

Rec No. 14697

14697 - A

10
11:00 am
6/7/85

14697
Filed 1425
JUN 7 1985 - 11 00 AM
INTERSTATE COMMERCE COMMISSION
THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY

5-158A080

14697
RECORDATION NO. Filed 1425

No. _____
Date JUN 07 1985
Fee \$ 10.00
ICC Washington, D.C.

JUN 7 1985 - 11 00 AM
INTERSTATE COMMERCE COMMISSION
June 5, 1985

ICC OFFICE OF
THE SECRETARY
JUN 7 10 48 AM '85
MOTOR OPERATING UNIT

Interstate Commerce Commission
Twelfth Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Secretary

Dear Secretary:

Enclosed herewith are one (1) original and four (4) counterparts of the documents described below, to be filed and recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The enclosed documents are a conditional sale agreement dated as of May 1, 1985, a primary document, and an assignment agreement in respect thereof, a secondary document, dated as of May 1, 1985. The conditional sale agreement and the assignment agreement should be filed sequentially.

The names and addresses of the parties to the enclosed conditional sale agreement are as follows:

Vendor: American Fletcher Leasing Corporation
111 Monument Circle
Suite 510
Indianapolis, Indiana 46277

Vendee: The Pittsburgh and Lake Erie Railroad
Company
Suite 680
Commerce Court
Four Station Square
Pittsburgh, Pennsylvania 15219-1199
Attn: Office of the Treasurer

Christy C. T. Karabian

The names and addresses of the parties to the enclosed assignment agreement are as follows:

Assignor: American Fletcher Leasing Corporation
111 Monument Circle
Suite 510
Indianapolis, Indiana 46277

Assignee: The Connecticut National Bank (not in its individual capacity but as Security Trustee under that certain Master Agreement Regarding the Restructuring of Obligations of The Pittsburgh and Lake Erie Railroad Company, dated as of May 1, 1985)
777 Main Street
Hartford, Connecticut 06115
Attn: Bond and Trustee Administration

A description of the equipment covered by the enclosed document follows: -?

A fee of \$10.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Mr. Charles Kappler, Alvord & Alvord, 200 World Center Building, 918 Sixteenth Street, N.W., Washington, D.C. 20006-2973.

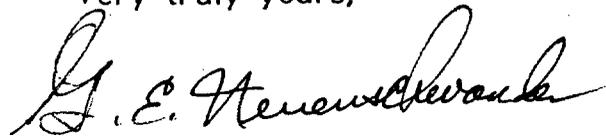
A short summary of the enclosed document to appear in the index follows:

- (i) Primary Document: Conditional Sale Agreement between American Fletcher Leasing Corporation, 111 Monument Circle, Suite 510, Indianapolis, Indiana 46277, Vendor, and The Pittsburgh and Lake Erie Railroad Company, Suite 680, Commerce Court, Four Station Square, Pittsburgh, Pennsylvania 15219, Vendee, dated as of May 1, 1985, covering 62 pipe gondola railcars with railcar identification numbers 46500 through 46562, inclusive and (ii) Secondary Document: Assignment Agreement between American Fletcher Leasing Corporation, at the address set forth above, Assignor, and The Connecticut National Bank (not in its individual capacity but as Security Trustee under that certain Master Agreement Regarding the Restructuring of Obligations of The Pittsburgh and Lake Erie Railroad, dated

Interstate Commerce Commission
June 5, 1985.
Page 3

as of May 1, 1985), 777 Main Street, Hartford, Connecticut
06115, Assignee, dated as of May 1, 1985, covering the
railcars described above.

Very truly yours,

A handwritten signature in cursive script, appearing to read "G. E. Henneschewski". The signature is written in dark ink and is positioned below the typed name "G. E. Henneschewski".

Interstate Commerce Commission
Washington, D.C. 20423

6/7/85

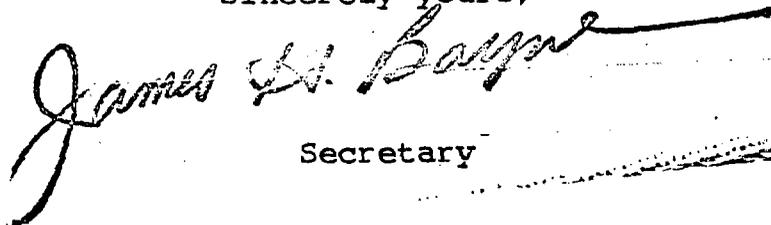
OFFICE OF THE SECRETARY

G.E. Neuenschwander
Executive Vice President
The Pittsburgh & Lake Erie Railroad Co.
Commerce Court, Suite 680
Four Station Square
Pittsburgh, PA. 15219-1199

