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INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT NO. 3 dated as of September 1, 1985 (this "Assignment"), between MERIDIAN TRUST COMPANY, a Pennsylvania trust company, not individually but solely as Owner-Trustee (the "Lessor") under a Trust Agreement No. 3 dated as of the date hereof (the "Trust Agreement"), with the other party named therein (the "Owner"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY as Agent (the "Vendor") under a Participation Agreement No. 3 dated as of the date hereof (the "Participation Agreement").

WHEREAS the Lessor is entering into a Conditional Sale Agreement No. 3 dated as of the date hereof (the "CSA") with General Motors Corporation (Electro-Motive Division) (the "Builder") providing for the conditional sale to the Lessor by the Builder of such units of railroad equipment described in Part A of Annex B thereto as are delivered to and accepted by the Lessor thereunder (which units, together with automatic train controls which may be installed on such units by the Lessee, as hereinafter defined, and settled for under the Participation Agreement are hereinafter called the "Units");

WHEREAS the Lessor and Chicago and North Western Transportation Company (the "Lessee") have entered into a Lease of Railroad Equipment No. 3 dated as of the date hereof (the "Lease") which provides for the leasing by the Lessor to the Lessee of the Units; and

WHEREAS, in order to provide security for the obligations of the Lessor under the CSA and as an inducement to the Vendor and the Investors (as defined in the Participation Agreement) for whom the Vendor is acting to invest in the CSA Indebtedness (as defined in the CSA), the Lessor has agreed to assign, for security purposes, certain of its rights in, to and under the Lease to the Vendor.

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment and performance of the obligations of the Lessor under the CSA, all the Lessor's right, title and interest, powers, privileges and other benefits under the Lease (other than

as hereinafter provided in this Agreement), 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 or receivable by the Lessor from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, termination payment, indemnity, liquidated damages, or otherwise (such moneys, other than Excluded Payments as hereinafter defined, 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; provided, however, that, notwithstanding the foregoing, the Lessor does not assign to the Vendor, and the Vendor shall have no right of interest in and to, any Excluded Payments. As used herein, the term "Excluded Payments" shall mean (i) any indemnity or other payment which by the terms of any of the Documents (as defined in the Participation Agreement) shall be payable to the Owner for its own account or to the Lessor for its own account or for the account of the Owner, including, without limitation, amounts payable under §§ 6 and 9 of the Lease and Paragraph 13 of the Participation Agreement and (ii) any proceeds payable under liability insurance policies to or for the benefit of the Owner or the Lessor for its own account. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor, or as attorney for the Lessor, 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 Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Vendor will apply such Payments first, to satisfy the obligations of the Lessor then due under the CSA, if any, and second, so long as no event of default (or event which with the lapse of time and/or demand provided for in the CSA could constitute an event of default thereunder) shall have occurred and be continuing, any balance shall be paid to the Lessor or to such other party as the Lessor may direct in writing, on the same date such payment is applied to satisfy such obligation of the Lessor,

at the Lessor's address specified in the Lease or at such other address as may be specified to the Vendor in writing. If the Vendor shall not receive any rental payment under § 3 of the Lease when due, the Vendor shall notify the Lessor at its address specified in the Lease; provided, however, that the failure of the Vendor to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the CSA. Any Excluded Payments received by the Vendor shall be immediately paid to the Owner or the Lessor entitled to receive the same.

2. This Assignment is made only as security and, therefore, the execution and delivery of this Assignment by the Lessor shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify, the liability of the Lessor under the Lease, it being 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 Vendor.

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 Vendor, the Lessor will not, except with respect to Excluded Payments, anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee of or from the obligations, covenants, conditions and agreements to be performed by the Lessee thereunder, 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. Subject to Section 10 hereof, the Lessor does hereby constitute the Vendor its 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 Vendor 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 CSA, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate, right, title and interest of the Vendor in and to the Lease shall automatically revert to the Lessor. However, the Vendor, if so requested by the Lessor at that time, will (a) execute an instrument releasing its entire estate, right, title and interest in the Lease and transferring such estate, right, title and interest to the Lessor and (b) execute, acknowledge and deliver any and all further instruments required by law or reasonably requested by the Lessor in order to confirm or further assure that all such estate, right, title and interest in the Lease shall have so reverted or shall have been so transferred to the Lessor. Promptly following such full discharge and satisfaction, the Vendor agrees that it will advise the Lessee in writing that all sums and other obligations due from the Lessor under the CSA have been fully discharged and satisfied and instruct the Lessee that no further payments under the Lease are to be made to the Vendor.

