

*C. Owen Gabel - Doug Huntz*

*3/13/81  
true & cc  
see*

RECORDATION NO. 12984  
Filed 1425

MAR 13 1981 -4 40 PM  
March , 1981

INTERSTATE COMMERCE COMMISSION  
Interstate Commerce Commission  
Washington, D.C.

12984 B  
Filed 1425

MAR 13 1981 -4 40 PM

Dear Sir or Madam:

INTERSTATE COMMERCE COMMISSION

Enclosed for recordation under the provisions of 49 USC 11303(a) are the original and six counterpart copies of the following documents:

- (1) Conditional Sale Agreement, dated as of February 2, 1981, between The M. W. Kellogg Company (Pullman Standard Division) (Vendor), and The Connecticut Bank and Trust Company, as trustee (Purchaser); Agreement and Assignment, dated as of February 2, 1981, between The M. W. Kellogg Company (Pullman Standard Division) (Assignor), and Continental Illinois National Bank and Trust Company of Chicago (Assignee).
- (2) Railroad Equipment Lease, dated as of February 2, 1981, between The Connecticut Bank and Trust Company, as trustee (Lessor), and Chicago and North Western Transportation Company (Lessee); Assignment of Lease and Agreement, dated as of February 2, 1981, between the Connecticut Bank and Trust Company (Assignor), and Continental Illinois National Bank and Trust Company of Chicago (Assignee).

A general description of the railroad equipment covered by the enclosed documents is set forth in Schedule A attached to this letter and made a part hereof.

The undersigned is the Lessor mentioned in the enclosed documents, and has knowledge of the matters set forth therein.

Please return the original and six copies of the enclosed documents to Matthew A. Gabel, Csaplar & Bok, 235 Montgomery Street, Suite 450, San Francisco, California, 94104.

Also enclosed is a check in the amount of \$120. covering the required recording fee.

Very truly yours,

THE CONNECTICUT BANK AND TRUST COMPANY, as trustee

By *[Signature]*

Its *[Signature]*  
Lessor as aforesaid

Enclosures

12072 A173  
Date 3/13/81  
Fee \$ 120.00  
RECORDATION NO. 12984  
Filed 1425  
MAR 13 1981 -4 40 PM  
ICC Washington, D.C.  
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 12984  
Filed 1425  
MAR 13 1981 -4 40 PM  
INTERSTATE COMMERCE COMMISSION

SCHEDULE A

The documents identified in paragraphs (1) and (2) of the foregoing letter relate to 1700 units of railroad equipment, manufactured by the M.W. Kellogg Company (Pullman Standard Division), consisting of 4,750 cubic feet, 100-ton covered steel hopper cars. Identification Numbers: CNW 181,000 through 182,699. A.A.R. mechanical designation (car type code):

12984 *C*  
RECORDATION NO. \_\_\_\_\_ Filed 1426

MAR 13 1981 -4 40 PM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE

AND

AGREEMENT

between

THE CONNECTICUT BANK AND TRUST COMPANY,  
trustee

f/b/o

GENERAL ELECTRIC CREDIT AND LEASING CORPORATION

and

CONTINENTAL NATIONAL BANK AND TRUST COMPANY OF CHICAGO,  
agent

Dated as of February 2, 1981

ASSIGNMENT OF LEASE AND AGREEMENT, dated as of February 2, 1981 (this Agreement), between THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation having an address at One Constitution Plaza, Hartford, Connecticut 06115, Attention: Corporate Trust Department, and acting not in its individual capacity but solely as trustee (the Lessor) under a Trust Agreement, dated as of the date hereof (the Trust Agreement), for the benefit of GENERAL ELECTRIC CREDIT AND LEASING CORPORATION, a Delaware corporation (the Owner), having an address at 260 Long Ridge Road, Stamford, Connecticut 06904, and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national association having an address at 30 North LaSalle Street, Chicago, Illinois 60693, and acting as agent (the Agent) under a Participation Agreement, dated as of February 2, 1981 (the Participation Agreement).

#### PRELIMINARY STATEMENT

The Lessor is entering into a Conditional Sale Agreement, dated as of the date hereof (the Purchase Agreement), with THE M. W. KELLOGG COMPANY (Pullman Standard Division), a Delaware corporation formerly known as Pullman Incorporated (Pullman Standard Divison) (the Builder), which provides for the construction and conditional sale to the Lessor by the Builder of such units of railroad equipment described in Schedules A and B thereto as are delivered to and accepted by the Lessor thereunder (the Units). The Lessor and Chicago and North Western Transportation Company, a Delaware corporation (the Lessee), have entered into a Railroad Equipment Lease, dated as of the date hereof (the Lease), by which the Units are to be leased by the Lessor to the Lessee. In order to provide security for the obligations of the Lessor under the Purchase Agreement and as an inducement to the Agent and the Investor (as defined in the Participation Agreement) for whom the Agent is acting to invest in the Indebtedness (as defined in the Purchase Agreement), the Lessor has agreed to assign, for security purposes, certain of its rights in, to and under the Lease to the Agent.