Dear Sir:

The enclosed document (s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/7/85 at 11:am and assigned re-
recording number (s) . 14697 & 14697-A, 7950-E, 8048-E & 8051-A

Sincerely yours,


Secretary

Enclosure (s)

JUN 7 1985 - 11 00 AM

**ASSIGNMENT OF CONDITIONAL
 SALE AGREEMENT**

ASSIGNMENT OF CONDITIONAL SALE AGREEMENT, dated as of May 1, 1985 ("this Assignment") by and between **AMERICAN FLETCHER LEASING CORPORATION**, an Illinois corporation ("AFLC") and **THE CONNECTICUT NATIONAL BANK**, a national banking association, as security trustee (the "Security Trustee") under that certain Master Agreement Regarding The Restructuring of Obligations of The Pittsburgh and Lake Erie Railroad Company dated as of May 1, 1985 among the Security Trustee, the Railroad (as hereinafter defined), the Creditors named therein, and the other parties thereto (as amended from time to time, the "Master Agreement").

BACKGROUND

A. The Pittsburgh and Lake Erie Railroad, a Delaware corporation (the "Railroad") entered into that certain Conditional Sale Agreement dated as of May 1, 1985 with AFLC (the "Conditional Sale Agreement") whereby AFLC conditionally sold to the Railroad the equipment described in Schedule A to the Conditional Sale Agreement (the "Equipment") and retained in said Equipment a security interest to secure the obligations of the Railroad under the Conditional Sale Agreement.

B. AFLC is transferring all of its interest in and to the Conditional Sale Agreement and the Equipment covered thereby to the Security Trustee pursuant to, and in compliance with, Section 3.1 of the Master Agreement.

NOW, THEREFORE, to induce, and in consideration for, the execution of the Master Agreement by the parties thereto, the delivery of the Certificate of Interest to AFLC by the Security Trustee pursuant to Section 3.1 of the Master Agreement, and in consideration of \$10.00 and other good and valuable consideration paid by the Security Trustee to the Agent on behalf of AFLC, the receipt and sufficiency whereof are hereby acknowledged, AFLC and the Security Trustee agree as follows:

1. AFLC hereby irrevocably and absolutely assigns, transfers, sells, and sets over unto the Security Trustee all of the right, title, interest, powers, privileges, and other benefits of AFLC in, to, and under each unit of the Equipment and the Conditional Sale Agreement, including, without limitation, any and all amounts due or which may become due or owing by the Railroad to AFLC under the Conditional Sale Agreement in respect of or relating to (i) the CSA Indebtedness (as defined in the Conditional Sale Agreement) together with interest thereon; (ii) Casualty Values (as defined in the Conditional Sale Agreement); (iii) tax reimbursements under the Conditional Sale Agreement; and (iv) indemnities under the Conditional Sale Agreement. AFLC further irrevocably and absolutely assigns to the Security Trustee all of its rights and powers under the Conditional Sale Agreement to (a) make all waivers and agreements; (b) give all notices, consents, and releases; (c) take all action upon the occurrence of an event of default (as provided for in the Conditional Sale Agreement); and (d) do any and all other things whatsoever which AFLC is or may become entitled to do under the Conditional Sale Agreement.

2. AFLC shall hold in trust on behalf of, and promptly deliver to, the Security Trustee any payments under the Conditional Sale Agreement received by it on or after the date hereof.

3. Upon the request of the Security Trustee and so long as the Security Trustee shall be acting on the instructions of the Required Persons, (i) AFLC shall join with the Security Trustee in any notice from the Security Trustee to the Railroad concerning this Assignment, and (ii) AFLC shall execute any Uniform Commercial Code financing statements and documents to be filed with or sent to the Interstate Commerce Commission in connection with this Assignment. Without limiting or being limited by the foregoing, AFLC will, from time to time, upon the request of the Security Trustee and so long as the Security Trustee shall be acting on the instructions of the Required Persons, do and perform any other act and will execute, acknowledge, deliver, file, register, record, and deposit (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or requested by the Security Trustee in order to confirm or further assure the interests of the Security Trustee hereunder and the purposes and intent of this Assignment. AFLC shall not be required to take any action pursuant to this Section 3 or pursuant to Section 4 hereof if, in the reasonable opinion of AFLC, such action would be unduly burdensome (whether as a result of the administrative difficulty involved therewith or otherwise) or would involve unreasonable expense.

4. Upon the request of the Security Trustee and so long as the Security Trustee shall be acting on the instructions of the Required Persons, AFLC agrees to join any legal action brought by the Security Trustee for the enforcement of any of the rights and remedies in the Conditional Sale Agreement, or assigned to the Security Trustee by this Assignment. The Security Trustee shall indemnify AFLC for any costs and expenses incurred by it in connection with any such legal action.

5. AFLC represents that (a) it holds title to the Conditional Sale Agreement and has the right and power to assign same to the Security Trustee; (b) it holds the Conditional Sale Agreement free and clear of all liens, security interests, charges and encumbrances whatsoever; and (c) it has possession of the original and all counterparts of the Conditional Sale Agreement, which individually or collectively would constitute chattel paper under the Code, and is holding same as bailee for the Security Trustee.

6. This Assignment shall not release, waive or modify any of the obligations of the Railroad under the Conditional Sale Agreement.

7. The Security Trustee shall have no recourse to AFLC for or on account of the failure of the Railroad to make any of the payments provided for in, or otherwise to comply with any of the provisions of, the Conditional Sale Agreement. The assignment of the Equipment hereunder is made WITHOUT ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR USE OR ANY PARTICULAR PURPOSE.

8. The Security Trustee may further assign all or any of the rights, title, interests, powers, privileges, and benefits assigned hereunder to the Security Trustee. In the event of any such assignment, any such assignee or subsequent assignee shall, to the extent of such assignment, enjoy all rights, title, interests, powers, privileges and benefits and be subject to all obligations of the Security Trustee hereunder.

9. AFLC does hereby constitute the Security Trustee the true and lawful attorney-in-fact of AFLC, with full power of substitution, in the name of AFLC or the Security Trustee, (a) to ask, require, demand, receive, compound, and give acquittance for each and every amount due and to become due under or arising out of the Conditional Sale Agreement and to endorse each and every check or other instrument in connection with any such amounts due; (b) to file any claim or claims, take any action or actions or institute any proceeding or proceedings which the Security Trustee may deem necessary or advisable in connection with the Equipment or the Conditional Sale Agreement and this Assignment; (c) to sue for and collect any and all sums to which the Security Trustee is or may become entitled under, and to exercise any and all rights and remedies provided in, this Assignment or the Conditional Sale Agreement and (d) to enforce compliance by the Railroad with the terms and agreements on its part to be performed under the Conditional Sale Agreement. This power of attorney is coupled with an interest and is irrevocable.

10. Except where stated to the contrary, terms defined in the Master Agreement are used in this Assignment with the meanings ascribed to them in the Master Agreement.

11. This Assignment shall be governed by, and construed and enforced in accordance with, the law of the Commonwealth of Pennsylvania; provided that the parties hereto shall be entitled to all the rights conferred by 11 U.S.C. § 11303 and the regulations promulgated in connection therewith.

12. This Assignment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment or caused this Assignment to be executed by their duly authorized representatives, all as of the day and year first above written.

AMERICAN FLETCHER LEASING
CORPORATION

By James F. Donahue
Title: VP & Treas.

[Seal]

said corporation by authority of its Board of Directors and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Jane Sanford

Notary Public
My Commission Expires: 4-3-86
(Seal)

STATE OF New York)
COUNTY OF New York) ss.

On this 5th day of June, 1985, before me personally appeared MICHAEL M. HOPKINS to me personally known, who being by me duly sworn, says that he is the Vice President of The Connecticut National Bank, the Security Trustee, that the seal affixed to the foregoing instrument is the corporate seal of said banking corporation and said instrument was signed and sealed on behalf of said banking corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said banking corporation.

Barbara Quinn

Notary Public
My Commission Expires:
(Seal) **BARBARA QUINN**
Notary Public, State of New York
No. 30-4828318
Qualified in Nassau County
Certificate filed in New York County
Commission Expires March 30, 1987

City of Washington
~~STATE OF~~
District of Columbia) ss.
~~COUNTY OF~~

On this 6th day of June, 1985, before me personally appeared Gordon E Neuenschwander to me personally known, who being by me duly sworn, says that he is the Executive Vice President of The Pittsburgh and Lake Erie Railroad Company, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Thain A. Shaban

Notary Public, D.C.
My Commission Expires: 7-14-85
(Seal)

13580