

RECORDATION NO. 12079-A
Filed & Recorded

AUG 11 1980 - 1 40 PM

CRAVATH, SWAINE & MOORE

ONE CHASE MANHATTAN PLAZA

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NEW YORK, N. Y. 10005

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RECORDATION NO. Filed & Recorded

INTERSTATE COMMERCE COMMISSION

MAURICE T. MOORE
WILLIAM B. MARSHALL
RALPH L. MCAFEE
ROYALL VICTOR
HENRY W. DEKOSMIAN
ALLEN F. MAULSBY
STEWART 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
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DAVID E. SCHWARTZ
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MARTIN L. SENZEL
DOUGLAS D. BROADWATER
ALAN C. STEPHENSON
RICHARD L. HOFFMAN
JOSEPH A. MULLINS
MAX R. SHULMAN
WILLIAM P. DICKEY
STUART W. GOLD
JOHN W. WHITE

12079-B
RECORDATION NO. Filed & Recorded

No. 100-43
Date AUG 11 1980
Fee \$ 100.00
ICC Washington, D. C.

COUNSEL
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ALBERT R. CONNELLY
FRANK H. DETWEILER
GEORGE O. TYLER

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

August 4, 1980

AUG 11 1980 - 1 40 PM

INTERSTATE COMMERCE COMMISSION

The Baltimore and Ohio Railroad Company

Lease Financing Dated as of July 1, 1980

11-3/8% Conditional Sale Indebtedness Due January 1, 1991

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. § 11303(a) and the Commission's rules and regulations thereunder, enclosed for filing and recordation on behalf of The Baltimore and Ohio Railroad Company are counterparts of the following documents:

New Number

1. (a) Conditional Sale Agreement dated as of July 1, 1980, between Whitehead & Kales Company and The Connecticut Bank and Trust Company, as Trustee;

- A

(b) Agreement and Assignment dated as of July 1, 1980 between Whitehead & Kales Company and Mercantile-Safe Deposit and Trust Company, as Agent;

- B

2. Lease of Railroad Equipment dated as of July 1, 1980, between The Baltimore and Ohio Railroad Company and The Connecticut Bank and Trust Company, as Trustee; and

- C

(b) Assignment of Lease and Agreement dated as

RECORDATION NO. 12079-C
Filed & Recorded

AUG 11 1980 - 1 40 PM

INTERSTATE COMMERCE COMMISSION

Counterparts 1-3

of July 1, 1980, between The Connecticut Bank and Trust Company, as Trustee, and Mercantile-Safe Deposit and Trust Company, as Agent.

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

(1) Vendor-Builder:

Whitehead & Kales Company
58 Haltiner Street
River Rouge, Michigan 48218

(2) Vendee-Lessor:

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

(3) Assignee-Vendor:

Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21203

(4) Lessee:

The Baltimore and Ohio Railroad Company
100 North Charles Street
Baltimore, Maryland 21201

Please file and record the documents referred to above and index them under the names of the Vendor-Builder, the Vendee-Lessor, the Assignee-Vendor and the Lessee.

The equipment covered by the aforementioned documents consists of the following:

167 Fully Enclosed Tri-Level Auto Racks, bearing identifying numbers of the Lessee RP428-RP594, both inclusive.

Also enclosed is a check for \$100 payable to the Interstate Commerce Commission, representing the fee for recording the Conditional Sale Agreement and related Agreement and Assignment (together constituting one document) and the Lease of Railroad Equipment and related Assignment of Lease and Agreement (together constituting one document).

Please stamp all counterparts of the enclosed documents, retain one copy of the documents for your files and forward the remaining counterparts to me.

Thank you for your assistance.

Sincerely,


Jacqueline B. Goodyear
As Agent for The Baltimore and
Ohio Railroad Company

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

Encl.

ZZ

RECORDATION NO. 12079-7A
Filed & Recorded

AUG 11 1980 - 1 40 PM

INTERSTATE COMMERCE COMMISSION

[CS&M Ref. 5415-003]

AGREEMENT AND ASSIGNMENT

Dated as of July 1, 1980

Between

WHITEHEAD & KALES COMPANY

and

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Agent.

AGREEMENT AND ASSIGNMENT dated as of July 1, 1980, between WHITEHEAD & KALES COMPANY, a Michigan corporation (the "Builder"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation, as Agent (the "Assignee") under a Participation Agreement dated as of the date hereof (the "Participation Agreement").

The Builder and THE CONNECTICUT BANK AND TRUST COMPANY, acting as Trustee (the "Vendee") under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with GENERAL ELECTRIC CREDIT CORPORATION (the "Owner") have entered into a Conditional Sale Agreement dated as of the date hereof (the "CSA") covering the construction, sale and delivery by the Builder and the purchase by the Vendee of the railroad equipment described in Annex B to the CSA (the "Equipment").