6. 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, re-register, rerecord or redeposit) any and all further instruments required by law and reasonably requested by the Vendor in order to confirm or further assure the interests of the Vendor hereunder.

7. The Vendor 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 Vendor hereunder; provided, however, that the Lessor and the Lessee shall not be bound to honor such assignment until they have received written notice thereof. Payment to the assignee of any Payments shall constitute full compliance with the terms of this Assignment and the Lease. The Lessor and the Lessee may rely on instruments and documents of assignment which they believe in good faith to be true and authentic.

8. This Assignment shall be governed by the laws of the Commonwealth of Pennsylvania, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303 and such additional rights arising out of the filing or deposit hereof, if any, as shall be conferred by the laws of the

several jurisdictions in which this Assignment shall be filed or deposited.

9. The Lessor shall cause copies of all notices and other documents received by it in connection with the Lease and all Payments hereunder to be promptly delivered or made to the Vendor at its address set forth in the CSA, or at such other address as the Vendor shall designate.

10. The Vendor hereby agrees with the Lessor that the Vendor will not, so long as no event of default under the CSA has occurred and is continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Lessor to the Vendor by this Assignment, without the prior written consent of the Lessor, 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 CSA, the Lessor may, so long as no event of default under the CSA has occurred and is then continuing, exercise or enforce, or seek to exercise or enforce, such rights, powers, privileges, authorizations, and benefits (other than taking action which would cause a termination of the Lease).

Notwithstanding any other provision of this Assignment (a) the Lessor and the Owner shall retain all rights to Excluded Payments and the right to commence an action at law to obtain such payments and to enforce any judgment with respect thereto but not to declare an Event of Default under or to terminate the Lease; (b) the Owner and Lessor, as the case may be, shall have the right without the concurrence of the Vendor, (i) to receive from the Lessee all notices, copies of all documents and all information that the Lessee is permitted or required to give or furnish to the "Owner" or the "Lessor" pursuant to the Lease, (ii) to inspect the Units and the records of the Lessee and otherwise exercise the rights of the "Lessor" under § 8 of the Lease, (iii) to retain all rights with respect to insurance that Section 7 of the Lease specifically confers upon the "Owner" or the "Lessor", (iv) to provide such insurance as the Lessee shall have failed to maintain or as the Lessor or the Owner may desire, (v) to retain all rights with respect to Lessee's use and operation, maintenance and modifications of the Units that § 9 of the Lease specifically confer upon the "Owner" or the "Lessor", (vi) to enforce the rights of the "Lessor" under § 5 of the Lease, (vii) to retain the right to perform for the Lessee under § 22 of the Lease, and (viii) to adjust basic lease rentals and Casualty

Values and Termination Values as provided in § 3 of the Lease, and to execute amendments of the Lease in connection with such adjustments of basic lease rates and Casualty Values and Termination Values; and (c) so long as no event of default under the CSA shall have occurred and be continuing, the Lessor shall have the right, to the exclusion of the Vendor, to exercise the rights of the "Lessor" under § 13 of the Lease.

Whether or not an event of default under the CSA shall have occurred and be continuing, neither the Vendor nor the Lessor shall, without the consent of the Owner, amend, modify or supplement, or give any waiver or consent with respect to, the Lease if the effect of any thereof would be to (A) reduce, modify or amend any Excluded Payment due to the Owner or the Lessor (both in its individual and fiduciary capacity), or (B) increase the liabilities or obligations of, or diminish the immunities of, the Owner or the Lessor (both in its individual and fiduciary capacity), or (C) reduce the amount or extend the time or payment of any Excluded Payment or change any of the circumstances under which any Excluded Payment is payable.

11. Notwithstanding anything herein to the contrary, each and all of the warranties, representations, undertakings and agreements herein made on the part of the financial institution acting as the Lessor are each and every one of them made and intended not as personal representations, warranties, undertakings and agreements by said financial institution, or for the purpose or with the intention of binding said financial institution personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Assignment is executed and delivered by said financial institution solely in the exercise of the powers expressly conferred upon said financial institution as 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 financial institution, except for willful misconduct or gross negligence on the part of said financial institution or the Owner, on account of any representation, warranty, undertaking or agreement of said financial institution, either expressed or implied, all such personal liability (except as aforesaid in the case of said financial institution), if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; provided, however, that the Vendor or any person claiming by, through or under it, making claim hereunder, may look to said Trust Estate for satisfaction of the same.



