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RECORDATION NO. .... Filed 1425

JAN 23 1980 10 15 AM

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INTERSTATE COMMERCE COMMISSION

ONE CHASE MANHATTAN PLAZA

INTERSTATE COMMERCE COMMISSION

MAURICE T. MOORE  
 BRUCE BROMLEY  
 WILLIAM B. MARSHALL  
 RALPH L. MCAFEE  
 ROYALL VICTOR  
 HENRY W. DEKOSMIAN  
 ALLEN F. MAULSBY  
 STEWARD R. BROSS, JR.  
 HENRY P. RIORDAN  
 JOHN R. HUPPER  
 SAMUEL C. BUTLER  
 WILLIAM J. SCHRENK, JR.  
 BENJAMIN F. CRANE  
 FRANCIS F. RANDOLPH, JR.  
 JOHN F. HUNT  
 GEORGE J. GILLESPIE, III  
 RICHARD S. SIMMONS  
 WAYNE E. CHAPMAN  
 THOMAS D. BARR  
 MELVIN L. BEDRICK  
 GEORGE T. LOWY  
 ROBERT ROSENMAN  
 JAMES H. DUFFY  
 ALAN J. HRUSKA  
 JOHN E. YOUNG

JAMES F. EDWARDS  
 DAVID G. ORMSBY  
 DAVID L. SCHWARTZ  
 RICHARD J. HIEGEL  
 FREDERICK A. O. SCHWARZ, JR.  
 CHRISTINE BESHAR  
 ROBERT S. RIFKIND  
 DAVID BOIES  
 DAVID G. BROWN  
 PAUL M. DODYK  
 RICHARD M. ALLEN  
 THOMAS R. BROME  
 ROBERT D. JOFFE  
 ROBERT F. MULLEN  
 ALLEN FINKELSON  
 RONALD S. FOLEY  
 JOSEPH R. SAHID  
 PAUL C. SAUNDERS  
 MARTIN L. SENZEL  
 DOUGLAS D. BROADWATER  
 ALAN C. STEPHENSON  
 RICHARD L. HOFFMAN  
 JOSEPH A. MULLINS  
 MAX R. SHULMAN

NEW YORK, N. Y. 10005

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 WUI 620976

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INTERSTATE COMMERCE COMMISSION

COUNSEL  
 SARAH E. MAW  
 ALBERT R. CONNELLY  
 FRANK H. DETWEILER  
 GEORGE G. TYLER

ROSWELL L. GILPATRICK  
 L. R. BRESLIN, JR.  
 GEORGE B. TURNER  
 JOHN H. MORSE  
 HAROLD R. MEDINA, JR.  
 CHARLES R. LINTON  
 ALLEN H. MERRILL

4, PLACE DE LA CONCORDE  
 75008 PARIS, FRANCE  
 TELEPHONE: 265-61-54  
 TELEX: 290530

33 THROGMORTON STREET  
 LONDON, EC2N 2BR, ENGLAND  
 TELEPHONE 01-606-1421  
 TELEX: 8814901

CABLE ADDRESSES  
 CRAVATH, N. Y.  
 CRAVATH, PARIS  
 CRAVATH, LONDON E. C. 2

NO. 023A027

Date JAN 23 1980

Fee \$ 100.00

ICC Washington, D. C.

January 22, 1980

The Pittsburgh and Lake Erie Railroad Company  
Lease Financing Dated as of December 1, 1979  
12% Conditional Sale Indebtedness Due 1995

Dear Madam:

Pursuant to 19 U.S.C. § 11303(a), I enclose here-  
 with on behalf of The Pittsburgh and Lake Erie Railroad  
 Company (the "Railroad") for filing and recordation, counter-  
 parts of the following:

(1) (a) Conditional Sale Agreement dated as of  
 December 1, 1979, between the The Chessie Corporation  
 and the Railroad;

(1) (b) Agreement and Assignment dated as of  
 December 1, 1979, between First Security Bank of Utah,  
 N.A., and The Chessie Corporation;

(2) (a) Lease of Railroad Equipment dated as of  
 December 1, 1979, between the Railroad and The  
 Connecticut Bank and Trust Company; and

(2) (b) Assignment of Lease and Agreement dated  
 as of December 1, 1979, between The Connecticut Bank  
 and Trust Company and First Security Bank of Utah.