The Vendee and THE BALTIMORE AND OHIO RAILROAD COMPANY (the "Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease") providing for the lease to the Lessee of the Equipment.

In consideration of the agreements hereinafter set forth, the parties hereto agree as follows:

SECTION 1. Assignment by Builder. The Builder hereby transfers and assigns to the Assignee, its successors and assigns:

(a) all the right, title and interest of the Builder in and to each unit of the Equipment when and as severally delivered to and accepted by the Vendee, subject to payment by the Assignee to the Builder of the amount required to be paid pursuant to Section 4 hereof;

(b) all the right, title and interest of the Builder in and to the CSA (except the right to construct and deliver the Equipment and the right to receive the payments specified in Section 4.03(a) thereof and reimbursement for taxes paid or incurred

by the Builder), and in and to any and all amounts which may be or become due or owing to the Builder under the CSA on account of the CSA Indebtedness (as defined in the CSA) and interest thereon, and in and to any other sums becoming due from the Vendee under the CSA, other than those hereinabove excluded; and

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

without any recourse hereunder, however, against the Builder for or on account of the failure of the Vendee to make any of the payments provided for in the CSA or otherwise to comply with any of the provisions of the CSA; provided, however, that this Assignment shall not subject the Assignee to or transfer or in any way affect or modify the obligations of the Builder to deliver the Equipment in accordance with the CSA or with respect to its warranties and agreements referred to in the CSA or relieve the Vendee from its obligations to the Builder contained in the CSA, it being understood and agreed that, notwithstanding this Agreement or any subsequent assignment pursuant to the provisions of Article 14 of the CSA, all obligations of the Builder to the Vendee with respect to the Equipment shall be and remain enforceable by the Vendee and its successors and assigns against and only against the Builder. The Builder hereby authorizes and empowers the Assignee in the Assignee's own name or in the name of the Assignee's nominee or in the name of and as attorney for the Builder, hereby irrevocably constituted, to demand, sue for, collect and receive any and all sums to which the Assignee is or may become entitled under this Assignment and to enforce compliance by the Vendee with the terms and agreements on its part to be performed under the CSA, but at the expense and liability and for the sole benefit of the Assignee.

SECTION 2. Delivery of Equipment. The Builder agrees that it shall construct the Equipment in full accordance with the CSA and will deliver the same upon completion to the Vendee in accordance with the provisions of the CSA; and that, notwithstanding this Assignment, it will perform and fully comply with each of and all the covenants and conditions of the CSA set forth to be performed and complied with by it. The Builder further

agrees that it will warrant to the Assignee and the Vendee that at the time of delivery of each unit of Equipment under the CSA it had legal title to such unit and good and lawful right to sell such unit and that such unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the CSA and the rights of the Lessee under the Lease; and the Builder further agrees that it will defend the title to such unit against the demands of all persons whomsoever based on claims originating prior to the delivery of such unit by the Builder under the CSA; all subject, however, to the provisions of the CSA and the rights of the Vendee thereunder. The Builder will deliver any of the Equipment to the Vendee under the CSA in accordance with the conditions set forth in Section 3.01 of the CSA (the Builder and its counsel may rely on advice from special counsel for the Assignee that the filings required by Section 18 of the CSA have occurred and the conditions contained in Paragraphs 7 and 8 of the Participation Agreement have been met).

SECTION 3. Indemnification by Builder. The Builder agrees with the Assignee that in any suit, proceeding or action (an "action") brought by the Assignee under the CSA for any installment of principal or interest on the CSA Indebtedness or to enforce any provision of the CSA, the Builder will indemnify, protect and hold harmless the Assignee from and against all expenses, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever (a "claim") claimed by the Vendee or the Lessee arising out of a breach by the Builder of any obligation with respect to the manufacture, construction, delivery or warranty of the Equipment or arising by reason of any other indebtedness or liability at any time owing to the Vendee or the Lessee by the Builder. The Builder's obligation so to indemnify, protect and hold harmless is conditional upon (a) the Assignee's timely motion or other appropriate action (on the basis of Section 14.04 of the CSA) to strike any claim asserted by the Vendee or the Lessee in any such action and (b) if the court or other body having jurisdiction in such action denies such motion or other action and accepts such claim as a triable issue in such action, the Assignee's prompt notification to the Builder of the asserted claim and the Assignee's giving the Builder the right, at the Builder's expense, to compromise, settle or defend against such claim.

