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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

RECORDATION NO. 19044-A FILED

OCT 30 '98 3-21 PM

October 30, 1998

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of an Assignment and Assumption Agreement, dated as of October 30th, 1998, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Lease previously filed with the Board under Recordation Number 19044.

The names and addresses of the party to the enclosed document are:

Seller: Mellon Leasing Corporation
One Mellon Bank Center
Pittsburgh, Pennsylvania 15258

Purchaser: The CIT Group/Equipment Financing, Inc.
1211 Avenue of the Americas
New York, New York

A description of the railroad equipment covered by the enclosed document is:

set forth on Annex I attached to the Agreement

Betty Gration
Counterpart

Mr. Vernon A. Williams
October 30, 1998
Page 2

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

OFFICE OF THE SECRETARY

DATE: 10/30/98

Robert W. Alvord
Alvord and Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC., 20006-2973

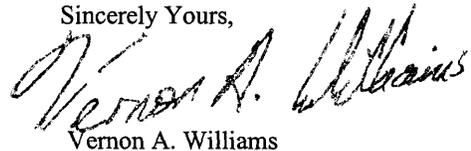
Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301

and 49 CFR 1177.3(c), on 10/30/98 at 3:21 PM , and

assigned recordation number(s). 21763, 21764, 21765, 10810-C, 10811-B, 10812-B
18298-A and 19044-A.

Sincerely Yours,

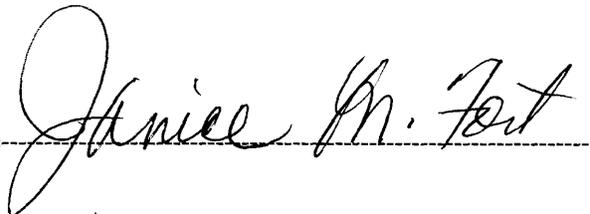


Vernon A. Williams

Enclosure(s) (8)
208.00

\$_____ The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature



RECORDATION NO. 19044-A FILED

OCT 30 '98

3-21 PM

ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of the later of the dates set forth below the signatures hereto, (this "**Agreement**"), between Mellon Leasing Corporation, a Pennsylvania corporation ("**Seller**"), and The CIT Group/Equipment Financing, Inc., a New York corporation ("**Purchaser**").

SECTION 1. Definitions. For purposes of this Agreement, the following specific terms shall have the respective meanings set forth below.

Equipment shall mean the equipment which is subject to the Transaction Documents. Unit of Equipment shall be any one item of Equipment as described in the Transaction Documents.

Lien shall mean any mortgage, pledge, security interest, encumbrance, lien, easement, servitude or charge of any kind.

Transaction shall mean the lease transaction identified in Schedule 1 hereto.

Transaction Documents shall mean all of the agreements, instruments, certificates, financing statements and other documents of any nature executed in connection with the Transaction, including any amendments, modifications or supplements thereof from time to time.

Capitalized terms used herein without definition shall have the meanings assigned to them in or by reference to the Transaction Documents.

SECTION 2. Sale and Assignment. (a) Seller, for good and valuable consideration to it, receipt of which is hereby acknowledged, does hereby assign, transfer, sell and convey unto Purchaser the Transaction, subject to no Liens created by or arising through Seller or any affiliate of Seller.

(b) The Equipment included in the Transaction is, to the best of Seller's knowledge, without due inquiry or examination, in good operating condition and repair (ordinary wear and tear excepted). EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, AND THE BILL OF SALE DELIVERED ON THIS DATE, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER CONCERNING THE EQUIPMENT INCLUDING, WITHOUT LIMITATION, THE SELECTION, QUALITY, OR CONDITION THEREOF, OR MERCHANTABILITY, SUITABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, THE OPERATION, PERFORMANCE OR MAINTENANCE THEREOF OR PATENT INFRINGEMENT OR THE LIKE.

SECTION 3. Assumption. (a) Purchaser (x) assumes the duties and obligations of "Lessor" under the Transaction Documents arising or accruing on or

after the date hereof, (y) shall hereafter be deemed a party to the Transaction Documents as "Lessor ", and (z) agrees that it shall be bound by all the terms of, and shall undertake all the obligations of "Lessor" contained in, the Transaction Documents, whether arising on or subsequent to the date hereof, provided, however, that Purchaser does not assume and Seller shall remain obligated with respect to any payments due any person as a result of any indemnity payments paid by such person to Seller, either prior to or after the date of this Agreement.

(b) Purchaser and Seller hereby covenant and agree to execute and to deliver to the other parties to the Transaction Documents from time to time such other documents, instruments and agreements as they reasonably may request in order to further evidence the assignment, assumption and substitution effected hereby or otherwise to carry out the purposes and intent of this Agreement.

SECTION 4. Representations and Warranties of Purchaser.

Purchaser represents and warrants to Seller and to each of the other parties to the Participation Agreement as follows:

(a) Organization, Corporate Authority, Etc. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of New York, and is duly qualified to own its properties and carry on its business in each jurisdiction where the failure to be so qualified would have a material adverse effect on Purchaser's business. The purchase and sale of property similar to the Beneficial Interest is within the ordinary course of business conducted by Purchaser and Purchaser has all requisite corporate power and authority to enter into and perform its obligations under this Agreement and each Transaction Document.

(b) Authorization, Etc. This Agreement has been duly authorized, executed and delivered by Purchaser and Purchaser has the requisite corporate power and authority to enter into and carry out the transactions contemplated by the Transaction Documents. This Agreement and each of the Transaction Documents, by virtue of this Agreement, constitutes, assuming the due authorization, execution, and delivery hereof by Seller and of the Transaction Documents by each of the other parties thereto, the legal, valid and binding obligation of Purchaser, enforceable against it in accordance with its terms, except as enforcement of the terms hereof and thereof may be limited by applicable bankruptcy, insolvency, reorganization, liquidation, moratorium or similar laws affecting enforcement of creditors' rights generally, as well as the award by courts of relief in lieu of specific performance of contractual provisions.

(c) No Violation. None of the execution, delivery or performance by Purchaser of this Agreement, or the consummation of any of the transactions contemplated hereby will contravene any provision of, or create a relationship which would be in violation of, any applicable law binding on Purchaser or any of its property, or any provision of the articles of incorporation or bylaws of Purchaser, or will result in a breach of, or constitute a default under, or contravene any provision of, any agreement or instrument to which Purchaser is a party or by which Purchaser or any of its property is bound (which breach, default, or contra-

vention would have a material adverse effect on such execution, delivery or performance).

(d) No Consents or Approvals. None of the execution, delivery or performance by Purchaser of this Agreement or the performance by Purchaser of the obligations of the "Owner" under the Transaction Documents, nor the consummation by Purchaser of any of the transactions contemplated hereby or thereby requires the consent or approval of, the giving of notice to, the registration, recording or filing of any documents with, or the taking of any other action in respect of, any governmental authority, except such as has been obtained or effected on or prior to the effective date hereof. No authorization or approval from any governmental or public body or authority of the United States of America, any of the States thereof, or the District of Columbia is, to Purchaser's knowledge, necessary in connection with the performance by the Purchaser of the Transaction Documents. In making the foregoing representations with respect to the Transaction Documents, Purchaser has relied upon the representations and warranties of the parties other than the Owner contained in the Participation Agreement.

(e) Net Worth. Purchaser meets the requirements for a transfer of Lessor's interest in the Transaction as set forth in Section 12 of the Lease of Railroad Equipment included in the Transaction Documents.

(f) ERISA. Purchaser is not purchasing the Transaction with the assets of an employee benefit plan (or its related trust) as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended from time to time ("**ERISA**"), or with the assets of any plan (or its related trust) as defined in Section 4975(e)(1) of the Code.

(g) No Litigation. There are no actions, suits or proceedings, whether or not purportedly on behalf of Purchaser, pending or (to the knowledge of Purchaser) threatened against or affecting Purchaser or any property rights of Purchaser at law or in equity, or before any commission or other administrative agency, which, if determined adversely to Purchaser would materially and adversely affect its ability to perform its obligations under the Transaction Documents.

(f) Acquisition for Investment. Purchaser is acquiring the Transaction for its own account for investment and not with a view to, or for sale in connection with, any distribution of any portion thereof or any Beneficial Interest therein, and Purchaser understands and agrees that any transfer of the Transaction or any portion thereof or any Beneficial Interest therein may only be made in compliance with the Securities Exchange Act of 1933, as amended, and other applicable law.

SECTION 5. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and shall be enforceable by the parties hereto and their respective successors and assigns and shall inure to the benefit of the other parties to the Transaction Documents.

SECTION 6. Governing Law. This agreement, including all matters of construction, validity and performance, shall in all respects be governed by, and construed in accordance with, the law of the State of New York applicable to contracts made in such state and to be performed entirely within such state, without giving effect to principles relating to conflicts of law.

SECTION 7. Counterparts; Effective Date. This Agreement may be executed by the parties hereto in separate counterparts (or upon separate signature pages bound together into one or more counterparts), each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. This Agreement shall become effective as of the later of the dates set forth below under the signatures of the officers of the parties hereto on the execution page hereof ("**Effective Date**").