*Clyde M. Wheeler*  
*Secretary*

JAN 23 1980  
 FILED  
 FEDERAL BUREAU OF INVESTIGATION  
 U.S. DEPARTMENT OF JUSTICE

The addresses of the parties to the aforementioned agreements are:

Builder-Vendor:

The Chessie Corporation  
P. O. Box 6419  
Cleveland, Ohio 44101

Railroad:

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

Agent-Assignee:

First Security Bank of Utah, N.A.,  
79 South Main Street  
Salt Lake City, Utah 84111

Trustee:

The Connecticut Bank and Trust Company  
One Constitution Plaza  
Hartford, Connecticut 06115

The equipment covered by the aforementioned agreement consists of 850 100-ton Open Top Hopper Cars bearing the road numbers of the Railroad 80,500-81,349 and also bearing 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,



Anna E. Panayotou  
As Agent for The Pittsburgh  
and Lake Erie Railroad Company

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

Encls.  
167

JAN 23 1980 -10 15 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of December 1, 1979 (this "Assignment"), by and between THE CONNECTICUT BANK AND TRUST COMPANY, not individually but solely in its capacity as Trustee (the "Trustee") under a Trust Agreement dated as of the date hereof with the parties named therein (the "Trust Agreement"), and FIRST SECURITY BANK OF UTAH, N.A., not in its individual capacity, but solely as Agent (the "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 (the "CSA") with THE CHESSIE CORPORATION (the "Builder") providing for the sale to the Trustee of such units of railroad equipment (the "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 (the "Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof (the "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 (other than the Trustee's rights under §§ 6, 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 the "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 Trustee on the same date such Payment is applied to satisfy such obligations of the Trustee, by check mailed to the Trustee on such date or, upon written request of the Trustee, by bank wire to the Trustee 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 each Owner at the address set forth in the Lease; provided, however, that the failure of the Vendor to so notify the Trustee and each 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 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.

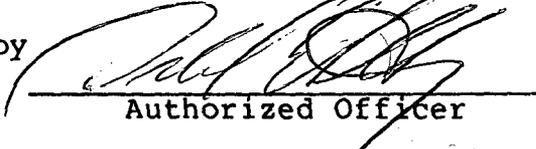
11. It is expressly understood and agreed by and between the parties hereto, anything in this Agreement to the contrary notwithstanding, that each and all of the representations, warranties and agreements in this Agreement made on the part of the financial institution acting as Trustee hereunder are 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 Owners on account of any representation, warranty or agreement herein of the Trustee or the Owners 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.

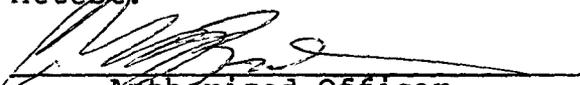
12. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Vendor shall be deemed to be the original counterpart. Although for convenience this Assignment is dated as of the date first above written, the actual date or dates of execution hereof by the parties 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

FIRST SECURITY BANK OF UTAH,  
N.A., not in its individual  
capacity, but solely as Agent,

by

[Seal]

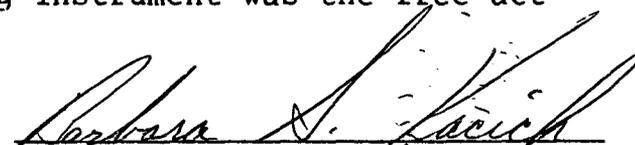
\_\_\_\_\_  
Authorized Officer

Attest:

\_\_\_\_\_  
Authorized Officer

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

On this *18th* day of January 1980, before me personally appeared **DONALD E. SMITH**, 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

**BARBARA S. KACICH**  
NOTARY PUBLIC  
MY COMMISSION EXPIRES MARCH 31, 1982

STATE OF UTAH, )  
 ) ss.:  
COUNTY OF SALT LAKE, )

On this \_\_\_\_\_ day of January 1980, before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY BANK OF UTAH, N.A., that one of the seals affixed to the foregoing instrument is the 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 Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

\_\_\_\_\_  
Notary Public

[Notarial Seal]

My Commission expires

## CONSENT AND AGREEMENT

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY (the "Lessee"), the lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "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 the "Payments") due and to become due under the Lease directly to First Security Bank of Utah, N.A., as Agent (the "Vendor"), the assignee named in the Lease Assignment, at 79 South Main Street, Salt Lake City, Utah 84111, 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 the            day of            .

FIRST SECURITY BANK OF UTAH, N.A.,  
not in its individual capacity,  
but solely as Agent,

by

\_\_\_\_\_  
Authorized Officer

ASSIGNMENT OF LEASE AND AGREEMENT dated as of December 1, 1979 (this "Assignment"), by and between THE CONNECTICUT BANK AND TRUST COMPANY, not individually but solely in its capacity as Trustee (the "Trustee") under a Trust Agreement dated as of the date hereof with the parties named therein (the "Trust Agreement"), and FIRST SECURITY BANK OF UTAH, N.A., not in its individual capacity, but solely as Agent (the "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 (the "CSA") with THE CHESSIE CORPORATION (the "Builder") providing for the sale to the Trustee of such units of railroad equipment (the "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 (the "Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof (the "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 (other than the Trustee's rights under §§ 6, 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 the "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 Trustee on the same date such Payment is applied to satisfy such obligations of the Trustee, by check mailed to the Trustee on such date or, upon written request of the Trustee, by bank wire to the Trustee 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 each Owner at the address set forth in the Lease; provided, however, that the failure of the Vendor to so notify the Trustee and each 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 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 Owners on account of any representation, warranty or agreement herein of the Trustee or the Owners 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]

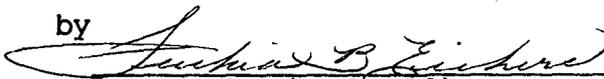
\_\_\_\_\_  
Authorized Officer

Attest:

\_\_\_\_\_  
Authorized Officer

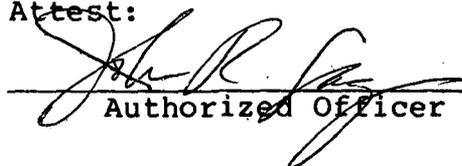
FIRST SECURITY BANK OF UTAH,  
N.A., not in its individual  
capacity, but solely as Agent,

by

  
Authorized Officer

[Seal]

Attest:

  
Authorized Officer

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

On this \_\_\_\_\_ day of January 1980, 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 UTAH, )  
 ) ss.:  
COUNTY OF SALT LAKE, )

On this 18<sup>th</sup> day of January 1980, before me personally appeared *Fuchia B Eichevs*, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY BANK OF UTAH, N.A., that one of the seals affixed to the foregoing instrument is the 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 Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

*Randy B Marchant*  
\_\_\_\_\_  
Notary Public

[Notarial Seal]

My Commission expires 2-8-82

## CONSENT AND AGREEMENT

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY (the "Lessee"), the lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "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 the "Payments") due and to become due under the Lease directly to First Security Bank of Utah, N.A., as Agent (the "Vendor"), the assignee named in the Lease Assignment, at 79 South Main Street, Salt Lake City, Utah 84111, 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 the 18<sup>th</sup> day of January 1980.

FIRST SECURITY BANK OF UTAH, N.A.,  
not in its individual capacity,  
but solely as Agent,

by

  
\_\_\_\_\_  
Authorized Officer

ASSIGNMENT OF LEASE AND AGREEMENT dated as of December 1, 1979 (this "Assignment"), by and between THE CONNECTICUT BANK AND TRUST COMPANY, not individually but solely in its capacity as Trustee (the "Trustee") under a Trust Agreement dated as of the date hereof with the parties named therein (the "Trust Agreement"), and FIRST SECURITY BANK OF UTAH, N.A., not in its individual capacity, but solely as Agent (the "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 (the "CSA") with THE CHESSIE CORPORATION (the "Builder") providing for the sale to the Trustee of such units of railroad equipment (the "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 (the "Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof (the "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 (other than the Trustee's rights under §§ 6, 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 the "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 Trustee on the same date such Payment is applied to satisfy such obligations of the Trustee, by check mailed to the Trustee on such date or, upon written request of the Trustee, by bank wire to the Trustee 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 each Owner at the address set forth in the Lease; provided, however, that the failure of the Vendor to so notify the Trustee and each 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 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 Owners on account of any representation, warranty or agreement herein of the Trustee or the Owners 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

FIRST SECURITY BANK OF UTAH,  
N.A., not in its individual  
capacity, but solely as Agent,

by

[Seal]

\_\_\_\_\_  
Authorized Officer

Attest:

\_\_\_\_\_  
Authorized Officer

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

On this            day of January 1980, 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.

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Notary Public

[Notarial Seal]

My Commission expires

STATE OF UTAH,            )  
 ) ss.:  
 COUNTY OF SALT LAKE, )

On this            day of January 1980, before me personally appeared           , to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY BANK OF UTAH, N.A., that one of the seals affixed to the foregoing instrument is the 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 Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

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Notary Public

[Notarial Seal]

My Commission expires

## CONSENT AND AGREEMENT

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY  
(the "Lessee"), the lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "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 the "Payments") due and to become due under the Lease directly to First Security Bank of Utah, N.A., as Agent (the "Vendor"), the assignee named in the Lease Assignment, at 79 South Main Street, Salt Lake City, Utah 84111, 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

