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RECORDED NO. 1115 1425

CRAVATH, SWAINE & MOORE JAN 20 1982 - 12 15 PM

ONE CHASE MANHATTAN PLAZA

INTERSTATE COMMERCE COMMISSION

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INTERSTATE COMMERCE COMMISSION

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INTERSTATE COMMERCE COMMISSION

2-0-0040-12

No. JAN 20 1982

Date JAN 20 1982 - 12 15 PM

Fee \$ 100.00

ICC Washington, D. C.

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January 18, 1982

The Pittsburgh and Lake Erie Railroad Company
Lease Financing Dated as of January 1, 1982
15-7/8% Conditional Sale Indebtedness
Due June 1, 1997

[CS&M Ref: 2483-140]

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of The Pittsburgh and Lake Erie Railroad Company for filing and recordation counterparts of the following documents:

(1) (a) Conditional Sale Agreement dated as of January 1, 1982, between The Connecticut Bank and Trust Company, as Trustee, and Greenville Steel Car Company and The Maxson Corporation, as Builders;

(b) Agreement and Assignment dated as of January 1, 1982, between Manufacturers Hanover Trust Company, as Agent, and Greenville Steel Car Company and The Maxson Corporation, as Builders;

(2) (a) Lease of Railroad Equipment dated as of January 1, 1982, between The Pittsburgh and Lake Erie Railroad Company, as Lessee, and The Connecticut Bank and Trust Company, as Lessor; and

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next page

[Handwritten signatures and initials]

18 JAN 20 1982

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(b) Assignment of Lease and Agreement dated as of January 1, 1982, between The Connecticut Bank and Trust Company, as Trustee, and Manufacturers Hanover Trust Company, as Agent.

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

Trustee-Lessor:

The Connecticut Bank and Trust Company,
Corporate Trust Department,
6th Floor,
100 Constitution Plaza,
Hartford, Connecticut 06115.

Builders:

Greenville Steel Car Company,
Union Street,
Greenville, Pennsylvania 16125.

The Maxson Corporation,
500 Como Avenue,
St. Paul, Minnesota 55103.

Lessee:

The Pittsburgh and Lake Erie Railroad Company,
324 Pittsburgh and Lake Erie Terminal Building,
Smithfield and Carson Streets,
Pittsburgh, Pennsylvania 15219.

Agent:

Manufacturers Hanover Trust Company,
40 Wall Street,
New York, N.Y. 10015

Please file and record the documents referred to in this letter and index them under the names of the Trustee-Lessor, the Builders, the Lessee and the Agent.

The equipment covered by the aforementioned agreements is listed in Exhibit A hereto and bears the legend "Ownership Subject to a Security Agreement Filed with the Interstate Commerce Commission".

Enclosed is our check for \$100 for the required recordation fee. Please accept for recordation one counterpart of each of the enclosed agreements, stamp the remaining counterparts with your recordation number and return them to the delivering messenger along with your fee receipt addressed to the undersigned.

Very truly yours,

Laurance V. Goodrich

Laurance V. Goodrich
As Agent for The Pittsburgh
and Lake Erie Railroad Company

Agatha Mergenovich, Secretary,
Interstate Commerce Commission,
Washington, D.C. 20423

Encls.

89A

13441C

RECORDATION NO. Filed 1425

JAN 20 1982 -12 15 PM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of January 1, 1982 ("Assignment"), by and between THE CONNECTICUT BANK AND TRUST COMPANY, not individually but solely in its capacity as Trustee ("Trustee") under a Trust Agreement dated as of the date hereof with the parties named therein ("Trust Agreement"), and MANUFACTURER HANOVER TRUST COMPANY, not in its individual capacity, but solely as Agent ("Vendor") under a Participation Agreement dated as of the date hereof.

The Trustee is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with each of GREENVILLE STEEL CAR COMPANY and THE MAXSON CORPORATION (collectively "Builders" and severally "Builder") providing for the sale to the Trustee of such units of railroad equipment ("Units") described in Annex B thereto as are delivered to and accepted by the Trustee thereunder.

The Trustee and THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY ("Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof ("Lease") providing for the leasing of the Units by the Trustee to the Lessee.

In order to provide security for the obligations of the Trustee under the CSA and as an inducement to the Vendor to invest in the CSA Indebtedness (as defined in paragraph 4.3(b) of the CSA), the Trustee agrees to assign for security purposes 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 to be kept and performed, the parties hereto agree as follows:

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

and the Owner's rights under §§ 6, 7.7(2), 12, 16 and 20 of the Lease), including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Trustee from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys being hereinafter called "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 Trustee is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Trustee hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Trustee or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Trustee 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 Trustee pursuant to the Lease. To the extent received, the Vendor will apply such Payments to satisfy the obligations of the Trustee under the CSA, and, 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 Owner on the same date such Payment is applied to satisfy such obligations of the Owner, by check mailed to the Owner on such date or, upon written request of the Owner, by bank wire to the Owner at such address as may be specified to the Vendor in writing, and such balance shall be retained by the Trustee. If the Vendor shall not receive any rental payment under § 3.1 of the Lease when due, the Vendor shall notify the Trustee and the Owner at the address set forth in the Lease; provided, however, that the failure of the Vendor to so notify the Trustee and the Owner shall not affect the obligations of the Trustee hereunder or under the CSA, except that the Vendor may not terminate the Lease or make a Declaration of Default under paragraph 16.1 of Article 16 of the CSA due to an event of default arising by reason of the failure of the Lessee to make any such rental payment which, pursuant to paragraph (e) of said paragraph 16.1, would not constitute an event of default thereunder if the Trustee complies with the provisions thereof, unless such event of default is not remedied within five days after notification as aforesaid is given.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify the liability of the Trustee under the Lease, it being understood and agreed that, notwithstanding this Assignment or any subsequent assignment, all obligations of the Trustee to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Trustee or persons other than the Vendor.

3. The Trustee will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides is to be performed by the Trustee; without the written consent of the Vendor, the Trustee will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease and the Trustee agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Trustee does hereby constitute the Vendor the Trustee's true and lawful attorney, irrevocably, with full power (in the name of the Trustee, 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 Trustee 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 Trustee 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 revert to the Trustee. Promptly following such full discharge and satisfaction, the Vendor agrees that it will advise the Lessee in writing that all sums due from the Trustee 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 Trustee will, from time to time, execute, acknowledge and deliver any and all further instruments reasonably requested by the Vendor in order to confirm or further assure the interest 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.

8. This Assignment shall be governed by the laws of the State of Connecticut, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

9. The Trustee shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Vendor.

10. The Vendor hereby agrees with the Trustee 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 Trustee to the Vendor by this Assignment, except the right to collect and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease and the CSA, the Trustee may, so long as the Vendor is not seeking to receive and collect such Payments and 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, its rights, powers, privileges and remedies arising out of § 13.1(a) of the Lease; provided, however, that the Trustee shall not, without the prior written consent of the Vendor, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of § 13.1(b) of the Lease.

11. It is expressly understood and agreed by and between the parties hereto, anything in this Agreement to the contrary notwithstanding, that each and all of the representations, warranties and agreements in this Agreement made on the part of the financial institution acting as Trustee

hereunder are each and every one of them made and intended not as personal representations, warranties 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 Agreement is executed and delivered by the said financial institution solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the said financial institution or the Owner on account of any representation, warranty or agreement herein of the Trustee or the Owner either expressed or implied, all such personal liability, 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 the Vendor, making claim hereunder, may look to said Trust Estate for the 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. 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.

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

by

[Corporate Seal]

Authorized Officer

Attest:

Authorized Officer

MANUFACTURERS HANOVER TRUST COMPANY,
not in its individual capacity,
but solely as Agent,

by

[Corporate Seal]

Assistant Vice President

Attest:

Assistant Trust Officer

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

On this day of January 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK 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.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF NEW YORK,)
) ss.:
COUNTY OF NEW YORK,)

On this day of January 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MANUFACTURERS HANOVER TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the seal of said company and that said instrument was signed and sealed on behalf of said 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 company.

Notary Public

[Notarial Seal]

My Commission expires

CONSENT AND AGREEMENT

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY ("Lessee"), the lessee named in the Lease ("Lease") referred to in the foregoing Assignment of Lease and Agreement ("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 rentals, casualty payments, liquidated damages, indemnities (except any indemnities payable to the Trustee in its individual or fiduciary capacity pursuant to §§ 6 and 12 of the Lease) and other moneys provided for in the Lease (which moneys are hereinafter called "Payments") due and to become due under the Lease directly to Manufacturers Hanover Trust Company, as Agent ("Vendor"), the assignee named in the Lease Assignment, at 40 Wall Street, New York, New York 10015, attention of Corporate Trust Department (or at such other address as may be furnished in writing to the Lessee by the Vendor);

(2) 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 Trustee;

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

(4) the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, 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, when accepted by the Vendor by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the Commonwealth of Pennsylvania and, for all purposes, shall be construed in

accordance with the laws of said Commonwealth.

THE PITTSBURGH AND LAKE ERIE
RAILROAD COMPANY,

by

H.S. Allyn, Jr.

President

[Corporate Seal]

Attest:

Edward A. Carson

Assistant Secretary

The foregoing Consent and Agreement is hereby
accepted as of January 1, 1982.

MANUFACTURERS HANOVER TRUST
COMPANY, not in its individual
capacity, but solely as Agent,

by

Assistant Vice President.

ASSIGNMENT OF LEASE AND AGREEMENT dated as of January 1, 1982 ("Assignment"), by and between THE CONNECTICUT BANK AND TRUST COMPANY, not individually but solely in its capacity as Trustee ("Trustee") under a Trust Agreement dated as of the date hereof with the parties named therein ("Trust Agreement"), and MANUFACTURER HANOVER TRUST COMPANY, not in its individual capacity, but solely as Agent ("Vendor") under a Participation Agreement dated as of the date hereof.

The Trustee is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with each of GREENVILLE STEEL CAR COMPANY and THE MAXSON CORPORATION (collectively "Builders" and severally "Builder") providing for the sale to the Trustee of such units of railroad equipment ("Units") described in Annex B thereto as are delivered to and accepted by the Trustee thereunder.

The Trustee and THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY ("Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof ("Lease") providing for the leasing of the Units by the Trustee to the Lessee.

In order to provide security for the obligations of the Trustee under the CSA and as an inducement to the Vendor to invest in the CSA Indebtedness (as defined in paragraph 4.3(b) of the CSA), the Trustee agrees to assign for security purposes 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 to be kept and performed, the parties hereto agree as follows:

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

and the Owner's rights under §§ 6, 7.7(2), 12, 16 and 20 of the Lease), including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Trustee from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys being hereinafter called "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 Trustee is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Trustee hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Trustee or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Trustee 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 Trustee pursuant to the Lease. To the extent received, the Vendor will apply such Payments to satisfy the obligations of the Trustee under the CSA, and, 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 Owner on the same date such Payment is applied to satisfy such obligations of the Owner, by check mailed to the Owner on such date or, upon written request of the Owner, by bank wire to the Owner at such address as may be specified to the Vendor in writing, and such balance shall be retained by the Trustee. If the Vendor shall not receive any rental payment under § 3.1 of the Lease when due, the Vendor shall notify the Trustee and the Owner at the address set forth in the Lease; provided, however, that the failure of the Vendor to so notify the Trustee and the Owner shall not affect the obligations of the Trustee hereunder or under the CSA, except that the Vendor may not terminate the Lease or make a Declaration of Default under paragraph 16.1 of Article 16 of the CSA due to an event of default arising by reason of the failure of the Lessee to make any such rental payment which, pursuant to paragraph (e) of said paragraph 16.1, would not constitute an event of default thereunder if the Trustee complies with the provisions thereof, unless such event of default is not remedied within five days after notification as aforesaid is given.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify the liability of the Trustee under the Lease, it being understood and agreed that, notwithstanding this Assignment or any subsequent assignment, all obligations of the Trustee to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Trustee or persons other than the Vendor.

3. The Trustee will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides is to be performed by the Trustee; without the written consent of the Vendor, the Trustee will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease and the Trustee agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Trustee does hereby constitute the Vendor the Trustee's true and lawful attorney, irrevocably, with full power (in the name of the Trustee, 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 Trustee 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 Trustee 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 revert to the Trustee. Promptly following such full discharge and satisfaction, the Vendor agrees that it will advise the Lessee in writing that all sums due from the Trustee 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 Trustee will, from time to time, execute, acknowledge and deliver any and all further instruments reasonably requested by the Vendor in order to confirm or further assure the interest 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.

8. This Assignment shall be governed by the laws of the State of Connecticut, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

9. The Trustee shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Vendor.

10. The Vendor hereby agrees with the Trustee 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 Trustee to the Vendor by this Assignment, except the right to collect and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease and the CSA, the Trustee may, so long as the Vendor is not seeking to receive and collect such Payments and 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, its rights, powers, privileges and remedies arising out of § 13.1(a) of the Lease; provided, however, that the Trustee shall not, without the prior written consent of the Vendor, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of § 13.1(b) of the Lease.

11. It is expressly understood and agreed by and between the parties hereto, anything in this Agreement to the contrary notwithstanding, that each and all of the representations, warranties and agreements in this Agreement made on the part of the financial institution acting as Trustee

hereunder are each and every one of them made and intended not as personal representations, warranties 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 Agreement is executed and delivered by the said financial institution solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the said financial institution or the Owner on account of any representation, warranty or agreement herein of the Trustee or the Owner either expressed or implied, all such personal liability, 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 the Vendor, making claim hereunder, may look to said Trust Estate for the 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. 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.

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

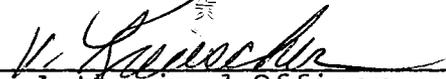
by



Authorized Officer

[Corporate Seal]

Attest:



Authorized Officer

MANUFACTURERS HANOVER TRUST COMPANY,
not in its individual capacity,
but solely as Agent,

by

[Corporate Seal]

Assistant Vice President

Attest:

Assistant Trust Officer



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

On this 18th day of January 1982, before me personally appeared **F. W. KAWAM**, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK 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.

Carol Lee Shattuck

Notary Public

[Notarial Seal]

My Commission expires

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

STATE OF NEW YORK,)
) ss.:
COUNTY OF NEW YORK,)

On this _____ day of January 1982, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MANUFACTURERS HANOVER TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the seal of said company and that said instrument was signed and sealed on behalf of said 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 company.

Notary Public

[Notarial Seal]

My Commission expires

CONSENT AND AGREEMENT

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY ("Lessee"), the lessee named in the Lease ("Lease") referred to in the foregoing Assignment of Lease and Agreement ("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 rentals, casualty payments, liquidated damages, indemnities (except any indemnities payable to the Trustee in its individual or fiduciary capacity pursuant to §§ 6 and 12 of the Lease) and other moneys provided for in the Lease (which moneys are hereinafter called "Payments") due and to become due under the Lease directly to Manufacturers Hanover Trust Company, as Agent ("Vendor"), the assignee named in the Lease Assignment, at 40 Wall Street, New York, New York 10015, attention of Corporate Trust Department (or at such other address as may be furnished in writing to the Lessee by the Vendor);

(2) 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 Trustee;

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

(4) the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, 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, when accepted by the Vendor by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the Commonwealth of Pennsylvania and, for all purposes, shall be construed in

accordance with the laws of said Commonwealth.

THE PITTSBURGH AND LAKE ERIE
RAILROAD COMPANY,

by

[Corporate Seal]

President

Attest:

Assistant Secretary

The foregoing Consent and Agreement is hereby
accepted as of January 1, 1982.

MANUFACTURERS HANOVER TRUST
COMPANY, not in its individual
capacity, but solely as Agent,

by

Assistant Vice President

ASSIGNMENT OF LEASE AND AGREEMENT dated as of January 1, 1982 ("Assignment"), by and between THE CONNECTICUT BANK AND TRUST COMPANY, not individually but solely in its capacity as Trustee ("Trustee") under a Trust Agreement dated as of the date hereof with the parties named therein ("Trust Agreement"), and MANUFACTURER HANOVER TRUST COMPANY, not in its individual capacity, but solely as Agent ("Vendor") under a Participation Agreement dated as of the date hereof.

The Trustee is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with each of GREENVILLE STEEL CAR COMPANY and THE MAXSON CORPORATION (collectively "Builders" and severally "Builder") providing for the sale to the Trustee of such units of railroad equipment ("Units") described in Annex B thereto as are delivered to and accepted by the Trustee thereunder.

The Trustee and THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY ("Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof ("Lease") providing for the leasing of the Units by the Trustee to the Lessee.

In order to provide security for the obligations of the Trustee under the CSA and as an inducement to the Vendor to invest in the CSA Indebtedness (as defined in paragraph 4.3(b) of the CSA), the Trustee agrees to assign for security purposes 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 to be kept and performed, the parties hereto agree as follows:

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

and the Owner's rights under §§ 6, 7.7(2), 12, 16 and 20 of the Lease), including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Trustee from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys being hereinafter called "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 Trustee is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Trustee hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Trustee or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Trustee 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 Trustee pursuant to the Lease. To the extent received, the Vendor will apply such Payments to satisfy the obligations of the Trustee under the CSA, and, 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 Owner on the same date such Payment is applied to satisfy such obligations of the Owner, by check mailed to the Owner on such date or, upon written request of the Owner, by bank wire to the Owner at such address as may be specified to the Vendor in writing, and such balance shall be retained by the Trustee. If the Vendor shall not receive any rental payment under § 3.1 of the Lease when due, the Vendor shall notify the Trustee and the Owner at the address set forth in the Lease; provided, however, that the failure of the Vendor to so notify the Trustee and the Owner shall not affect the obligations of the Trustee hereunder or under the CSA, except that the Vendor may not terminate the Lease or make a Declaration of Default under paragraph 16.1 of Article 16 of the CSA due to an event of default arising by reason of the failure of the Lessee to make any such rental payment which, pursuant to paragraph (e) of said paragraph 16.1, would not constitute an event of default thereunder if the Trustee complies with the provisions thereof, unless such event of default is not remedied within five days after notification as aforesaid is given.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify the liability of the Trustee under the Lease, it being understood and agreed that, notwithstanding this Assignment or any subsequent assignment, all obligations of the Trustee to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Trustee or persons other than the Vendor.

3. The Trustee will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides is to be performed by the Trustee; without the written consent of the Vendor, the Trustee will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease and the Trustee agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Trustee does hereby constitute the Vendor the Trustee's true and lawful attorney, irrevocably, with full power (in the name of the Trustee, 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 Trustee 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 Trustee 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 revert to the Trustee. Promptly following such full discharge and satisfaction, the Vendor agrees that it will advise the Lessee in writing that all sums due from the Trustee 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 Trustee will, from time to time, execute, acknowledge and deliver any and all further instruments reasonably requested by the Vendor in order to confirm or further assure the interest 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.

8. This Assignment shall be governed by the laws of the State of Connecticut, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

9. The Trustee shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Vendor.

10. The Vendor hereby agrees with the Trustee 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 Trustee to the Vendor by this Assignment, except the right to collect and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease and the CSA, the Trustee may, so long as the Vendor is not seeking to receive and collect such Payments and 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, its rights, powers, privileges and remedies arising out of § 13.1(a) of the Lease; provided, however, that the Trustee shall not, without the prior written consent of the Vendor, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of § 13.1(b) of the Lease.

11. It is expressly understood and agreed by and between the parties hereto, anything in this Agreement to the contrary notwithstanding, that each and all of the representations, warranties and agreements in this Agreement made on the part of the financial institution acting as Trustee

hereunder are each and every one of them made and intended not as personal representations, warranties 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 Agreement is executed and delivered by the said financial institution solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the said financial institution or the Owner on account of any representation, warranty or agreement herein of the Trustee or the Owner either expressed or implied, all such personal liability, 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 the Vendor, making claim hereunder, may look to said Trust Estate for the 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. 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.

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

by

[Corporate Seal]

Authorized Officer

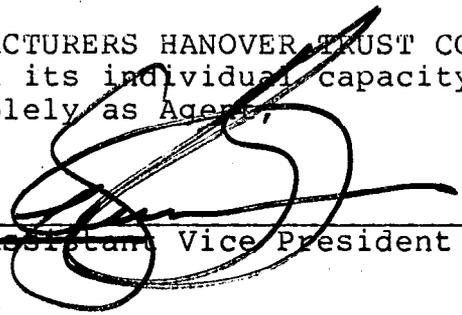
Attest:

Authorized Officer



MANUFACTURERS HANOVER TRUST COMPANY,
not in its individual capacity,
but solely as Agent,

by


Assistant Vice President

[Corporate Seal]

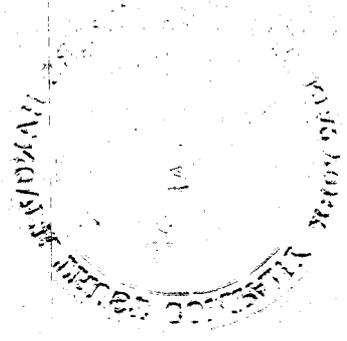
Attest:



Assistant Trust Officer



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



On this day of January 1982, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK 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.

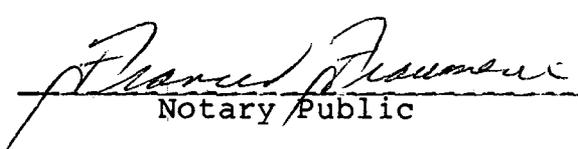
Notary Public

[Notarial Seal]

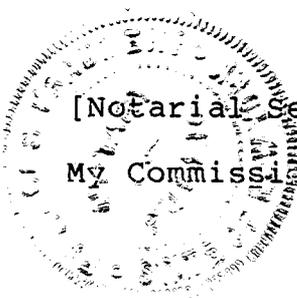
My Commission expires

STATE OF NEW YORK,)
) ss.:
COUNTY OF NEW YORK,)

On this ¹⁸ day of January 1982, before me personally appeared **T. C. CRANE**, to me personally known, who, being by me duly sworn, says that he is an ~~Assistant~~ Vice President of MANUFACTURERS HANOVER TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the seal of said company and that said instrument was signed and sealed on behalf of said 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 company.



Notary Public



[Notarial Seal]

My Commission expires

FRANCES FRAUMENI
Notary Public, State of New York
No. 24-4608287
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1983

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accordance with the laws of said Commonwealth.

THE PITTSBURGH AND LAKE ERIE
RAILROAD COMPANY,

by

[Corporate Seal]

President

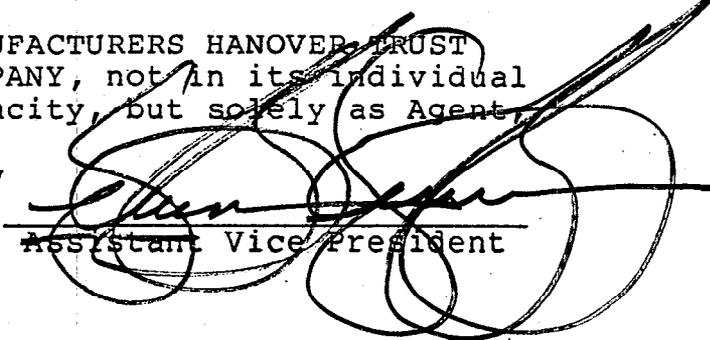
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Assistant Secretary

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COMPANY, not in its individual
capacity, but solely as Agent,

by



Assistant Vice President