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year set forth below under the signatures of their respective officers.

SELLER:

**MELLON LEASING
CORPORATION**

By: 

Michael F. Marks
Vice President
October __, 1998

PURCHASER:

**THE CIT GROUP/EQUIPMENT
FINANCING, INC.**

By: _____

Nancy A. Nardella
Vice President
October __, 1998

The undersigned, General Electric Railcar Services Corporation, the Lessee in the Transaction described above, hereby consents to the foregoing Assignment and Assumption Agreement and the Bill of Sale and agrees that Purchaser has become "Lessor" for all purposes of the Transaction Documents from and after the date hereof and that Seller is released and discharged from each obligation, liability or duty pursuant to the Transaction Documents arising or accruing on or after the date hereof.

**GENERAL ELECTRIC RAILCAR
SERVICES CORPORATION**

By: 

Name: Winston I. Lowe
Title: Senior Vice President
October 26, 1998

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year set forth below under the signatures of their respective officers.

SELLER:

**MELLON LEASING
CORPORATION**

By: _____
Michael F. Marks
Vice President
October __, 1998

PURCHASER:

**THE CIT GROUP/EQUIPMENT
FINANCING, INC.**

By: Nancy A. Nardella
Nancy A. Nardella
Vice President
October 28, 1998

The undersigned, General Electric Railcar Services Corporation, the Lessee in the Transaction described above, hereby consents to the foregoing Assignment and Assumption Agreement and the Bill of Sale and agrees that Purchaser has become "Lessor" for all purposes of the Transaction Documents from and after the date hereof and that Seller is released and discharged from each obligation, liability or duty pursuant to the Transaction Documents arising or accruing on or after the date hereof.

**GENERAL ELECTRIC RAILCAR
SERVICES CORPORATION**

By: _____
Name:
Title:
October __, 1998

COUNTY OF COOK)
) SS
STATE OF ILLINOIS)

On this the 26th day of October 1998, before me personally appeared Winston I. Lowe, to me personally known, who being by me duly sworn, says that he is a Sr. Vice President of General Electric Railcar Services Corporation, that the foregoing instrument was signed 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.

Ricki Knapp
Notary Public



COUNTY OF ALLEGHENY)
COMMONWEALTH OF PENNSYLVANIA) SS
)

On this the 28th day of October 1998, before me personally appeared Michael F. Marks, to me personally known, who being by me duly sworn, says that he is a Vice President of Mellon Leasing Corporation, that the foregoing instrument was signed 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.

Jacqueline K. Schultz
Notary Public

Notarial Seal
Jacqueline K. Schultz, Notary Public
Pittsburgh, Allegheny County
My Commission Expires Feb. 19, 2000

Member, Pennsylvania Association of Notaries

COUNTY OF NEW YORK

)

) SS

STATE OF NEW YORK

)

On this the 28th day of October 1998, before me personally appeared Nancy A. Nardella, to me personally known, who being by me duly sworn, says that she is a Vice President of The CIT Group/Equipment Financing, Inc., that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

ROSE MARY DINNHAUPT
Notary Public, State of New York
No. 31-5010315
Qualified in New York County
Commission Expires March 29, 1999



Notary Public

THE LEASE TRANSACTION

The interest of Lessor in Lease of Railroad Equipment (the "**Lease**"), dated as of October 16, 1994, between Mellon Leasing Corporation (f/k/a Mellon Financial Services Corporation #3), as Lessor, and General Electric Railcar Services Corporation, as Lessee, relative to 146 National Steel 4650 cu. ft. 100-ton covered hopper cars and 95 Pullman Standard 4750 cu. ft. 100-ton covered hopper cars bearing road numbers NAHX 466600 to 466745 and NAHX 475900 to 475994, in all cases, inclusive, but excluding the cars identified on Annex I hereto, for a total of 229 Units of Equipment. Upon satisfaction of the specific terms of the second paragraph of Section 13 of the Lease, the Lessor is required to pay to the Lessee, upon return of the Units at the expiration of the Term of the Lease, a fee of \$2,151.25 per Unit, such payment due within 15 days following return of the Units. The Lease was filed with the Interstate Commerce Commission on November 4, 1994, at 4:00 p.m. under Recordation Number 19044.

Excluded Units

NAHX 475911
NAHX 475951
NAHX 475953
NAHX 475956
NAHX 475981
NAHX 466620
NAHX 466644
NAHX 466677
NAHX 466696
NAHX 466720
NAHX 466682
NAHX 466698