Except in cases of articles or materials specified by the Lessee and not manufactured by the Builder and in cases of designs, systems, processes, formulae, or combinations specified by the Lessee and not developed or purported to be developed by the Builder, the Builder agrees, except as otherwise specifically provided in Article 13 of the CSA, to indemnify, protect and hold harmless the Assignee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Assignee or its assigns because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Assignee will give prompt notice to the Builder of any claim actually known to the Assignee which is based upon any such alleged infringement and will give the Builder the right, at the Builder's expense, to compromise, settle or defend against such claim. The Builder agrees that any amounts payable to it by the Vendee or the Lessee with respect to the Equipment, whether pursuant to the CSA or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien, charge or security interest upon any unit of Equipment.

SECTION 4. Payment on Each Closing Date. The Assignee, on each Closing Date (as defined in Section 4.02 of the CSA) with respect to a Group (as defined therein) of Equipment, shall pay to the Builder an amount equal to the CSA Indebtedness therefor, provided that there shall have been delivered to the Assignee on or prior to such Closing Date, the following documents, in form and substance satisfactory to it and to its special counsel:

(a) a bill of sale from the Builder to the Assignee, transferring to the Assignee the security interest of the Builder in the units of Equipment in such Group, warranting to the Assignee and to the Vendee that at the time of delivery of such units under the CSA, the Builder had legal title to such units and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any

nature except only the rights of the Vendee under the CSA, the Assignee under this Assignment and the Lessee under the Lease, and covenanting to defend the title to such units against demands of all persons whomsoever based on claims originating prior to the delivery of such units by the Builder under the CSA;

(b) a Certificate or Certificates of Acceptance with respect to the units of Equipment in such Group as contemplated by Article 3 of the CSA and § 2 of the Lease;

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

(d) an opinion of counsel for the Builder, dated as of such Closing Date, addressed to the Assignee and the Vendee, to the effect that the aforesaid bill of sale and invoice have been duly authorized, executed and delivered by the Builder and that such bill of sale is valid and effective to vest and does vest in the Assignee the security interest of the Builder in the units of Equipment in such Group, free from all claims, liens, security interests and other encumbrances (other than those created by the CSA, this Assignment and the Lease) arising from, through or under the Builder and to the effect that title to such units is vested in the Vendee free from all claims, liens, security interests and other encumbrances (other than as aforesaid) arising from, through or under the Builder;

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

(f) such other documents as the Assignee may reasonably request.

The obligation of the Assignee hereunder to make payment for any of the Equipment assigned hereunder is hereby expressly conditioned upon the Assignee having on deposit, pursuant to the terms of the Participation Agreement, sufficient funds available to make such payment and upon payment by the Vendee of the amount required to be paid by it pursuant to Section 4.03(a) of the CSA. In the event that the Assignee shall not make any such payment, the Assignee shall reassign to the Builder, without recourse to the Assignee, all right, title and interest of the Assignee in and to the units of Equipment with respect to which payment has not been made.

SECTION 5. Assignment by Assignee. The Assignee may assign all or any of its rights under the CSA, including the right to receive any payments due or to become due to it from the Vendee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment and upon giving the written notice required in Article 14 of the CSA, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 6. Warranties and Agreements of Builder.
The Builder hereby:

(a) represents and warrants to the Assignee, the Vendee and their successors and assigns that this Assignment and the CSA were duly authorized by it and lawfully executed and delivered by it for valid consideration and that, assuming due authorization, execution and delivery by the Assignee and the Vendee, this Assignment and the CSA are legal, valid and binding agreements, enforceable against the Builder in accordance with their terms and are now in force without amendment thereto;

(b) agrees that it will from time to time, at the request of the Assignee or its successors or assigns, execute and deliver all such further instruments of assignment, transfer and assurance as may be prepared by or on behalf of the Assignee (or its successors and assigns) and do all such further acts and things as may be necessary and appropriate to give effect to the provisions hereinabove set forth

and more perfectly to confirm the right, title and interest hereby assigned to the Assignee or intended so to be; and

(c) agrees that subsequent to payment of the sums due it hereunder and under the CSA, upon request of the Assignee or its successors and assigns, it will execute any and all instruments submitted to it which may be necessary or proper in order to discharge of record the CSA or any other instrument evidencing any interest of the Builder therein or in the Equipment.

SECTION 7. Governing Law. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the State of Michigan; provided, however, that the parties shall be entitled to all the rights arising out of the filing of the CSA or this Assignment as shall be conferred by the laws of the several jurisdictions in which the CSA or this Assignment shall be filed.

SECTION 8. Execution. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Assignee shall be deemed to be the original. Although for convenience this Assignment is dated as of the date first set forth above, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto.

SECTION 9. Headings. Section headings have been provided for convenience only and shall not affect the interpretation of this Assignment.

IN WITNESS WHEREOF, the parties hereto have

caused this instrument to be executed by duly authorized officers as of the date first set forth above.

