
[CS&M Ref. 1160-044]

12637-A
REGISTRATION NO. 1173 1025

DEC 30 1980 11 45 AM

INTERSTATE COMMERCE COMMISSION

AGREEMENT AND ASSIGNMENT

Dated as of October 1, 1980

BETWEEN

**GENERAL MOTORS CORPORATION
(Electro-Motive Division),
GENERAL ELECTRIC COMPANY**

AND

**MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
*As Agent***

AGREEMENT AND ASSIGNMENT dated as of October 1, 1980, between GENERAL MOTORS CORPORATION (Electro-Motive Division) and GENERAL ELECTRIC COMPANY (collectively "Builders" and severally "Builder") and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, acting as Agent under a Participation Agreement dated as of the date hereof ("Participation Agreement"), a copy of which has been delivered to each Builder, said Agent, as so acting, together with its successors and assigns, being hereinafter called the "Assignee".

WHEREAS each of the Builders and The Connecticut Bank and Trust Company, acting as Trustee ("Trustee") under a Trust Agreement dated as of the date hereof ("Trust Agreement") with the parties named in Appendix II to the Participation Agreement (severally "Owner" and collectively "Owners"), have entered into a Conditional Sale Agreement dated as of the date hereof ("CSA") covering the construction, sale and delivery, on the conditions therein set forth, by the Builders and the purchase by the Trustee of the railroad equipment described in Annex B to the CSA ("Equipment"); and

WHEREAS the Trustee and BURLINGTON NORTHERN INC. ("Lessee") have entered into a Lease dated as of the date hereof ("Lease") providing for the lease to the Lessee of the Equipment;

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT ("Assignment") WITNESSETH: that in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to each Builder, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. Each Builder hereby assigns, transfers and sets over unto the Assignee:

(a) all the right, title and interest of such Builder in and to each unit of its Equipment when and as severally delivered to and accepted by the Trustee, subject to payment by the Assignee to such Builder of the amount required to be paid pursuant to Section 4 hereof and of the amounts due from the Trustee to such Builder under the CSA;

(b) all the right, title and interest of such Builder in and to the CSA (except the right to construct and deliver its Equipment and the right to receive the payments specified in paragraph 4.3(a) thereof and reimbursement for taxes paid or incurred by such Builder), and except as aforesaid in and to any and all amounts which may be or become due or owing to such Builder under the CSA on account of the indebtedness in respect of the Purchase Price (as defined in the CSA) of the Equipment and interest thereon, and in and to any other sums becoming due from the Trustee under the CSA, other than those hereinabove excluded; and

(c) except as limited by subparagraph (b) of this paragraph, all such Builder's rights, titles, powers, privileges and remedies under the CSA;

without any recourse hereunder, however, against such Builder for or on account of the failure of the Trustee to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the CSA; *provided, however*, that this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify, the obligations of such Builder to deliver the Equipment in accordance with the CSA or with respect to its warranties and agreements referred to in Article 14 of the CSA or relieve the Trustee from its obligations to such Builder contained in Articles 2, 3, 4, 6 and 14 of the CSA, it being understood and agreed that, notwithstanding this Assignment, or any subsequent assignment pursuant to the provisions of Article 15 of the CSA, all obligations of such Builder to the Trustee with respect to the Equipment shall be and remain enforceable by the Trustee, its successors and assigns, against and only against such Builder. In furtherance of the foregoing assignment and transfer, each Builder hereby authorizes and empowers the Assignee in the Assignee's own name, or in the name of the Assignee's nominee, or in the name of and as attorney, hereby

irrevocably constituted, for such Builder, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Assignment and compliance by the Trustee with the terms and agreements on its part to be performed under the CSA, but at the expense and liability and for the sole benefit of the Assignee.

SECTION 2. Each Builder agrees that it shall construct the Equipment in full accordance with the CSA and will deliver the same upon completion to the Trustee in accordance with the provisions of the CSA; and that, notwithstanding this Assignment, it will perform and fully comply with each of and all the covenants and conditions of the CSA set forth to be performed and complied with by such Builder. Each Builder further agrees that it will warrant to the Assignee and the Trustee that at the time of delivery of each unit of the Equipment under the CSA it had legal title to such unit and good and lawful right to sell such unit and that such unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Trustee under the CSA and the rights of the Lessee under the Lease; and each Builder further agrees that it will defend the title to such unit against the demands of all persons whomsoever based on claims originating prior to the delivery of such unit by such Builder under the CSA; all *subject, however*, to the provisions of the CSA and the rights of the Trustee thereunder. Neither Builder will deliver any Equipment to the Trustee under the CSA until the CSA, the Lease, this Assignment and the Lease Assignment have been filed with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303 and deposited in the Office of the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada (the Builder and its counsel being entitled to rely on advice from special counsel for the Assignee that such filing and recordation have occurred).