Values and Termination Values as provided in § 3 of the Lease, and to execute amendments of the Lease in connection with such adjustments of basic lease rates and Casualty Values and Termination Values; and (c) so long as no event of default under the CSA shall have occurred and be continuing, the Lessor shall have the right, to the exclusion of the Vendor, to exercise the rights of the "Lessor" under § 13 of the Lease.

Whether or not an event of default under the CSA shall have occurred and be continuing, neither the Vendor nor the Lessor shall, without the consent of the Owner, amend, modify or supplement, or give any waiver or consent with respect to, the Lease if the effect of any thereof would be to (A) reduce, modify or amend any Excluded Payment due to the Owner or the Lessor (both in its individual and fiduciary capacity), or (B) increase the liabilities or obligations of, or diminish the immunities of, the Owner or the Lessor (both in its individual and fiduciary capacity), or (C) reduce the amount or extend the time or payment of any Excluded Payment or change any of the circumstances under which any Excluded Payment is payable.

11. Notwithstanding anything herein to the contrary, each and all of the warranties, representations, undertakings and agreements herein made on the part of the financial institution acting as the Lessor are each and every one of them made and intended not as personal representations, warranties, undertakings and agreements by said financial institution, or for the purpose or with the intention of binding said financial institution personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Assignment is executed and delivered by said financial institution solely in the exercise of the powers expressly conferred upon said financial institution as 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 financial institution, except for willful misconduct or gross negligence on the part of said financial institution or the Owner, on account of any representation, warranty, undertaking or agreement of said financial institution, either expressed or implied, all such personal liability (except as aforesaid in the case of said financial institution), if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; provided, however, that the Vendor or any person claiming by, through or under it, making claim hereunder, may look to said Trust Estate for satisfaction of the same.

12. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Vendor shall be deemed to be the original counterpart. It shall not be necessary that any counterpart be signed by both the parties hereto so long as each party hereto shall have executed and delivered one counterpart hereof. Although for convenience this Assignment is dated as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

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.

MERIDIAN TRUST COMPANY,  
not in its individual capacity  
but solely as Owner-Trustee as  
aforesaid,

by

\_\_\_\_\_  
Vice President

[Seal]

Attest:

\_\_\_\_\_  
Authorized Officer

MERCANTILE-SAFE DEPOSIT AND  
TRUST COMPANY, as Agent,

by

  
\_\_\_\_\_  
Vice President

[Seal]

Attest:

  
\_\_\_\_\_  
Corporate Trust Officer

COMMONWEALTH OF PENNSYLVANIA,)
) ss.:
COUNTY OF BERKS, )

On this 4th day of <sup>NOVEMBER</sup> ~~October~~ 1985, before me personally appeared DORIS L KRICK, to me personally known, who, being by me duly sworn, says that he is a Vice President of MERIDIAN TRUST COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said trust company, that said instrument was signed and sealed on behalf of said trust company 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 trust company.

Jeanice L. Reeser
Notary Public

JEANICE L. REESER, Notary Public
Reading, Berks County, Pa.
My Commission Expires June 29, 1987.

[Notarial Seal]
My Commission expires 6/29/87

STATE OF MARYLAND,)
) ss.:
CITY OF BALTIMORE,)

On this th day of October 1985, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals 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.

[Notarial Seal]
My Commission Expires

LESSEE'S CONSENT AND AGREEMENT NO. 3

The undersigned, CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY (the "Lessee"), the lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement No. 3 (the "Lease Assignment"), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all Payments (as defined in Section 1 of the Lease Assignment) due and to become due under the Lease directly to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent (the "Vendor"), the assignee named in the Lease Assignment, by 11:00 a.m. Baltimore time, on the date such payment is due, by bank wire transfer of immediately available funds to Mercantile Safe-Deposit and Trust Company, Baltimore, Maryland, for credit to its Corporate Trust Account No. 620081-8 with advice that the funds are "RE: CNW 9/1/85" (or at such other address as may be furnished in writing to the Lessee by the Vendor);

(2) it shall not be entitled to any abatement of rental payments or additional rental payments, reduction thereof or setoff against or recoupment of rent or additional rent, including, but not limited to, abatements, reductions, setoffs or recoupments due or alleged to be due by reason of any past, present or future claims or counterclaims of the Lessee against the Lessor under the Lease or under the CSA referred to in the Lease Assignment, or against the Builder (as defined in the Lease Assignment) or either of them or the Vendor or otherwise;

(3) except as and to the extent otherwise specifically provided in the Lease Assignment, the Vendor 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 Vendor were named therein as the Lessor;

(4) the Vendor shall not, by virtue of the Lease Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise; and

(5) the Lease shall not, without the prior written

COMMONWEALTH OF PENNSYLVANIA,)
) ss.:
COUNTY OF BERKS, )

On this [blank] day of October 1985, before me personally appeared [blank], to me personally known, who, being by me duly sworn, says that he is a Vice President of MERIDIAN TRUST COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said trust company, that said instrument was signed and sealed on behalf of said trust company 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 trust company.

Notary Public

[Notarial Seal]
My Commission expires

STATE OF MARYLAND,)
) ss.:
CITY OF BALTIMORE,)

On this 4th day of November 1985, before me personally appeared R. E. Schreiber, to me personally known, who, being by me duly sworn, says that he is a Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals 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.

Handwritten signature: Patricia A. Conn

[Notarial Seal]
My Commission Expires 7-1-86

LESSEE'S CONSENT AND AGREEMENT NO. 3

The undersigned, CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY (the "Lessee"), the lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement No. 3 (the "Lease Assignment"), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all Payments (as defined in Section 1 of the Lease Assignment) due and to become due under the Lease directly to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent (the "Vendor"), the assignee named in the Lease Assignment, by 11:00 a.m. Baltimore time, on the date such payment is due, by bank wire transfer of immediately available funds to Mercantile Safe-Deposit and Trust Company, Baltimore, Maryland, for credit to its Corporate Trust Account No. 620081-8 with advice that the funds are "RE: CNW 9/1/85" (or at such other address as may be furnished in writing to the Lessee by the Vendor);

(2) it shall not be entitled to any abatement of rental payments or additional rental payments, reduction thereof or setoff against or recoupment of rent or additional rent, including, but not limited to, abatements, reductions, setoffs or recoupments due or alleged to be due by reason of any past, present or future claims or counterclaims of the Lessee against the Lessor under the Lease or under the CSA referred to in the Lease Assignment, or against the Builder (as defined in the Lease Assignment) or either of them or the Vendor or otherwise;

(3) except as and to the extent otherwise specifically provided in the Lease Assignment, the Vendor 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 Vendor were named therein as the Lessor;

(4) the Vendor shall not, by virtue of the Lease Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise; and

(5) the Lease shall not, without the prior written

consent of the Vendor, be terminated, amended or modified, nor shall any waiver or release be given or accepted with respect thereto nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement No. 3, when accepted by the Vendor by signing the acceptance at the foot hereof, shall be deemed to be a contract for the benefit of the Vendor and its successors and assigns under the laws of the State of Illinois and, for all purposes, shall be construed in accordance with the laws of said State.

CHICAGO AND NORTH WESTERN  
TRANSPORTATION COMPANY,

by

\_\_\_\_\_  
Vice President

[Corporate Seal]

Attest:

\_\_\_\_\_  
Assistant Secretary

The foregoing Consent and Agreement No. 3 is hereby accepted, as of the 1st day of September, 1985.

MERCANTILE-SAFE DEPOSIT AND  
TRUST COMPANY, as Agent,

by

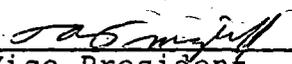
  
\_\_\_\_\_  
Vice President

consent of the Vendor, be terminated, amended or modified, nor shall any waiver or release be given or accepted with respect thereto nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement No. 3, when accepted by the Vendor by signing the acceptance at the foot hereof, shall be deemed to be a contract for the benefit of the Vendor and its successors and assigns under the laws of the State of Illinois and, for all purposes, shall be construed in accordance with the laws of said State.

CHICAGO AND NORTH WESTERN  
TRANSPORTATION COMPANY,

by

  
\_\_\_\_\_  
Vice President

[Corporate Seal]

Attest:

  
\_\_\_\_\_  
Assistant Secretary

The foregoing Consent and Agreement No. 3 is hereby accepted, as of the 1st day of September, 1985.

MERCANTILE-SAFE DEPOSIT AND  
TRUST COMPANY, as Agent,

by

\_\_\_\_\_  
Vice President