WHITEHEAD & KALES COMPANY,

by

C. E. Wieser C. E. WIESER
SENIOR Vice President-Finance

[Corporate Seal]

Attest:

G. Konchal
G. KONCHAL Treasurer

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY, as Agent under the
Participation Agreement,

by

[Corporate Seal]

Assistant Vice President

Attest:

Corporate Trust Officer

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

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

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

by

STATE OF MICHIGAN,)
) ss.:
COUNTY OF WAYNE,)

On this 7th day of August 1980, before me personally appeared C. E. WIESER, to me personally known, who, being by me duly sworn, says that he is Vice President-Finance of WHITEHEAD & KALES COMPANY, a Michigan corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Ardis W. Hall

Notary Public

[Notarial Seal]

ARDIS W. HALL
Notary Public, Wayne County, Mich.
My Commission Expires July 22, 1981

My Commission expires

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

On this _____ day of August 1980, before me personally appeared RUSSELL E. SCHREIBER, to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

[CS&M Ref. 5415-003]

AGREEMENT AND ASSIGNMENT

Dated as of July 1, 1980

Between

WHITEHEAD & KALES COMPANY

and

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Agent.

AGREEMENT AND ASSIGNMENT dated as of July 1, 1980, between WHITEHEAD & KALES COMPANY, a Michigan corporation (the "Builder"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation, as Agent (the "Assignee") under a Participation Agreement dated as of the date hereof (the "Participation Agreement").

The Builder and THE CONNECTICUT BANK AND TRUST COMPANY, acting as Trustee (the "Vendee") under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with GENERAL ELECTRIC CREDIT CORPORATION (the "Owner") have entered into a Conditional Sale Agreement dated as of the date hereof (the "CSA") covering the construction, sale and delivery by the Builder and the purchase by the Vendee of the railroad equipment described in Annex B to the CSA (the "Equipment").

The Vendee and THE BALTIMORE AND OHIO RAILROAD COMPANY (the "Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease") providing for the lease to the Lessee of the Equipment.

In consideration of the agreements hereinafter set forth, the parties hereto agree as follows:

SECTION 1. Assignment by Builder. The Builder hereby transfers and assigns to the Assignee, its successors and assigns:

(a) all the right, title and interest of the Builder in and to each unit of the Equipment when and as severally delivered to and accepted by the Vendee, subject to payment by the Assignee to the Builder of the amount required to be paid pursuant to Section 4 hereof;

(b) all the right, title and interest of the Builder in and to the CSA (except the right to construct and deliver the Equipment and the right to receive the payments specified in Section 4.03(a) thereof and reimbursement for taxes paid or incurred

by the Builder), and in and to any and all amounts which may be or become due or owing to the Builder under the CSA on account of the CSA Indebtedness (as defined in the CSA) and interest thereon, and in and to any other sums becoming due from the Vendee under the CSA, other than those hereinabove excluded; and

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

without any recourse hereunder, however, against the Builder for or on account of the failure of the Vendee to make any of the payments provided for in the CSA or otherwise to comply with any of the provisions of the CSA; provided, however, that this Assignment shall not subject the Assignee to or transfer or in any way affect or modify the obligations of the Builder to deliver the Equipment in accordance with the CSA or with respect to its warranties and agreements referred to in the CSA or relieve the Vendee from its obligations to the Builder contained in the CSA, it being understood and agreed that, notwithstanding this Agreement or any subsequent assignment pursuant to the provisions of Article 14 of the CSA, all obligations of the Builder to the Vendee with respect to the Equipment shall be and remain enforceable by the Vendee and its successors and assigns against and only against the Builder. The Builder hereby authorizes and empowers the Assignee in the Assignee's own name or in the name of the Assignee's nominee or in the name of and as attorney for the Builder, hereby irrevocably constituted, to demand, sue for, collect and receive any and all sums to which the Assignee is or may become entitled under this Assignment and to enforce compliance by the Vendee with the terms and agreements on its part to be performed under the CSA, but at the expense and liability and for the sole benefit of the Assignee.

SECTION 2. Delivery of Equipment. The Builder agrees that it shall construct the Equipment in full accordance with the CSA and will deliver the same upon completion to the Vendee in accordance with the provisions of the CSA; and that, notwithstanding this Assignment, it will perform and fully comply with each of and all the covenants and conditions of the CSA set forth to be performed and complied with by it. The Builder further

agrees that it will warrant to the Assignee and the Vendee that at the time of delivery of each unit of Equipment under the CSA it had legal title to such unit and good and lawful right to sell such unit and that such unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the CSA and the rights of the Lessee under the Lease; and the Builder further agrees that it will defend the title to such unit against the demands of all persons whomsoever based on claims originating prior to the delivery of such unit by the Builder under the CSA; all subject, however, to the provisions of the CSA and the rights of the Vendee thereunder. The Builder will deliver any of the Equipment to the Vendee under the CSA in accordance with the conditions set forth in Section 3.01 of the CSA (the Builder and its counsel may rely on advice from special counsel for the Assignee that the filings required by Section 18 of the CSA have occurred and the conditions contained in Paragraphs 7 and 8 of the Participation Agreement have been met).

SECTION 3. Indemnification by Builder. The Builder agrees with the Assignee that in any suit, proceeding or action (an "action") brought by the Assignee under the CSA for any installment of principal of or interest on the CSA Indebtedness or to enforce any provision of the CSA, the Builder will indemnify, protect and hold harmless the Assignee from and against all expenses, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever (a "claim") claimed by the Vendee or the Lessee arising out of a breach by the Builder of any obligation with respect to the manufacture, construction, delivery or warranty of the Equipment or arising by reason of any other indebtedness or liability at any time owing to the Vendee or the Lessee by the Builder. The Builder's obligation so to indemnify, protect and hold harmless is conditional upon (a) the Assignee's timely motion or other appropriate action (on the basis of Section 14.04 of the CSA) to strike any claim asserted by the Vendee or the Lessee in any such action and (b) if the court or other body having jurisdiction in such action denies such motion or other action and accepts such claim as a triable issue in such action, the Assignee's prompt notification to the Builder of the asserted claim and the Assignee's giving the Builder the right, at the Builder's expense, to compromise, settle or defend against such claim.

Except in cases of articles or materials specified by the Lessee and not manufactured by the Builder and in cases of designs, systems, processes, formulae, or combinations specified by the Lessee and not developed or purported to be developed by the Builder, the Builder agrees, except as otherwise specifically provided in Article 13 of the CSA, to indemnify, protect and hold harmless the Assignee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Assignee or its assigns because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Assignee will give prompt notice to the Builder of any claim actually known to the Assignee which is based upon any such alleged infringement and will give the Builder the right, at the Builder's expense, to compromise, settle or defend against such claim. The Builder agrees that any amounts payable to it by the Vendee or the Lessee with respect to the Equipment, whether pursuant to the CSA or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien, charge or security interest upon any unit of Equipment.

SECTION 4. Payment on Each Closing Date. The Assignee, on each Closing Date (as defined in Section 4.02 of the CSA) with respect to a Group (as defined therein) of Equipment, shall pay to the Builder an amount equal to the CSA Indebtedness therefor, provided that there shall have been delivered to the Assignee on or prior to such Closing Date, the following documents, in form and substance satisfactory to it and to its special counsel:

(a) a bill of sale from the Builder to the Assignee, transferring to the Assignee the security interest of the Builder in the units of Equipment in such Group, warranting to the Assignee and to the Vendee that at the time of delivery of such units under the CSA, the Builder had legal title to such units and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any

nature except only the rights of the Vendee under the CSA, the Assignee under this Assignment and the Lessee under the Lease, and covenanting to defend the title to such units against demands of all persons whomsoever based on claims originating prior to the delivery of such units by the Builder under the CSA;

(b) a Certificate or Certificates of Acceptance with respect to the units of Equipment in such Group as contemplated by Article 3 of the CSA and § 2 of the Lease;

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

(d) an opinion of counsel for the Builder, dated as of such Closing Date, addressed to the Assignee and the Vendee, to the effect that the aforesaid bill of sale and invoice have been duly authorized, executed and delivered by the Builder and that such bill of sale is valid and effective to vest and does vest in the Assignee the security interest of the Builder in the units of Equipment in such Group, free from all claims, liens, security interests and other encumbrances (other than those created by the CSA, this Assignment and the Lease) arising from, through or under the Builder and to the effect that title to such units is vested in the Vendee free from all claims, liens, security interests and other encumbrances (other than as aforesaid) arising from, through or under the Builder;

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

(f) such other documents as the Assignee may reasonably request.

The obligation of the Assignee hereunder to make payment for any of the Equipment assigned hereunder is hereby expressly conditioned upon the Assignee having on deposit, pursuant to the terms of the Participation Agreement, sufficient funds available to make such payment and upon payment by the Vendee of the amount required to be paid by it pursuant to Section 4.03(a) of the CSA. In the event that the Assignee shall not make any such payment, the Assignee shall reassign to the Builder, without recourse to the Assignee, all right, title and interest of the Assignee in and to the units of Equipment with respect to which payment has not been made.

SECTION 5. Assignment by Assignee. The Assignee may assign all or any of its rights under the CSA, including the right to receive any payments due or to become due to it from the Vendee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment and upon giving the written notice required in Article 14 of the CSA, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 6. Warranties and Agreements of Builder.
The Builder hereby:

(a) represents and warrants to the Assignee, the Vendee and their successors and assigns that this Assignment and the CSA were duly authorized by it and lawfully executed and delivered by it for valid consideration and that, assuming due authorization, execution and delivery by the Assignee and the Vendee, this Assignment and the CSA are legal, valid and binding agreements, enforceable against the Builder in accordance with their terms and are now in force without amendment thereto;

(b) agrees that it will from time to time, at the request of the Assignee or its successors or assigns, execute and deliver all such further instruments of assignment, transfer and assurance as may be prepared by or on behalf of the Assignee (or its successors and assigns) and do all such further acts and things as may be necessary and appropriate to give effect to the provisions hereinabove set forth

and more perfectly to confirm the right, title and interest hereby assigned to the Assignee or intended so to be; and

(c) agrees that subsequent to payment of the sums due it hereunder and under the CSA, upon request of the Assignee or its successors and assigns, it will execute any and all instruments submitted to it which may be necessary or proper in order to discharge of record the CSA or any other instrument evidencing any interest of the Builder therein or in the Equipment.

SECTION 7. Governing Law. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the State of Michigan; provided, however, that the parties shall be entitled to all the rights arising out of the filing of the CSA or this Assignment as shall be conferred by the laws of the several jurisdictions in which the CSA or this Assignment shall be filed.

SECTION 8. Execution. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Assignee shall be deemed to be the original. Although for convenience this Assignment is dated as of the date first set forth above, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto.

SECTION 9. Headings. Section headings have been provided for convenience only and shall not affect the interpretation of this Assignment.

IN WITNESS WHEREOF, the parties hereto have

caused this instrument to be executed by duly authorized officers as of the date first set forth above.

WHITEHEAD & KALES COMPANY,

by

[Corporate Seal]

Vice President-Finance

Attest:

Treasurer

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY, as Agent under the
Participation Agreement,

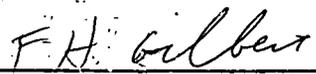
by

[Corporate Seal]



Assistant Vice President

Attest:



Corporate Trust Officer

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

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

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

by

STATE OF MICHIGAN,)
) ss.:
COUNTY OF WAYNE,)

On this day of August 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is Vice President-Finance of WHITEHEAD & KALES COMPANY, a Michigan corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

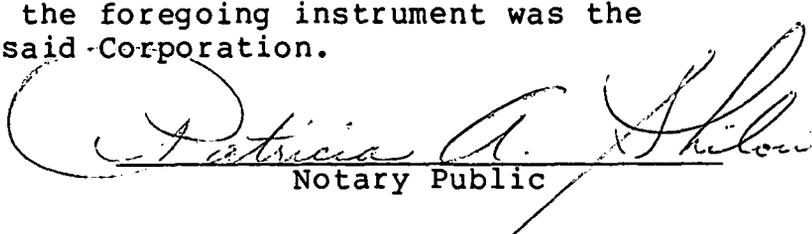
Notary Public

[Notarial Seal]

My Commission expires

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

On this 7th day of August 1980, before me personally appeared RUSSELL E. SCHREIBER, to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.



Notary Public

[Notarial Seal]

My Commission expires 7/1/82

[CS&M Ref. 5415-003]

AGREEMENT AND ASSIGNMENT

Dated as of July 1, 1980

Between

WHITEHEAD & KALES COMPANY

and

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Agent.

AGREEMENT AND ASSIGNMENT dated as of July 1, 1980, between WHITEHEAD & KALES COMPANY, a Michigan corporation (the "Builder"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation, as Agent (the "Assignee") under a Participation Agreement dated as of the date hereof (the "Participation Agreement").

The Builder and THE CONNECTICUT BANK AND TRUST COMPANY, acting as Trustee (the "Vendee") under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with GENERAL ELECTRIC CREDIT CORPORATION (the "Owner") have entered into a Conditional Sale Agreement dated as of the date hereof (the "CSA") covering the construction, sale and delivery by the Builder and the purchase by the Vendee of the railroad equipment described in Annex B to the CSA (the "Equipment").

The Vendee and THE BALTIMORE AND OHIO RAILROAD COMPANY (the "Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease") providing for the lease to the Lessee of the Equipment.

In consideration of the agreements hereinafter set forth, the parties hereto agree as follows:

SECTION 1. Assignment by Builder. The Builder hereby transfers and assigns to the Assignee, its successors and assigns:

(a) all the right, title and interest of the Builder in and to each unit of the Equipment when and as severally delivered to and accepted by the Vendee, subject to payment by the Assignee to the Builder of the amount required to be paid pursuant to Section 4 hereof;

(b) all the right, title and interest of the Builder in and to the CSA (except the right to construct and deliver the Equipment and the right to receive the payments specified in Section 4.03(a) thereof and reimbursement for taxes paid or incurred

by the Builder), and in and to any and all amounts which may be or become due or owing to the Builder under the CSA on account of the CSA Indebtedness (as defined in the CSA) and interest thereon, and in and to any other sums becoming due from the Vendee under the CSA, other than those hereinabove excluded; and

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

without any recourse hereunder, however, against the Builder for or on account of the failure of the Vendee to make any of the payments provided for in the CSA or otherwise to comply with any of the provisions of the CSA; provided, however, that this Assignment shall not subject the Assignee to or transfer or in any way affect or modify the obligations of the Builder to deliver the Equipment in accordance with the CSA or with respect to its warranties and agreements referred to in the CSA or relieve the Vendee from its obligations to the Builder contained in the CSA, it being understood and agreed that, notwithstanding this Agreement or any subsequent assignment pursuant to the provisions of Article 14 of the CSA, all obligations of the Builder to the Vendee with respect to the Equipment shall be and remain enforceable by the Vendee and its successors and assigns against and only against the Builder. The Builder hereby authorizes and empowers the Assignee in the Assignee's own name or in the name of the Assignee's nominee or in the name of and as attorney for the Builder, hereby irrevocably constituted, to demand, sue for, collect and receive any and all sums to which the Assignee is or may become entitled under this Assignment and to enforce compliance by the Vendee with the terms and agreements on its part to be performed under the CSA, but at the expense and liability and for the sole benefit of the Assignee.

SECTION 2. Delivery of Equipment. The Builder agrees that it shall construct the Equipment in full accordance with the CSA and will deliver the same upon completion to the Vendee in accordance with the provisions of the CSA; and that, notwithstanding this Assignment, it will perform and fully comply with each of and all the covenants and conditions of the CSA set forth to be performed and complied with by it. The Builder further

agrees that it will warrant to the Assignee and the Vendee that at the time of delivery of each unit of Equipment under the CSA it had legal title to such unit and good and lawful right to sell such unit and that such unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the CSA and the rights of the Lessee under the Lease; and the Builder further agrees that it will defend the title to such unit against the demands of all persons whomsoever based on claims originating prior to the delivery of such unit by the Builder under the CSA; all subject, however, to the provisions of the CSA and the rights of the Vendee thereunder. The Builder will deliver any of the Equipment to the Vendee under the CSA in accordance with the conditions set forth in Section 3.01 of the CSA (the Builder and its counsel may rely on advice from special counsel for the Assignee that the filings required by Section 18 of the CSA have occurred and the conditions contained in Paragraphs 7 and 8 of the Participation Agreement have been met).

SECTION 3. Indemnification by Builder. The Builder agrees with the Assignee that in any suit, proceeding or action (an "action") brought by the Assignee under the CSA for any installment of principal of or interest on the CSA Indebtedness or to enforce any provision of the CSA, the Builder will indemnify, protect and hold harmless the Assignee from and against all expenses, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever (a "claim") claimed by the Vendee or the Lessee arising out of a breach by the Builder of any obligation with respect to the manufacture, construction, delivery or warranty of the Equipment or arising by reason of any other indebtedness or liability at any time owing to the Vendee or the Lessee by the Builder. The Builder's obligation so to indemnify, protect and hold harmless is conditional upon (a) the Assignee's timely motion or other appropriate action (on the basis of Section 14.04 of the CSA) to strike any claim asserted by the Vendee or the Lessee in any such action and (b) if the court or other body having jurisdiction in such action denies such motion or other action and accepts such claim as a triable issue in such action, the Assignee's prompt notification to the Builder of the asserted claim and the Assignee's giving the Builder the right, at the Builder's expense, to compromise, settle or defend against such claim.

Except in cases of articles or materials specified by the Lessee and not manufactured by the Builder and in cases of designs, systems, processes, formulae, or combinations specified by the Lessee and not developed or purported to be developed by the Builder, the Builder agrees, except as otherwise specifically provided in Article 13 of the CSA, to indemnify, protect and hold harmless the Assignee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Assignee or its assigns because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Assignee will give prompt notice to the Builder of any claim actually known to the Assignee which is based upon any such alleged infringement and will give the Builder the right, at the Builder's expense, to compromise, settle or defend against such claim. The Builder agrees that any amounts payable to it by the Vendee or the Lessee with respect to the Equipment, whether pursuant to the CSA or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien, charge or security interest upon any unit of Equipment.

SECTION 4. Payment on Each Closing Date. The Assignee, on each Closing Date (as defined in Section 4.02 of the CSA) with respect to a Group (as defined therein) of Equipment, shall pay to the Builder an amount equal to the CSA Indebtedness therefor, provided that there shall have been delivered to the Assignee on or prior to such Closing Date, the following documents, in form and substance satisfactory to it and to its special counsel:

(a) a bill of sale from the Builder to the Assignee, transferring to the Assignee the security interest of the Builder in the units of Equipment in such Group, warranting to the Assignee and to the Vendee that at the time of delivery of such units under the CSA, the Builder had legal title to such units and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any

nature except only the rights of the Vendee under the CSA, the Assignee under this Assignment and the Lessee under the Lease, and covenanting to defend the title to such units against demands of all persons whomsoever based on claims originating prior to the delivery of such units by the Builder under the CSA;

(b) a Certificate or Certificates of Acceptance with respect to the units of Equipment in such Group as contemplated by Article 3 of the CSA and § 2 of the Lease;

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

(d) an opinion of counsel for the Builder, dated as of such Closing Date, addressed to the Assignee and the Vendee, to the effect that the aforesaid bill of sale and invoice have been duly authorized, executed and delivered by the Builder and that such bill of sale is valid and effective to vest and does vest in the Assignee the security interest of the Builder in the units of Equipment in such Group, free from all claims, liens, security interests and other encumbrances (other than those created by the CSA, this Assignment and the Lease) arising from, through or under the Builder and to the effect that title to such units is vested in the Vendee free from all claims, liens, security interests and other encumbrances (other than as aforesaid) arising from, through or under the Builder;

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

(f) such other documents as the Assignee may reasonably request.

The obligation of the Assignee hereunder to make payment for any of the Equipment assigned hereunder is hereby expressly conditioned upon the Assignee having on deposit, pursuant to the terms of the Participation Agreement, sufficient funds available to make such payment and upon payment by the Vendee of the amount required to be paid by it pursuant to Section 4.03(a) of the CSA. In the event that the Assignee shall not make any such payment, the Assignee shall reassign to the Builder, without recourse to the Assignee, all right, title and interest of the Assignee in and to the units of Equipment with respect to which payment has not been made.

SECTION 5. Assignment by Assignee. The Assignee may assign all or any of its rights under the CSA, including the right to receive any payments due or to become due to it from the Vendee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment and upon giving the written notice required in Article 14 of the CSA, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 6. Warranties and Agreements of Builder.
The Builder hereby:

(a) represents and warrants to the Assignee, the Vendee and their successors and assigns that this Assignment and the CSA were duly authorized by it and lawfully executed and delivered by it for valid consideration and that, assuming due authorization, execution and delivery by the Assignee and the Vendee, this Assignment and the CSA are legal, valid and binding agreements, enforceable against the Builder in accordance with their terms and are now in force without amendment thereto;

(b) agrees that it will from time to time, at the request of the Assignee or its successors or assigns, execute and deliver all such further instruments of assignment, transfer and assurance as may be prepared by or on behalf of the Assignee (or its successors and assigns) and do all such further acts and things as may be necessary and appropriate to give effect to the provisions hereinabove set forth

and more perfectly to confirm the right, title and interest hereby assigned to the Assignee or intended so to be; and

(c) agrees that subsequent to payment of the sums due it hereunder and under the CSA, upon request of the Assignee or its successors and assigns, it will execute any and all instruments submitted to it which may be necessary or proper in order to discharge of record the CSA or any other instrument evidencing any interest of the Builder therein or in the Equipment.

SECTION 7. Governing Law. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the State of Michigan; provided, however, that the parties shall be entitled to all the rights arising out of the filing of the CSA or this Assignment as shall be conferred by the laws of the several jurisdictions in which the CSA or this Assignment shall be filed.

SECTION 8. Execution. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Assignee shall be deemed to be the original. Although for convenience this Assignment is dated as of the date first set forth above, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto.

SECTION 9. Headings. Section headings have been provided for convenience only and shall not affect the interpretation of this Assignment.

IN WITNESS WHEREOF, the parties hereto have

caused this instrument to be executed by duly authorized officers as of the date first set forth above.

WHITEHEAD & KALES COMPANY,

by

[Corporate Seal]

Vice President-Finance

Attest:

Treasurer

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY, as Agent under the
Participation Agreement,

by

[Corporate Seal]

Assistant Vice President

Attest:

Corporate Trust Officer

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

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

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

by



STATE OF MICHIGAN,)
) ss.:
COUNTY OF WAYNE,)

On this day of August 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is Vice President-Finance of WHITEHEAD & KALES COMPANY, a Michigan corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

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

On this day of August 1980, before me personally appeared RUSSELL E. SCHREIBER, to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires