to invest in the Notes (as defined in the Note Purchase Agreement), the Lessor agrees to assign for security purposes, to the extent herein provided, 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. 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 Note Purchase Agreement and the Security 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 (except any sum payable to the Lessor by the Lessee pursuant to the tax indemnity provision of Section 10 of the Lease and payments to the Lessor in its individual capacity pursuant to Sections 10(a) and (b) of the Lease), liquidated damages, or otherwise (such moneys so assigned 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 in 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 Payments 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 Note Purchase Agreement and the Security Agreement, and any balance shall be promptly paid, subject to the provisions of the Security Agreement, so long as no event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement shall have occurred and be continuing, to the Lessor by wire transfer of immediately available funds at such address as may be specified to the Assignee in writing, or if no such address is specified, by check promptly mailed to the Lessor and such balance shall be retained by the Lessor; provided, however, that if an event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement shall have occurred and be continuing, no portion of any such Payments shall be paid to the Lessor. The Assignee shall notify the Lessor at its address set forth in the Lease if the Assignee shall not receive any rental payment under the Lease when due; provided, however, that the failure of the Assignee to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the Note Purchase Agreement or the Security Agreement.

Notwithstanding the foregoing provisions of this Section 1, the Assignee may cause the Lessee to pay any portion of the Payments directly to the Lessor by giving written instructions to such effect to the Lessee (with a copy to the Lessor), but the Assignee may revoke or modify any such instructions at any time by written notice to the Lessee and the Lessor. Any such payments shall be made to the Lessor in the manner and at the place provided in Section 7 of the Lease.

2. This Assignment is executed only as security and shall not subject the Assignee to, or transfer, pass, or in any way affect or modify, the liability of the Lessor under the Lease, it being agreed that notwithstanding this Assignment all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee against, and only against, the Lessor or persons other than the Assignee.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation and agreement which the Lease provides is to be performed by the Lessor; without the written consent of the Assignee, the Lessor will not anticipate the rents under the Lease or waive or in any manner release the Lessee 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 Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

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 demand, receive 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 sums due from the Lessor under the Note Purchase Agreement and the Security 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. The Lessor will pay or discharge any and all claims, liens, charges or security interests (other than those created by the Security Agreement) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor or its successors or assigns (other than the Assignee), not arising out of the ownership of the Items or the transactions contemplated by the Note Purchase Agreement, the Security Agreement or the Lease (but, to the extent that it receives funds sufficient for such purpose from the Owner Participant, including tax liens arising out of the receipt of the income and proceeds from the Items) which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or such rentals or other payments equal or superior to the Assignee's interest therein, unless the Lessor shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Assignee, adversely affect such interests of the Assignee.

7. The Lessor will, from time to time, execute, acknowledge and deliver any and all further instruments reasonably requested by the Assignee in order to confirm or further assure the interest 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 assignee shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder. The Assignee will give written notice to the Lessor and the Lessee of any such assignment.

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 49 U.S.C. § 11303.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all Payments received by it thereunder to be promptly delivered or made to the Assignee at its address set forth in Schedule I to the Note Purchase Agreement or at such other address as the Assignee shall designate.

11. The Assignee hereby agrees with the Lessor that, so long as no event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement has occurred and is then continuing, the Assignee will not 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 the right to receive and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease and the Security Agreement, the Lessor may, so long as no such event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement has occurred and is then continuing, proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Lessee of its obligations under the Lease or to recover damages for the breach thereof; provided, however, that the Lessor shall not, without the prior written consent of the Assignee, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of subparagraph (i), (ii), (iii) or (iv) of Section 17(a) of the Lease.

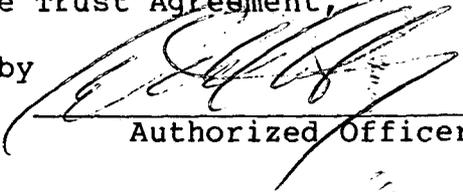
12. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by both parties so long as each party shall sign at least one counterpart and deliver it to the other party.

13. Notwithstanding anything contained herein to the contrary, each representation, warranty and agreement herein made on the part of The Connecticut Bank and Trust Company is made and intended not as a personal representation, warranty or agreement by said institution or for the purpose or with the intention of binding said institution personally but is made and intended for the purpose of binding only the Estate (as such term is used in the Trust Agreement) and this Agreement is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as owner trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution on account of any representation, warranty or agreement herein of the Lessor (except in the case of its own gross negligence or

wilful misconduct), either expressed or implied, all such personal liability, if any, being expressly waived and released by the Assignee and by all persons claiming by, through or under the Assignee; provided, however, that the Assignee or any person claiming by, through or under the Assignee making claim hereunder may look to said Estate for satisfaction of the same.

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.

THE CONNECTICUT BANK AND TRUST COMPANY, not individually but solely as owner trustee under the Trust Agreement,

by 
Authorized Officer

[Seal]

Attest:


Authorized Officer

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY,

by _____
Title:

[Seal]

Attest:

Title:

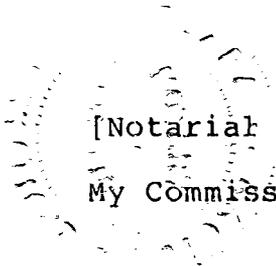
ACKNOWLEDGEMENTS TO ASSIGNMENT OF LEASE AND AGREEMENT

STATE OF CONNECTICUT,)
) ss.:
CITY OF HARTFORD,)

On this 29th day of February 1980, before me personally appeared Donald E. Smith, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, and that said instrument was signed 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.

Barbara S. Kacich
Notary Public

BARBARA S. KACICH
NOTARY PUBLIC
COMMISSION EXPIRES MARCH 31, 1982



[Notarial Seal]
My Commission expires

STATE OF MASSACHUSETTS,)
) ss.:
COUNTY OF SUFFOLK,)

On this 5th day of March 1980, before me personally appeared D. Brooks Zug, to me personally known, who, being by me duly sworn, says that he is an Investment Officer of JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY, and that said instrument was signed 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

[Notarial Seal]
My Commission expires

LESSEE'S CONSENT AND AGREEMENT

The undersigned, BADISCHE CORPORATION (the "Lessee"), the lessee named in the Amended and Restated Lease Agreement (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Assignment"), hereby (a) acknowledges receipt of a copy of the Assignment and (b) consents to all the terms and conditions of the Assignment and agrees that:

(1) subject to the terms and conditions of the Assignment, it will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys provided for in the Lease and assigned to the Assignee (which moneys are hereinafter called the "Payments") due and to become due under the Lease or otherwise in respect of the Items (as defined in the Lease) leased thereunder, directly to John Hancock Mutual Life Insurance Company (the "Assignee"), the assignee named in the Assignment, in immediately available funds to the Assignee at the address for payments specified in Schedule I to the Note Purchase Agreement referred to in the Assignment (or at such other address as may be furnished in writing to the Lessee by the Assignee);

(2) in accordance with and subject to the provisions of the Assignment, the Assignee shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Assignee were named therein as the Lessor;

(3) the Assignee 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;

(4) the Lease shall not, without the prior written consent of the Assignee, be amended, terminated or modified, or any action be taken or omitted by the undersigned, the taking or omission of which might result in any alteration or impairment of the obligations of the Lessee under the Lease which are intended to satisfy the obligations of the Owner Trustee under the Note Purchase Agreement or the Security Agreement referred to in the Assignment, the obligations of the

Lessor under the Assignment or the obligations of the Lessee under this Consent and Agreement or of any of the rights created by any thereof;

(5) the Lessee will follow any written instructions of the Assignee pursuant to the third paragraph of Section 1 of the Assignment until such instructions are revoked or modified by the Assignee pursuant to such paragraph; and

(6) the Lessee will mail or deliver one copy of all notices, statements, documents or schedules given or delivered by it pursuant to the Lease or the Assignment to the Assignee.

This Consent and Agreement shall be construed in accordance with the laws of the State of New York.

Dated as of January 1, 1980

BADISCHE CORPORATION,
as Lessee,

by

Title:

The foregoing Consent and Agreement is hereby accepted, as of the 1st day of January 1980.

JOHN HANCOCK MUTUAL LIFE
INSURANCE COMPANY,

by

Title:

ASSIGNMENT OF LEASE AND AGREEMENT dated as of January 1, 1980 (this "Assignment"), by and between THE CONNECTICUT BANK AND TRUST COMPANY, not individually but solely as owner trustee (the "Lessor") under an Amended and Restated Owner Trust Agreement (the "Trust Agreement") dated as of November 1, 1979, with J. P. Morgan Interfunding Corp. (the "Owner Participant"), and JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY (the "Assignee").

WHEREAS the Lessor and Badische Corporation (the "Lessee") have entered into an Amended and Restated Lease Agreement (the "Lease") dated as of November 1, 1979, providing for the acquisition by the Lessor of the items of railroad equipment (the "Items") described in Schedule I to the Lease and the leasing by the Lessor to the Lessee of the Items;

WHEREAS the Lessor is entering into a Security Agreement dated as of the date hereof (the "Security Agreement") with the Assignee; and

WHEREAS in order to provide security for the obligations of the Lessor under the Note Purchase Agreement dated as of the date hereof among the Lessor, the Owner Participant and the Assignee (the "Note Purchase Agreement"), and as an inducement to the Assignee to invest in the Notes (as defined in the Note Purchase Agreement), the Lessor agrees to assign for security purposes, to the extent herein provided, 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. 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 Note Purchase Agreement and the Security 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 (except any sum payable to the Lessor by the Lessee pursuant to the tax indemnity provision of Section 10 of the Lease and payments to the Lessor in its individual capacity pursuant to Sections 10(a) and (b) of the Lease), liquidated damages, or otherwise (such moneys so assigned 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 in 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 Payments 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 Note Purchase Agreement and the Security Agreement, and any balance shall be promptly paid, subject to the provisions of the Security Agreement, so long as no event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement shall have occurred and be continuing, to the Lessor by wire transfer of immediately available funds at such address as may be specified to the Assignee in writing, or if no such address is specified, by check promptly mailed to the Lessor and such balance shall be retained by the Lessor; provided, however, that if an event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement shall have occurred and be continuing, no portion of any such Payments shall be paid to the Lessor. The Assignee shall notify the Lessor at its address set forth in the Lease if the Assignee shall not receive any rental payment under the Lease when due; provided, however, that the failure of the Assignee to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the Note Purchase Agreement or the Security Agreement.

Notwithstanding the foregoing provisions of this Section 1, the Assignee may cause the Lessee to pay any portion of the Payments directly to the Lessor by giving written instructions to such effect to the Lessee (with a copy to the Lessor), but the Assignee may revoke or modify any such instructions at any time by written notice to the Lessee and the Lessor. Any such payments shall be made to the Lessor in the manner and at the place provided in Section 7 of the Lease.

2. This Assignment is executed only as security and shall not subject the Assignee to, or transfer, pass, or in any way affect or modify, the liability of the Lessor under the Lease, it being agreed that notwithstanding this Assignment all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee against, and only against, the Lessor or persons other than the Assignee.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation and agreement which the Lease provides is to be performed by the Lessor; without the written consent of the Assignee, the Lessor will not anticipate the rents under the Lease or waive or in any manner release the Lessee 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 Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

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 demand, receive 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 sums due from the Lessor under the Note Purchase Agreement and the Security 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. The Lessor will pay or discharge any and all claims, liens, charges or security interests (other than those created by the Security Agreement) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor or its successors or assigns (other than the Assignee), not arising out of the ownership of the Items or the transactions contemplated by the Note Purchase Agreement, the Security Agreement or the Lease (but, to the extent that it receives funds sufficient for such purpose from the Owner Participant, including tax liens arising out of the receipt of the income and proceeds from the Items) which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or such rentals or other payments equal or superior to the Assignee's interest therein, unless the Lessor shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Assignee, adversely affect such interests of the Assignee.

7. The Lessor will, from time to time, execute, acknowledge and deliver any and all further instruments reasonably requested by the Assignee in order to confirm or further assure the interest 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 assignee shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder. The Assignee will give written notice to the Lessor and the Lessee of any such assignment.

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 49 U.S.C. § 11303.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all Payments received by it thereunder to be promptly delivered or made to the Assignee at its address set forth in Schedule I to the Note Purchase Agreement or at such other address as the Assignee shall designate.

11. The Assignee hereby agrees with the Lessor that, so long as no event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement has occurred and is then continuing, the Assignee will not 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 the right to receive and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease and the Security Agreement, the Lessor may, so long as no such event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement has occurred and is then continuing, proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Lessee of its obligations under the Lease or to recover damages for the breach thereof; provided, however, that the Lessor shall not, without the prior written consent of the Assignee, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of subparagraph (i), (ii), (iii) or (iv) of Section 17(a) of the Lease.

12. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by both parties so long as each party shall sign at least one counterpart and deliver it to the other party.

13. Notwithstanding anything contained herein to the contrary, each representation, warranty and agreement herein made on the part of The Connecticut Bank and Trust Company is made and intended not as a personal representation, warranty or agreement by said institution or for the purpose or with the intention of binding said institution personally but is made and intended for the purpose of binding only the Estate (as such term is used in the Trust Agreement) and this Agreement is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as owner trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution on account of any representation, warranty or agreement herein of the Lessor (except in the case of its own gross negligence or

wilful misconduct), either expressed or implied, all such personal liability, if any, being expressly waived and released by the Assignee and by all persons claiming by, through or under the Assignee; provided, however, that the Assignee or any person claiming by, through or under the Assignee making claim hereunder may look to said Estate for satisfaction of the same.

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.

THE CONNECTICUT BANK AND TRUST COMPANY, not individually but solely as owner trustee under the Trust Agreement,

by

Authorized Officer

[Seal]

Attest:

Authorized Officer

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY,

by

J. Brooks Zug
Title: Member Investment Com.

[Seal]

Attest:

James H. Young
Title:

ASSISTANT SECRETARY



ACKNOWLEDGEMENTS TO ASSIGNMENT OF LEASE AND AGREEMENT

STATE OF CONNECTICUT,)
) ss.:
CITY OF HARTFORD,)

On this 29th day of February 1980, before me personally appeared Donald E. Smith, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, and that said instrument was signed 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

[Notarial Seal]

My Commission expires

STATE OF MASSACHUSETTS,)
) ss.:
COUNTY OF SUFFOLK,)

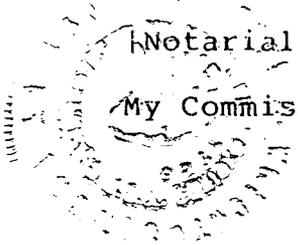
On this 5th day of March 1980, before me personally appeared D. Brooks Zug, to me personally known, who, being by me duly sworn, says that he is an Investment Officer of JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY, and that said instrument was signed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Stimpred O. Wright

Notary Public

[Notarial Seal]

My Commission expires August 15, 1986



Senor

LESSEE'S CONSENT AND AGREEMENT

The undersigned, BADISCHE CORPORATION (the "Lessee"), the lessee named in the Amended and Restated Lease Agreement (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Assignment"), hereby (a) acknowledges receipt of a copy of the Assignment and (b) consents to all the terms and conditions of the Assignment and agrees that:

(1) subject to the terms and conditions of the Assignment, it will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys provided for in the Lease and assigned to the Assignee (which moneys are hereinafter called the "Payments") due and to become due under the Lease or otherwise in respect of the Items (as defined in the Lease) leased thereunder, directly to John Hancock Mutual Life Insurance Company (the "Assignee"), the assignee named in the Assignment, in immediately available funds to the Assignee at the address for payments specified in Schedule I to the Note Purchase Agreement referred to in the Assignment (or at such other address as may be furnished in writing to the Lessee by the Assignee);

(2) in accordance with and subject to the provisions of the Assignment, the Assignee shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Assignee were named therein as the Lessor;

(3) the Assignee 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;

(4) the Lease shall not, without the prior written consent of the Assignee, be amended, terminated or modified, or any action be taken or omitted by the undersigned, the taking or omission of which might result in any alteration or impairment of the obligations of the Lessee under the Lease which are intended to satisfy the obligations of the Owner Trustee under the Note Purchase Agreement or the Security Agreement referred to in the Assignment, the obligations of the

Lessor under the Assignment or the obligations of the Lessee under this Consent and Agreement or of any of the rights created by any thereof;

(5) the Lessee will follow any written instructions of the Assignee pursuant to the third paragraph of Section 1 of the Assignment until such instructions are revoked or modified by the Assignee pursuant to such paragraph; and

(6) the Lessee will mail or deliver one copy of all notices, statements, documents or schedules given or delivered by it pursuant to the Lease or the Assignment to the Assignee.

This Consent and Agreement shall be construed in accordance with the laws of the State of New York.

Dated as of January 1, 1980

BADISCHE CORPORATION,
as Lessee,

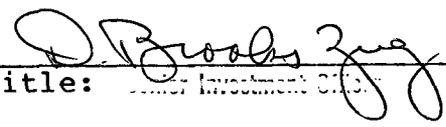
by

Title:

The foregoing Consent and Agreement is hereby accepted, as of the 1st day of January 1980.

JOHN HANCOCK MUTUAL LIFE
INSURANCE COMPANY,

by



Title: Senior Investment Officer

ASSIGNMENT OF LEASE AND AGREEMENT dated as of January 1, 1980 (this "Assignment"), by and between THE CONNECTICUT BANK AND TRUST COMPANY, not individually but solely as owner trustee (the "Lessor") under an Amended and Restated Owner Trust Agreement (the "Trust Agreement") dated as of November 1, 1979, with J. P. Morgan Interfunding Corp. (the "Owner Participant"), and JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY (the "Assignee").

WHEREAS the Lessor and Badische Corporation (the "Lessee") have entered into an Amended and Restated Lease Agreement (the "Lease") dated as of November 1, 1979, providing for the acquisition by the Lessor of the items of railroad equipment (the "Items") described in Schedule I to the Lease and the leasing by the Lessor to the Lessee of the Items;

WHEREAS the Lessor is entering into a Security Agreement dated as of the date hereof (the "Security Agreement") with the Assignee; and

WHEREAS in order to provide security for the obligations of the Lessor under the Note Purchase Agreement dated as of the date hereof among the Lessor, the Owner Participant and the Assignee (the "Note Purchase Agreement"), and as an inducement to the Assignee to invest in the Notes (as defined in the Note Purchase Agreement), the Lessor agrees to assign for security purposes, to the extent herein provided, 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. 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 Note Purchase Agreement and the Security 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 (except any sum payable to the Lessor by the Lessee pursuant to the tax indemnity provision of Section 10 of the Lease and payments to the Lessor in its individual capacity pursuant to Sections 10(a) and (b) of the Lease), liquidated damages, or otherwise (such moneys so assigned 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 in 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 Payments 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 Note Purchase Agreement and the Security Agreement, and any balance shall be promptly paid, subject to the provisions of the Security Agreement, so long as no event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement shall have occurred and be continuing, to the Lessor by wire transfer of immediately available funds at such address as may be specified to the Assignee in writing, or if no such address is specified, by check promptly mailed to the Lessor and such balance shall be retained by the Lessor; provided, however, that if an event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement shall have occurred and be continuing, no portion of any such Payments shall be paid to the Lessor. The Assignee shall notify the Lessor at its address set forth in the Lease if the Assignee shall not receive any rental payment under the Lease when due; provided, however, that the failure of the Assignee to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the Note Purchase Agreement or the Security Agreement.

Notwithstanding the foregoing provisions of this Section 1, the Assignee may cause the Lessee to pay any portion of the Payments directly to the Lessor by giving written instructions to such effect to the Lessee (with a copy to the Lessor), but the Assignee may revoke or modify any such instructions at any time by written notice to the Lessee and the Lessor. Any such payments shall be made to the Lessor in the manner and at the place provided in Section 7 of the Lease.

2. This Assignment is executed only as security and shall not subject the Assignee to, or transfer, pass, or in any way affect or modify, the liability of the Lessor under the Lease, it being agreed that notwithstanding this Assignment all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee against, and only against, the Lessor or persons other than the Assignee.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation and agreement which the Lease provides is to be performed by the Lessor; without the written consent of the Assignee, the Lessor will not anticipate the rents under the Lease or waive or in any manner release the Lessee 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 Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

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 demand, receive 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 sums due from the Lessor under the Note Purchase Agreement and the Security 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. The Lessor will pay or discharge any and all claims, liens, charges or security interests (other than those created by the Security Agreement) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor or its successors or assigns (other than the Assignee), not arising out of the ownership of the Items or the transactions contemplated by the Note Purchase Agreement, the Security Agreement or the Lease (but, to the extent that it receives funds sufficient for such purpose from the Owner Participant, including tax liens arising out of the receipt of the income and proceeds from the Items) which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or such rentals or other payments equal or superior to the Assignee's interest therein, unless the Lessor shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Assignee, adversely affect such interests of the Assignee.

7. The Lessor will, from time to time, execute, acknowledge and deliver any and all further instruments reasonably requested by the Assignee in order to confirm or further assure the interest 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 assignee shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder. The Assignee will give written notice to the Lessor and the Lessee of any such assignment.

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 49 U.S.C. § 11303.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all Payments received by it thereunder to be promptly delivered or made to the Assignee at its address set forth in Schedule I to the Note Purchase Agreement or at such other address as the Assignee shall designate.

11. The Assignee hereby agrees with the Lessor that, so long as no event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement has occurred and is then continuing, the Assignee will not 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 the right to receive and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease and the Security Agreement, the Lessor may, so long as no such event of default or event which with the lapse of time or notice or both would constitute an event of default under the Security Agreement has occurred and is then continuing, proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Lessee of its obligations under the Lease or to recover damages for the breach thereof; provided, however, that the Lessor shall not, without the prior written consent of the Assignee, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of subparagraph (i), (ii), (iii) or (iv) of Section 17(a) of the Lease.

12. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by both parties so long as each party shall sign at least one counterpart and deliver it to the other party.

13. Notwithstanding anything contained herein to the contrary, each representation, warranty and agreement herein made on the part of The Connecticut Bank and Trust Company is made and intended not as a personal representation, warranty or agreement by said institution or for the purpose or with the intention of binding said institution personally but is made and intended for the purpose of binding only the Estate (as such term is used in the Trust Agreement) and this Agreement is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as owner trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution on account of any representation, warranty or agreement herein of the Lessor (except in the case of its own gross negligence or

wilful misconduct), either expressed or implied, all such personal liability, if any, being expressly waived and released by the Assignee and by all persons claiming by, through or under the Assignee; provided, however, that the Assignee or any person claiming by, through or under the Assignee making claim hereunder may look to said Estate for satisfaction of the same.

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.

THE CONNECTICUT BANK AND TRUST COMPANY, not individually but solely as owner trustee under the Trust Agreement,

by

Authorized Officer

[Seal]

Attest:

Authorized Officer

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY,

by

Title:

[Seal]

Attest:

Title:

LESSEE'S CONSENT AND AGREEMENT

The undersigned, BADISCHE CORPORATION (the "Lessee"), the lessee named in the Amended and Restated Lease Agreement (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Assignment"), hereby (a) acknowledges receipt of a copy of the Assignment and (b) consents to all the terms and conditions of the Assignment and agrees that:

(1) subject to the terms and conditions of the Assignment, it will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys provided for in the Lease and assigned to the Assignee (which moneys are hereinafter called the "Payments") due and to become due under the Lease or otherwise in respect of the Items (as defined in the Lease) leased thereunder, directly to John Hancock Mutual Life Insurance Company (the "Assignee"), the assignee named in the Assignment, in immediately available funds to the Assignee at the address for payments specified in Schedule I to the Note Purchase Agreement referred to in the Assignment (or at such other address as may be furnished in writing to the Lessee by the Assignee);

(2) in accordance with and subject to the provisions of the Assignment, the Assignee shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Assignee were named therein as the Lessor;

(3) the Assignee 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;

(4) the Lease shall not, without the prior written consent of the Assignee, be amended, terminated or modified, or any action be taken or omitted by the undersigned, the taking or omission of which might result in any alteration or impairment of the obligations of the Lessee under the Lease which are intended to satisfy the obligations of the Owner Trustee under the Note Purchase Agreement or the Security Agreement referred to in the Assignment, the obligations of the

Lessor under the Assignment or the obligations of the Lessee under this Consent and Agreement or of any of the rights created by any thereof;

(5) the Lessee will follow any written instructions of the Assignee pursuant to the third paragraph of Section 1 of the Assignment until such instructions are revoked or modified by the Assignee pursuant to such paragraph; and

(6) the Lessee will mail or deliver one copy of all notices, statements, documents or schedules given or delivered by it pursuant to the Lease or the Assignment to the Assignee.

This Consent and Agreement shall be construed in accordance with the laws of the State of New York.

Dated as of January 1, 1980

BADISCHE CORPORATION,
as Lessee,

by

H. H. Wapner

Title: PRESIDENT

The foregoing Consent and Agreement is hereby accepted, as of the 1st day of January 1980.

JOHN HANCOCK MUTUAL LIFE
INSURANCE COMPANY,

by

Title: