

RECORDATION NO. 11082-B  
Filed 1425

11082-B

\$10

JUN 6 1985 3:30 PM  
INTERSTATE COMMERCE COMMISSION

THE CONNECTICUT NATIONAL BANK

May 29, 1985

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

5-157A063

No. JUN 6 1985  
Date .....

Fee \$ ..... 10.00 .....

ICC OFFICE OF  
THE SECRETARY  
JUN 6 3 43 PM '85  
MOTOR OPERATING UNIT

Attention: Secretary

Dear Secretary:

ICC Washington, D. C.

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

The enclosed document is an assignment agreement, a secondary document, dated as of May 1, 1985.

The primary document to which the enclosed document is connected was recorded with the Interstate Commerce Commission on November 26, 1979 under Recordation No. 11082.

We request that the enclosed assignment agreement be cross-indexed.

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

Assignor: Mercantile-Safe Deposit and Trust Company,  
as Agent  
P.O. Box 2258  
Baltimore, Maryland 21203

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

Vendee  
(acknowledging the assignment)  
The Pittsburgh and Lake Erie Railroad Company  
Suite 6810  
Commerce Court  
Four Station Square  
Pittsburgh, Pennsylvania 15219-1199  
(Attention: Office of the Treasurer)

*Handwritten signature: C. J. Kasper*

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The State of Michigan, as Custodian, executed the enclosed document as an investor consenting, inter alia, to the assignment of the primary document; The State of Michigan, as Custodian, is not a party to the primary document.

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

279 100-ton open-top hopper railcars with the following railcar identification numbers: 81500 through 81671, inclusive; and 81673 through 81779, inclusive.

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

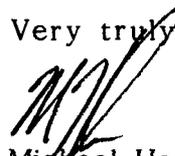
A short summary of the enclosed document to appear in the index follows:

Assignment between Mercantile-Safe Deposit and Trust Company, as Agent, P.O. Box 2258, Baltimore, Maryland 21203, Assignor, and The Connecticut National Bank (not in its individual capacity but as Security Trustee under that certain Master Agreement Regarding the Restructuring of the Obligations of The Pittsburgh and Lake Erie Railroad Company, dated as of May 1, 1985), 777 Main Street, Hartford, Connecticut 06115, Assignee, dated as of May 1, 1985, and covering 279 100-ton open-top hopper railcars having the following railcar identification numbers: 81500-81671 and 81673-81779 (inclusive) and connected to that certain Conditional Sale Agreement, dated as of November 1, 1979, between Greenville Steel Car Company and The Pittsburgh and Lake Erie Railroad Company with Recordation No. 11082 (the primary document) and the assignment thereof pursuant to

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Agreement and Assignment, dated as of November 1,  
1979, between Greenville Steel Car Company and  
Mercantile-Safe Deposit and Trust Company, as Agent,  
with Recordation No. 11082-A.

Very truly yours,

A handwritten signature in black ink, appearing to be 'MH' with a flourish, positioned above the printed name.

Michael Hopkins

MH:  
Enclosures

REGISTRATION NO. 11082-B  
Filed 1425

JUN 6 1985 - 3 10 PM

**ASSIGNMENT OF CONDITIONAL  
SALE AGREEMENT**

INTERSTATE COMMERCE COMMISSION

**ASSIGNMENT OF CONDITIONAL SALE AGREEMENT**, dated as of May 1, 1985 ("this Assignment") by and among Mercantile-Safe Deposit and Trust Company, as agent (the "Agent") under that certain Finance Agreement dated as of November 1, 1979 ("Finance Agreement") among the Agent, State Treasurer of the State of Michigan, Custodian of Michigan Retirement Systems the "Investor") and The Pittsburgh and Lake Erie Railroad Company (the "Railroad"), (ii) the Investor, and (iii) The Connecticut National Bank, a national banking association, as security trustee (the "Security Trustee") under that certain Master Agreement Regarding The Restructuring of Obligations of The Pittsburgh and Lake Erie Railroad Company dated as of May 1, 1985 among the Security Trustee, the Railroad, the Creditors named therein, and the other parties thereto (as amended from time to time, the "Master Agreement").

**BACKGROUND**

A. Greenville Steel Car Company (the "Vendor") entered into that certain Conditional Sale Agreement dated as of November 1, 1979, with the Railroad (the "Conditional Sale Agreement") whereby the Vendor conditionally sold to the Railroad the equipment described in Schedule B to the Conditional Sale Agreement (the "Equipment") and retained in said Equipment a security interest to secure the obligations of the Railroad under the Conditional Sale Agreement.

B. The Vendor transferred and assigned all its right, title and interest in and to each unit of the Equipment and in and to the Conditional Sale Agreement to the Agent pursuant to that certain Agreement and Assignment dated as of November 1, 1979, between the Agent and the Vendor (the "Vendor Assignment"), except for certain rights referred to in Section 1(b) of the Vendor Assignment.

C. The Agent, the Investor, and the Railroad entered into the Finance Agreement whereby the Agent agreed to act on behalf of the Investor and delivered to the Investor a certificate of interest (the "Agent's Certificate of Interest") to evidence the interest of the Investor in and to the Conditional Sale Agreement, the Equipment, the CSA Indebtedness (as defined in the Conditional Sale Agreement), the Vendor Assignment, and the Finance Agreement.

D. The Investor is transferring the Agent's Certificate of Interest to the Security Trustee pursuant hereto and has directed the Agent in writing to execute and deliver this Assignment to the Security Trustee pursuant to, and in compliance with, Section 3.1 of the Master Agreement.

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

1. The Agent hereby irrevocably and absolutely assigns, transfers, sells, and sets over unto the Security Trustee all of the right, title, interest, powers, privileges, and other benefits of the Agent in, to, and under (a) each unit of the Equipment, (b) the Conditional Sale Agreement, (c) the Vendor Assignment, and (d) the Finance Agreement, including, without limitation, any and all amounts due or which may become due or owing by the Railroad to the Agent under the Conditional Sale Agreement in respect of or relating to (i) the CSA Indebtedness together with interest thereon; (ii) prepayment premiums; (iii) Casualty Values (as defined in the Conditional Sale Agreement); (iv) tax reimbursements not paid to Vendor; and (v) indemnities of Vendor under the Conditional Sale Agreement. The Agent further irrevocably and absolutely assigns to the Security Trustee all of its rights and powers under the Conditional Sale Agreement, the Vendor Agreement, and the Finance Agreement to (a) make all waivers and agreements; (b) give all notices, consents, and releases; (c) take all action upon the occurrence of an Event of Default (as defined in the Conditional Sale Agreement); and (d) do any and all other things whatsoever which the Agent is or may become entitled to do under the Conditional Sales Agreement, the Vendor Assignment or the Finance Agreement.

2. The Investor hereby irrevocably and absolutely assigns, transfers, sells, and sets over unto the Security Trustee all of the right, title, interest, powers, privileges and other benefits of the Investor in, to and under its Agent's Certificate of Interest and its interest and property rights in and to the Conditional Sale Agreement, the Equipment, the CSA Indebtedness, the Vendor Assignment, and the Finance Agreement, including, without limitation all payments and proceeds therefrom or arising in connection therewith.

3. The Agent shall hold in trust on behalf of, and promptly deliver to, the Security Trustee any payments under the Conditional Sale Agreement received by it on or after the date hereof. The Investor shall hold in trust on behalf of, and promptly deliver to, the Security Trustee any payments under the Agent's Certificate of Interest received by it on or after the date hereof.

4. Upon the request of the Security Trustee and so long as the Security Trustee shall be acting on the instructions of the Required Persons, (i) either or both the Agent and the Investor shall join with the Security Trustee in any notice from the Security Trustee to the Railroad concerning this Assignment, (ii) the Investor shall join the Security Trustee in any notice from the Security Trustee to the Agent concerning this Assignment, and (iii) either or both the Agent and the Investor shall execute any Uniform Commercial Code financing statements and documents to be filed with or sent to the Interstate Commerce Commission in connection with this Assignment. Without limiting or being limited by the foregoing, the Agent and the Investor will, from time to time, upon the request of the Security Trustee and so long as the Security Trustee shall be acting on the instructions of the Required Persons, do and perform any other act and will execute, acknowledge, deliver, file, register, record, and deposit (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or requested by the Security Trustee in order to confirm or further assure the interests of the Security Trustee hereunder and the purposes and intent of this Assignment. The Investor shall not be required to take any action pursuant to this Section 4 or pursuant to Section 5 hereof if, in the reasonable opinion of the Investor, such action would be unduly burdensome (whether as a result of the administrative difficulty involved therewith or otherwise) or would involve unreasonable expense.

5. Upon the request of the Security Trustee and so long as the Security Trustee shall be acting on the instructions of the Required Persons, the Agent and the Investor agree to join any legal action brought by the Security Trustee for the enforcement of any

of the rights and remedies in the Conditional Sale Agreement, the Vendor Assignment, the Finance Agreement or the Agent's Certificate of Interest assigned to the Security Trustee by this Assignment. The Security Trustee shall indemnify the Agent and the Investor for any costs and expenses incurred by either of them in connection with any such legal action.

6. The Agent represents that (a) the Investor has instructed the Agent in writing to execute this Assignment and deliver it to the Security Trustee; (b) it holds title to the Conditional Sale Agreement and has the right and power to assign same to the Security Trustee; (c) it holds the Conditional Sale Agreement free and clear of all liens, security interests, charges and encumbrances whatsoever; (d) it has possession of the original and all counterparts of the Conditional Sale Agreement, which individually or collectively would constitute chattel paper under the Code, and is holding same as bailee for the Security Trustee; (e) any copies consisting of duplicates of the Conditional Sale Agreement not in its possession bear a legend on the first page thereof, to the effect that the Conditional Sale Agreement has been sold and assigned to the Agent; and (f) to the best of its knowledge, there are no other documents, instruments or other agreements by and between the Railroad, the Vendor or any third party affecting or purporting to affect the ownership, encumbrance and use of, or title to, the Equipment except for the Conditional Sale Agreement, the Vendor Assignment, the Finance Agreement, the Master Agreement and the Agent's Certificate of Interest.

7. The Investor represents that (a) to the best of its knowledge, the Finance Agreement is in full force and effect and has not been modified or amended; (b) the Agent is the agent provided for in the Finance Agreement; (c) it holds title to the Agent's Certificate of Interest being assigned hereunder free and clear of all liens, security interests, charges and encumbrances whatsoever and has the right and power to assign and deliver same to the Security Trustee; and (d) it has fully paid for its investment in the Agent's Certificate of Interest and no further payment or payments thereon are required by the terms of the Finance Agreement to be made to the Agent;

8. This Assignment shall not (a) subject the Security Trustee to any liability of the Vendor under any Old Financing Agreement, including, without limitation, the Conditional Sale Agreement or (b) release, waive or modify any of the obligations of the Railroad under the Conditional Sale Agreement.

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

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

11. The Agent does hereby constitute the Security Trustee the true and lawful attorney-in-fact of the Agent, with full power of substitution, in the name of the Agent or the Security Trustee, (a) to ask, require, demand, receive, compound, and give

acquittance for each and every amount due and to become due under or arising out of the Conditional Sale Agreement, the Vendor Assignment and the Finance Agreement to which the Agent is or may become entitled pursuant to the Vendor Assignment and to endorse each and every check or other instrument in connection with any such amounts due; (b) to file any claim or claims, take any action or actions or institute any proceeding or proceedings which the Security Trustee may deem necessary or advisable in connection with the Equipment, the Conditional Sale Agreement, the Vendor Assignment or the Finance Agreement and this Assignment; (c) to sue for and collect any and all sums to which the Security Trustee is or may become entitled under, and to exercise any and all rights and remedies provided in, this Assignment, the Vendor Agreement, the Finance Agreement or the Agent's Certificate of Interest; and (d) to enforce compliance by the Railroad with the terms and agreements on its part to be performed under the Conditional Sale Agreement and the Finance Agreement. This power of attorney is coupled with an interest and is irrevocable;

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

13. The Investor shall notify the Agent in writing of this Assignment and shall cause the Agent to mark its books and records to reflect the assignment of the Agent's Certificate of Interest to the Security Trustee, and, if requested by the Security Trustee, to issue a new Agent's Certificate of Interest to the Security Trustee. The Investor shall deliver the Agent's Certificate of Interest to the Security Trustee.

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

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

16. This Assignment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when

so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

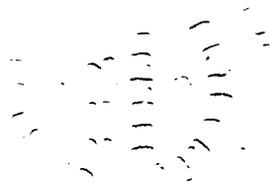
IN WITNESS WHEREOF, the parties hereto have executed this Assignment or caused this Assignment to be executed by their duly authorized representatives, all as of the day and year first above written.

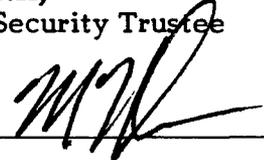
MERCANTILE SAFE-DEPOSIT AND TRUST COMPANY,  
The Agent,

ATTEST:   
L SANDRA DESPEAUX  
CORPORATE TRUST OFFICER

By   
Title: VICE PRESIDENT [Seal]

THE CONNECTICUT NATIONAL BANK,  
The Security Trustee



By   
Title: Vice President [Seal]

STATE TREASURER OF THE STATE OF MICHIGAN, CUSTODIAN OF MICHIGAN RETIREMENT SYSTEMS,  
The Investor

By \_\_\_\_\_  
Title: [Seal]

The Railroad agrees and consents to the execution of this Assignment by the Agent and the Investor and the delivery of same to the Security Trustee. The Railroad acknowledges that the Security Trustee shall have all of the rights, title, interests, powers, privileges, and other benefits assigned to the Security Trustee in this Assignment and may exercise and/or effect any Disposition of same in accordance with the terms and provisions of the Master Agreement. The Railroad agrees to make all payments falling due after the date hereof under the Conditional Sale Agreement or the Finance Agreement, as modified by the Master Agreement, by wire transfer of immediately available funds to the Security Trustee in accordance with written instructions delivered or to be delivered to the Railroad from time to time by the Security Trustee. The Railroad agrees to deliver all notices required by or arising out of the Conditional Sale Agreement or the Finance Agreement to the Security Trustee at such address or addresses

so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

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

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

By \_\_\_\_\_

Title: [Seal]

**THE CONNECTICUT NATIONAL  
BANK,**  
The Security Trustee

By \_\_\_\_\_

Title: [Seal]

**STATE TREASURER OF THE STATE  
OF MICHIGAN, CUSTODIAN OF  
MICHIGAN RETIREMENT SYSTEMS,**  
The Investor

By 

Title: [Seal]

W. A. AMERMAN  
DIRECTOR OF INVESTMENTS

The Railroad agrees and consents to the execution of this Assignment by the Agent and the Investor and the delivery of same to the Security Trustee. The Railroad acknowledges that the Security Trustee shall have all of the rights, title, interests, powers, privileges, and other benefits assigned to the Security Trustee in this Assignment and may exercise and/or effect any Disposition of same in accordance with the terms and provisions of the Master Agreement. The Railroad agrees to make all payments falling due after the date hereof under the Conditional Sale Agreement or the Finance Agreement, as modified by the Master Agreement, by wire transfer of immediately available funds to the Security Trustee in accordance with written instructions delivered or to be delivered to the Railroad from time to time by the Security Trustee. The Railroad agrees to deliver all notices required by or arising out of the Conditional Sale Agreement or the Finance Agreement to the Security Trustee at such address or addresses







STATE OF MICHIGAN )  
 ) ss.  
COUNTY OF INGHAM )

On this 30 day of May, 1985, before me personally appeared W. A. AMERMAN to me personally known, who by me duly sworn says that he is the DIRECTOR OF INVESTMENTS for the State Treasurer acting on behalf of the State Treasurer of the State of Michigan Custodian of Public School Employees' Retirement System; State Employees' Retirement System; State Police Pension, Accident and Disability Fund; Judges' Retirement System; and Probate Judges' Retirement System, the Investor, that the foregoing document was signed on behalf of the State Treasurer of the State of Michigan as such Custodian pursuant to appropriate authority and that the execution of the foregoing document was the free act and deed of said State Treasurer as such Custodian.

*Denise J. Thurlby*

Notary Public  
My Commission Expires:  
(Seal)

*Acting in Ingham*

DENISE J. THURLBY, Notary Public  
Clinton Co., State of Michigan  
My Commission Expires 06-12-88