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

1. (a) The Lessor hereby assigns, transfers and sets over unto the Agent, as collateral security for the payment and performance of the

obligations of the Lessor under the Purchase Agreement, all the Lessor's right, title and interest in, to and under the Lease, together with all rights, powers, privileges, and other benefits of the Lessor under the Lease, including, without limitation, (i) the immediate and continuing right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee pursuant to the Lease, whether as rentals, casualty payments, indemnity payments, liquidated damages or otherwise (such moneys being collectively called the Payments), (ii) the right to make all waivers and agreements, (iii) the right to give all notices, demands, consents and releases, (iv) the right to take all action upon the happening of an Event of Default specified in the Lease, and (v) the right to do any and all other things whatsoever which the Lessor is or may become entitled to do under the Lease, but excluding Lessor's rights under Section 14 of the Lease and except that the assignment by Lessor of its right, title and interest in, to and under the Lease shall not be construed as preventing Lessor from exercising its right to cure Events of Default occurring under and as defined in the Lease pursuant to clause (f) of Article 15.1 of the Purchase Agreement or from exercising its right to perform obligations of the Lessee under the Lease pursuant to Section 11(d) thereof. Notwithstanding the foregoing, Payments shall not be deemed to include payments made by the Lessee to or for the account of the Owner, or the Lessor in its individual capacity, pursuant to Sections 6 and 10 of the Lease or the Indemnity Agreement (as defined in the Lease), it being understood that the foregoing payments are not intended to be assigned hereunder. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Agent in its own name, or in the name of its nominee or the Lessor, or as attorney for the Lessor, to ask for, demand, sue for, collect and receive any 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 of the Lease.

(b) The Agent agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Agent will apply such Payments first to satisfy such obligations of the Lessor under the Purchase Agreement and the Participation Agreement as are then due and payable; thereafter, so long as no event of default (or event which with the lapse of time, the making of a demand or both would constitute an event of default) under the Purchase Agreement shall have occurred and be

continuing, any balance of any such Payments shall be paid to the Lessor or to such other party as the Lessor may direct in writing, on the first business day following receipt by the Agent of such Payments, at the Lessor's address specified in Section 18 of the Lease or at such other address as may be specified to the Agent in writing. If the Agent shall not receive any rental payment under Section 3(a) of the Lease when due, the Agent shall notify the Lessor of such non-receipt. The failure of the Agent to so notify the Lessor, however, shall not affect the obligations of the Lessor hereunder or under the Purchase Agreement; but the Agent may neither terminate the Lease pursuant to clause (I) of Article 15.1 of the Purchase Agreement nor declare the Indebtedness secured by the Purchase Agreement to be immediately due and payable pursuant to clause (II) of such Article by reason of such failure to receive a rental payment (a Rent Default) unless, if the Lessor shall be entitled, pursuant to clause (f) of Article 15.1 of the Purchase Agreement, to cure such Rent Default, the Agent shall have given the Lessor notice of such Rent Default and the Lessor shall have failed to cure such Rent Default in accordance with such clause (f).

2. The assignment made by the Lessor hereunder is executed only as security; and, therefore, the execution and delivery of this Agreement by the Lessor shall not subject the Agent 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 Agreement or any subsequent assignment, all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee and its successors and assigns against, and only against, the Lessor or persons other than the Agent. Any action taken by the Lessor in connection with its obligations or duties under the Lease shall be at its sole cost except that, in the case of the Agent acting as an assignee of the Lessor, any such action shall be at the Lessee's expense.

3. The Lessor represents and warrants to the Agent that the Lessor has not entered into any assignment of its interests in the Lease other than this Agreement, has not entered into any amendment or modification of the Lease and has not created or incurred or suffered to exist with respect to the Lease or with respect to any of its interests therein any claim, lien or charge arising by, through or under the Lessor.

4. The Lessor will faithfully abide by, perform and discharge each of its obligations and agreements contained in the Lease. Without the written consent of the Agent, the Lessor will not (i) anticipate the rentals under the Lease, (ii) 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 the obligation to pay the rentals in the manner and at the time and place specified therein, or (iii) enter into any agreement amending, modifying or terminating the Lease, except that the Lessor may enter into an agreement amending the Lease without the consent of the Agent as provided in the last sentence of Section 2 of the Lease. The Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

5. The Lessor does hereby constitute the Agent its true and lawful attorney, irrevocably, with full power (in the name of the Lessor or otherwise) to ask for, 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 the extent hereby assigned to the Agent; 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 Agent may seem to be necessary or advisable.

6. Upon the full discharge and satisfaction of the Lessor's obligations under the Purchase Agreement and the Participation Agreement (without giving effect to any limitation of liability therein), the Lessor's assignment hereunder of its rights in, to and under the Lease shall terminate, and all estate, right, title and interest of the Agent in and to the Lease shall automatically revert to the Lessor. The Agent, however, if so requested by the Lessor at that time, will (i) 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 (ii) 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.

7. The Lessor, at its own expense and as soon as possible, will pay, or satisfy and discharge, any tax, assessment or other claim of any party which, if unpaid, might constitute or become a lien, charge, security interest or other encumbrance upon or with respect to any Unit or the interest of the Agent therein or the Lessor's or the Agent's interest in the Lease and the payments due and to become due thereunder, and shall promptly discharge any such lien, charge, security interest or other encumbrance, provided that such lien, charge, security interest or other encumbrance shall have arisen from, through or under the Lessor (other than from, through or under the Agent), or, to the extent that funds shall be delivered to the Lessor for such purpose, from, through or under the Owner or its successors or assigns, by reason of a default by the Lessor under the Trust Agreement or the Owner under any of the Documents (as defined in the Participation Agreement) or by reason of a claim against the Lessor or the Owner, as the case may be, not arising solely by reason of the participation of such party in the transactions intended in the Participation Agreement, the Trust Agreement and the documents referred to therein (including liens for gross receipts taxes, taxes measured by net income, excess profits taxes and similar taxes arising out of the receipt of rentals and other payments under the Lease and any other proceeds from the Units to the extent that funds for the payment thereof are delivered to the Lessor for such purpose). The Lessor, however, shall not be required to pay or discharge any such tax, assessment, claim, lien, charge, security interest or other encumbrance so long as (i) the validity thereof shall be contested in good faith and by appropriate legal or administrative proceedings in a reasonable, diligent manner, and (ii) the nonpayment or nondischarge thereof, in the reasonable opinion of the Agent, shall not adversely affect the security interest of the Agent in or to the Units or otherwise under the Purchase Agreement or in and to the Lease and the payments made or to be made thereunder.

8. Except as otherwise provided in the Purchase Agreement and Paragraph 1(a), if an event of default under the Purchase Agreement shall occur and be continuing, the Agent may declare all sums secured hereby immediately due and payable and may apply all such sums against the amounts due and payable under the Purchase Agreement.

9. The Lessor, from time to time, will do and perform any other act and will execute, acknowledge, deliver and file, register, deposit and record (and will refile, reregister, rerecord or redeposit) any further instruments required by law and reasonably requested by the Agent in order to confirm or further assure the interests of the Agent hereunder.

10. The Agent, in accordance with the Purchase Agreement, 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, to the extent of such assignment, shall enjoy all the rights and privileges of the Agent hereunder, but the Lessor and the Lessee shall not be bound to honor such assignment until they have received written notice thereof. Payment to the then assignee of all Payments required to be paid to such assignee pursuant to and in accordance with the Lease and this Agreement shall constitute full compliance with the terms of this Agreement and the Lease with respect to such Payments. The Lessor and the Lessee may rely on instruments and documents of assignment which they believe in good faith to be true and authentic.

11. This Agreement shall be governed by the laws of the State of Illinois, but the parties shall be entitled to all rights conferred by Section 11303 of Title 49 of the United States Code (49 U.S.C. sec. 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 Agreement is deposited.

12. 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 Agent at its address set forth in Article 20 of the Purchase Agreement, or at such other address as the Agent shall designate. Any notice hereunder given by one party to the other shall be delivered by hand or mailed by registered or certified mail, postage prepaid, return receipt requested, to the addressee thereof at its address as first set forth above or to such other address or to such attention as shall have been specified in a written notice to the other party hereto.

13. Without the prior written consent of the Lessor, the Agent will not, so long as no event of default under the Purchase Agreement has occurred

and is continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any right, power, privilege, authorization or benefit which is assigned and transferred by the Lessor to the Agent by this Agreement and which is for the sole benefit of the Lessor; and any amendment of the Lease by the Agent without the consent of the Lessor shall not be binding upon the Lessor. If the Agent shall not seek to enforce any right, power, agreement or indemnity assigned to it hereby or shall not seek to collect that portion of the Payments which would otherwise be paid to the Lessor as described in Paragraph 1(a), the Lessor shall have the right to proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of such obligations or to recover damages for the breach thereof as provided in Section 11(a) of the Lease, but may not, without the prior written consent of the holders of a majority in principal amount of the Indebtedness secured by and as defined in the Purchase Agreement, terminate the Lease. Notwithstanding the provisions of the Lease or this Agreement, if the Lessee shall be in default of any obligation contained in Section 6 or 10 of the Lease to the extent made for the benefit of the Lessor and such default shall continue for 30 days after written notice thereof from the Lessor to the Lessee, the Lessor shall have the right to proceed by appropriate court action, either at law or in equity, to enforce performance by the Lessee of such obligations or to recover damages for the breach thereof as provided in Section 11(a) of the Lease, but may not, without the prior written consent of the holders of a majority in principal amount of the Indebtedness, terminate the Lease. The foregoing provision, however, shall not be deemed to prohibit or limit in any way the right of the Agent to enforce any of the rights and remedies under Section 11(a) of the Lease; and the right of the Lessor under the preceding sentence shall not affect the rights of the Agent, before or after the occurrence of an event of default under the Purchase Agreement, which arise under or with respect to Section 6 or 10 of the Lease.