SECTION 3. Each Builder agrees with the Assignee that in any suit, proceeding or action brought by the Assignee under the CSA for any installment of, or interest on, indebtedness in respect of the Purchase Price of the Equipment or to enforce any provision of the CSA, such Builder will indemnify, protect and hold harmless the Assignee from and against all expenses, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever claimed by the Trustee or the Lessee arising out of a breach by such Builder of any obligation with respect to its Equipment or the manufacture, construction, delivery or warranty thereof, or by reason of any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Trustee or the Lessee by such Builder. Each Builder's obligation so to indemnify, protect and hold harmless the Assignee is conditional upon (a) the Assignee's timely motion or other appropriate action, on the basis of Article 15 of the CSA, to strike any defense, setoff, counterclaim or recoupment asserted by the Trustee or the Lessee in any such suit, proceeding or action and (b) if the court or other body having jurisdiction in such suit, proceeding or action denies such motion or other action and accepts such defense, setoff, counterclaim or recoupment as a triable issue in such suit, proceeding or action, the Assignee's prompt notification to such Builder of the asserted defense, setoff, counterclaim or recoupment and the Assignee's giving such Builder the right, at such Builder's expense, to compromise, settle or defend against such defense, setoff, counterclaim or recoupment.

Except in cases of articles or materials specified by the Lessee and not manufactured by such Builder and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not developed or purported to be developed by such Builder, such Builder agrees, except as otherwise specifically provided in Annex A to the CSA, to indemnify, protect and hold harmless the Assignee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Assignee or its assigns because of the use in or about the construction or operation of any of its Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Assignee will give prompt notice to the appropriate Builder of any claim actually known to the Assignee which is based upon any such alleged infringement and will give to such Builder the right, at such Builder's expense, to compromise, settle or defend against

such claim. Each Builder agrees that any amounts payable to it by the Trustee or the Lessee with respect to its Equipment, whether pursuant to the CSA or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien, charge or security interest upon its Equipment or any unit thereof.

SECTION 4. The Assignee, on each Closing Date fixed as provided in Article 4 of the CSA with respect to the Equipment of a Builder, shall pay to such Builder an amount equal to the portion of the Purchase Price of its Equipment as shown on the invoice therefor then being settled for which, under the terms of paragraph 4.3(b) of said Article 4, is payable in installments, provided that the conditions specified in Paragraphs 7 and 8 of the Participation Agreement have been satisfied and there shall have been delivered to the Assignee at the offices of Cravath, Swaine & Moore in New York, New York, (with a copy to the Trustee) on or prior to such Closing Date, the following documents, in form and substance satisfactory to it and to Messrs. Cravath, Swaine & Moore, special counsel to the Assignee, in such number of counterparts as may be reasonably requested by said special counsel:

(a) a bill or bills of sale from such Builder to the Assignee transferring to the Assignee the security interest of such Builder in such units, warranting to the Assignee and to the Trustee that, at the time of delivery of such units under the CSA, such Builder had legal title to such units and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Trustee under the CSA, the rights of the Lessee under the Lease and the rights of the Assignee under the Assignment, and covenanting to defend the title to such units against demands of all persons whomsoever based on claims originating prior to the delivery of such units by such Builder under the CSA;

(b) a Certificate or Certificates of Acceptance with respect to the units of the Equipment as contemplated by Article 3 of the CSA and §2.1 of the Lease;

(c) an invoice of such Builder for the units of such Equipment accompanied by or having endorsed thereon a certification by the Trustee and the Lessee as to their approval thereof;

(d) an opinion of counsel for such Builder, dated as of the Closing Date, addressed to the Assignee and the Trustee, to the effect that the aforesaid bill or bills of sale have been duly authorized, executed and delivered by such Builder and are valid and effective to vest in the Assignee the security interest of such Builder in the units of such Builder's Equipment, free from all claims, liens, security interests and other encumbrances (other than those created by the CSA, the rights of the Lessee under the Lease and the rights of the Assignee under the Assignment) arising from, through or under such Builder; and

(e) a receipt from such Builder for any payment (other than the payment being made by the Assignee pursuant to the first paragraph of this Section 4) required to be made on such Closing Date to such Builder with respect to such Equipment, unless such payment is made by the Assignee with funds furnished to it for that purpose by the Trustee.

The obligation of the Assignee hereunder to make payment for any of the Equipment assigned hereunder is hereby expressly conditioned upon the Assignee having on deposit, pursuant to the terms of the Participation Agreement, sufficient funds available to make such payment and upon payment by the Trustee of the amount required to be paid by it pursuant to paragraph 4.3(a) of the CSA. In the event that the Assignee shall not make any such payment, the Assignee shall reassign to the appropriate Builder, without recourse to the Assignee, all right, title and interest of the Assignee in and to the units of the Equipment with respect to which payment has not been made by the Assignee.

SECTION 5. The Assignee may assign all or any of its rights under the CSA, including the right to receive any payments due or to become due to it from the Trustee thereunder. In the event of any

such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, and upon giving the written notice required in Article 15 of the CSA, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 6. Each Builder hereby:

(a) represents and warrants to the Assignee and the Trustee and that the CSA was duly authorized, executed and delivered by it for a valid consideration, that, assuming due authorization, execution and delivery by the Trustee, the CSA is, insofar as such Builder is concerned, a legal, valid and existing agreement binding upon such Builder in accordance with its terms and that it is now in force without amendment thereto;

(b) agrees that it will from time to time, at the request of the Assignee, make, execute and deliver all such further instruments of assignment, transfer and assurance and do all such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to the Assignee or intended so to be; and

(c) agrees that, upon request of the Assignee, it will execute any and all instruments which may be necessary or proper in order to discharge of record the CSA or any other instrument evidencing any interest of such Builder therein or in its Equipment.

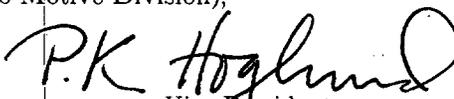
SECTION 7. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the State of New York; *provided, however*, that the parties shall be entitled to all the rights conferred by 49 U.S.C. §11303, such additional rights arising out of the filing, recording or depositing of the CSA and this Assignment as shall be conferred by the laws of the several jurisdictions in which the CSA or this Assignment shall be filed, recorded or deposited, or in which any unit of the Equipment shall be located, and any rights arising out of the marking on the units of Equipment.

SECTION 8. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Assignee shall be deemed to be the original counterpart. 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. This Agreement shall be effective upon delivery of fully executed counterparts hereof to Messrs. Cravath, Swaine & Moore, at their offices in New York, New York. Each Builder shall be bound hereunder notwithstanding the failure of the other Builder to execute and deliver this Assignment or to perform its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be executed in their respective corporate names by duly authorized officials, and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

GENERAL MOTORS CORPORATION
(Electro-Motive Division),

by


Vice President

[CORPORATE SEAL]

ATTEST:


Assistant Secretary

GENERAL ELECTRIC COMPANY,

by

[Handwritten Signature]
GENERAL MANAGER

LOCOMOTIVE MARKETING DEPARTMENT

[Corporate Seal]

Attest:

[Handwritten Signature]
Attesting Secretary

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY, as Agent,

by

Assistant Vice President

[Corporate Seal]

Attest:

[Handwritten Signature]
Corporate Trust Officer

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Agreement and Assignment is hereby acknowledged as of October 1, 1980.

THE CONNECTICUT BANK AND
TRUST COMPANY, not in its individual
capacity but solely in its capacity as Trustee,

by

Authorized Officer

STATE OF ILLINOIS, }
COUNTY OF COOK, } ss.:

On this day of , 1980, before me personally appeared P. K. Hoglund, to me personally known, who being by me duly sworn, says that he is a Vice President of GENERAL MOTORS CORPORATION (Electro-Motive Division), that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation; 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.

Notary Public

[NOTARIAL SEAL]
My Commission expires

STATE OF PENNSYLVANIA, }
COUNTY OF ERIE, } ss.:

On this *4th* day of *December*, 1980, before me personally appeared *J.C. Dwyer*, to me personally known, who being by me duly sworn, says that he is a *General Manager - Locomotive Marketing Department* of GENERAL ELECTRIC COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, 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.

Judy Crandall
Notary Public

Judy Crandall, Notary Public
Lawrence Park Twp., Erie County, Penna.
My Commission Expires Jan. 16, 1984

[NOTARIAL SEAL]
My Commission expires

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

On this day of , 1980, before me personally appeared R. E. Schreiber, to me personally known, who being by me duly sworn, says that he is an Assistant 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, 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.

Notary Public

[NOTARIAL SEAL]
My Commission expires

GENERAL ELECTRIC COMPANY,

by

[Corporate Seal]

Attest:

Attesting Secretary

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY, as Agent,

by



Assistant Vice President

[Corporate Seal]

Attest:

A Palmer
ASSISTANT Corporate Trust Officer

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Agreement and Assignment is hereby acknowledged as of October 1, 1980.

THE CONNECTICUT BANK AND
TRUST COMPANY, not in its individual
capacity but solely in its capacity as Trustee,

by

Authorized Officer

STATE OF ILLINOIS, }
COUNTY OF COOK, } ss.:

On this day of , 1980, before me personally appeared P. K. Hoglund, to me personally known, who being by me duly sworn, says that he is a Vice President of GENERAL MOTORS CORPORATION (Electro-Motive Division), that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, 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.

Notary Public

[NOTARIAL SEAL]
My Commission expires

STATE OF PENNSYLVANIA, }
COUNTY OF ERIE, } ss.:

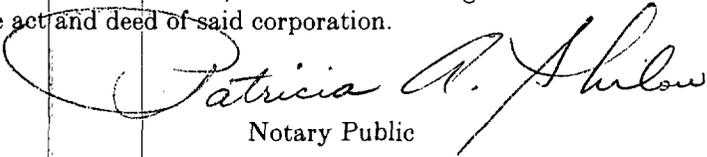
On this day of , 1980, before me personally appeared , to me personally known, who being by me duly sworn, says that he is a of GENERAL ELECTRIC COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on 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.

Notary Public

[NOTARIAL SEAL]
My Commission expires

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

On this 5th day of DEC, 1980, before me personally appeared R. E. Schreiber, to me personally known, who being by me duly sworn, says that he is an Assistant 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, 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.


Notary Public

[NOTARIAL SEAL]
My Commission expires 7-1-82

GENERAL ELECTRIC COMPANY,

by

[Corporate Seal]

Attest:

Attesting Secretary

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY, as Agent,

by

Assistant Vice President

[Corporate Seal]

Attest:

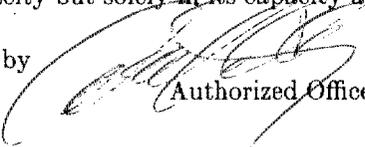
Corporate Trust Officer

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Agreement and Assignment is hereby acknowledged as of October 1, 1980.

THE CONNECTICUT BANK AND
TRUST COMPANY, not in its individual
capacity but solely in its capacity as Trustee,

by


Authorized Officer

STATE OF ILLINOIS, }
COUNTY OF COOK, } ss.:

On this day of , 1980, before me personally appeared P. K. Hoglund, to me personally known, who being by me duly sworn, says that he is a Vice President of GENERAL MOTORS CORPORATION (Electro-Motive Division), that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, 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.

Notary Public

[NOTARIAL SEAL]
My Commission expires

STATE OF PENNSYLVANIA, }
COUNTY OF ERIE, } ss.:

On this day of , 1980, before me personally appeared , to me personally known, who being by me duly sworn, says that he is a of GENERAL ELECTRIC COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, 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.

Notary Public

[NOTARIAL SEAL]
My Commission expires

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

On this day of , 1980, before me personally appeared R. E. Schreiber, to me personally known, who being by me duly sworn, says that he is an Assistant 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, 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.

Notary Public

[NOTARIAL SEAL]
My Commission expires

GENERAL ELECTRIC COMPANY,

by

[Corporate Seal]

Attest:

Attesting Secretary

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY, as Agent,

by

Assistant Vice President

[Corporate Seal]

Attest:

Corporate Trust Officer

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Agreement and Assignment is hereby acknowledged as of October 1, 1980.

THE CONNECTICUT BANK AND
TRUST COMPANY, not in its individual
capacity but solely in its capacity as Trustee,

by

Authorized Officer

STATE OF ILLINOIS, }
COUNTY OF COOK, } ss.:

On this ~~4th~~ day of ~~December~~ 1980, before me personally appeared P. K. Hoglund, to me personally known, who being by me duly sworn, says that he is a Vice President of GENERAL MOTORS CORPORATION (Electro-Motive Division), that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, 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.

S.K. Sawicki
Notary Public

[NOTARIAL SEAL]
My Commission expires September 18, 1983

STATE OF PENNSYLVANIA, }
COUNTY OF ERIE, } ss.:

On this day of , 1980, before me personally appeared , to me personally known, who being by me duly sworn, says that he is a of GENERAL ELECTRIC COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, 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.

Notary Public

[NOTARIAL SEAL]
My Commission expires

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

On this day of , 1980, before me personally appeared R. E. Schreiber, to me personally known, who being by me duly sworn, says that he is an Assistant 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, 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.

Notary Public

[NOTARIAL SEAL]
My Commission expires