14. Notwithstanding any other provision of this Agreement or the Purchase Agreement: (i) Lessor shall be liable in its individual capacity with respect to its covenants contained in Paragraph 7 and with respect to its wilful misconduct and gross negligence referred to below; (ii) this Agreement shall not limit in any way the effect, upon the terms of the Purchase Agreement, of Article 4.8 or 21 of the Purchase Agreement; and (iii) except as provided in clause (i) above, each representation, warranty, undertaking and

agreement herein made on the part of the Lessor is made and intended not as a personal representation, warranty, undertaking or agreement by The Connecticut Bank and Trust Company or any successor trustee or cotrustee as the Trustee under the Trust Agreement, or for the purpose or with the intention of binding the Lessor or any successor or cotrustee personally, but is made by the Lessor solely in its capacity as trustee under the Trust Agreement for the purpose of binding only the Trust Estate, as defined in the Trust Agreement. This Agreement is executed and delivered by the Lessor solely in the exercise of the powers expressly conferred upon it as the trustee under the Trust Agreement. Except for the Lessor's covenants contained in Paragraph 7 and its wilful misconduct or gross negligence, for which the Lessor or any successor or cotrustee shall be personally liable, no personal liability hereunder is assumed by, or shall at any time be asserted or enforceable against, the Lessor or any successor or cotrustee or the Owner on account of any representation, warranty, undertaking or agreement hereunder of the Lessor, express or implied, all such personal liability, if any, being expressly waived and released by the Agent and by all persons claiming by, through or under the Agent. The Agent or any person claiming by, through or under it, however, may look to the Trust Estate for satisfaction of any claim made hereunder.

15. This Agreement may be executed in any number of counterparts, but the counterpart delivered to the Agent 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. Although for convenience this Agreement is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgements 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 as of the date first above written.

THE CONNECTICUT BANK AND TRUST COMPANY,

not in its individual capacity but solely as trustee under that certain Trust Agreement, dated as of February 2, 1981, between The Connecticut Bank and Trust Company and General Electric Credit and Leasing Corporation

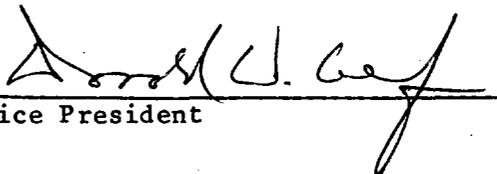
By



Authorized Officer

CONTINENTAL ILLINOIS NATIONAL BANK  
AND TRUST COMPANY OF CHICAGO,  
as agent

By



Vice President

STATE OF CONNECTICUT     )  
  )     ss.:  
COUNTY OF HARTFORD     )

On this 12<sup>th</sup> day of March, 1981, before me personally appeared  
CLARK M. WHITCOMB, to me personally known, who being by me  
duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND  
TRUST COMPANY, 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 Trustees,  
and he acknowledged that he executed the foregoing instrument as a free act  
and deed of said Corporation for the purposes set forth therein.

Carol Lee Shattuck  
Notary Public

My Commission Expires:

(Notarial Seal)

**CAROL LEE SHATTUCK**  
**NOTARY PUBLIC**  
**MY COMMISSION EXPIRES MARCH 31, 1985**

STATE OF ILLINOIS            )  
                                      )    ss.:  
COUNTY OF COOK            )

On this 11<sup>th</sup> day of March, 1981, before me personally appeared  
DONALD W. ALVIN, to me personally known, who being by me  
duly sworn, says that he is a Vice President of CONTINENTAL ILLINOIS NATIONAL  
BANK AND TRUST COMPANY OF CHICAGO, one of the seals affixed to the foregoing  
instrument is the corporate seal of said National Banking Association and that  
said instrument was signed and sealed on behalf of said National Banking  
Association by authority of its Board of Trustees, and he acknowledged that he  
executed the foregoing instrument as a free act and deed of said Corporation  
for the purposes set forth therein.

V. Wasly  
Notary Public

My Commission Expires:

My Commission Expires July 2, 1984

(Notarial Seal)