$30.00

CRAVATH, SWAINE & MOORE

ALLEN F MAULSBY
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JOHN R HUPPER
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825 EIGHTH AVENUE
NEW YORK, N. Y. 10019

TELEPHONE (212) 474-1000
FACSIMILE (212) 474-3700

WRITER'S DIRECT DIAL NUMBER

(212) 474-1486

33 KING WILLIAM STREET
LONDON EC4R 9DU ENGLAND
TELEPHONE 1-606-1421
FACSIMILE 1-860-1150

16763
RECORDATION NO FILED 1425
FEB 13 1990 -3 00 PM
INTERSTATE COMMERCE COMMISSION

16763 A
RECORDATION NO FILED 1425
FEB 13 1990 -3 00 PM
INTERSTATE COMMERCE COMMISSION

0-044A093

16763 B
RECORDATION NO FILED 1425
FEB 13 1990 -3 00 PM
INTERSTATE COMMERCE COMMISSION

February 13, 1990

Trailer Train Company
Lease Financing Dated as of January 2, 1990
9.48% Conditional Sale Indebtedness
Transaction D

16763-C
RECORDATION NO FILED 1425
FEB 13 1990 -3 00 PM
INTERSTATE COMMERCE COMMISSION

Dear Ms. McGee:

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

1. (a) Conditional Sale Agreement dated as of January 2, 1990, among Trailer Train Company, Bethlehem Steel Corporation and Trinity Industries, Inc., as Sellers, and The Connecticut National Bank, as Trustee; and

(b) Agreement and Assignment dated as of January 2, 1990, among Trailer Train Company, Bethlehem Steel Corporation and Trinity Industries, Inc., as Sellers, and Mercantile-Safe Deposit and Trust Company, as Agent.

2. (a) Lease of Railroad Equipment dated as of January 2, 1990, between Trailer Train Company, as Lessee, and The Connecticut National Bank, as Trustee; and

(b) Assignment of Lease and Agreement dated as of Janaury 2, 1990, between The Connecticut National Bank, as Trustee, and Mercantile-Safe Deposit and Trust Company, as Agent.

Counterparts

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

1. Agent:

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

2. Trustee:

   The Connecticut National Bank
   777 Main Street
   Hartford, Connecticut 06115

3. Lessee:

   Trailer Train Company
   101 North Wacker Drive
   Chicago, Illinois 60606

4. Sellers:

   Trailer Train Company
   101 North Wacker Drive
   Chicago, Illinois 60606

   Bethlehem Steel Car Corporation
   Freight Car Division
   17 Johns Street
   Johnstown, Pennsylvania 15901

   Trinity Industries, Inc.
   2525 Stemmons Freeway
   Dallas, Texas 75207

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

The equipment covered by the aforementioned documents is listed on Exhibit A attached hereto.

The equipment bears the legend "Ownership Subject to a Security Agreement filed with the Interstate Commerce Commission".

There is also enclosed a check for $30.00 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 with your official recording stamp. You will wish to retain one copy of the instruments and this transmittal letter for your files. It is requested that the remaining counterparts of the documents be delivered to the bearer of this letter.

Very truly yours,

Laurance V. Goodrich

Laurance V. Goodrich
as Agent for Trailer Train
Company

Noreta R. McGee, Secretary,
Interstate Commerce Commission,
Washington, D.C. 20423

Encls.

RECORDATION NO 16763-C FILED 1425

FEB 13 1990 -3 00 PM

INTERSTATE COMMERCE COMMISSION

[CS&M Ref. 4020-143]

ASSIGNMENT OF LEASE AND AGREEMENT

(D)

Dated as of January 2, 1990

Between

THE CONNECTICUT NATIONAL BANK,
as Trustee,

and

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Agent

ASSIGNMENT OF LEASE AND AGREEMENT dated as of January 2, 1990, ("Assignment"), by and between THE CONNECTICUT NATIONAL BANK, not in its individual capacity but solely as Trustee (together with its successors and assigns, "Trustee") acting under a Trust Agreement dated as of the date hereof ("Trust Agreement") with NATWEST USA LEASING CORP. ("Owner") and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, not in its individual capacity but solely as agent ("Agent") for certain institutional investors ("Investors") under a Participation Agreement dated as of the date hereof among the Owner, the Trustee, the Agent, the Investors and TRAILER TRAIN COMPANY ("Lessee").

WHEREAS the Trustee is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with Trailer Train Company (in such capacity, "Seller") providing for the sale to the Trustee of such of the units of railroad equipment to be acquired for the Trustee ("Units") described in the Annex B thereto as are delivered to and accepted by the Trustee thereunder and the CSA is being assigned to the Agent by the Seller;

WHEREAS the Trustee and the Lessee have entered into a Lease of Railroad Equipment dated as of the date hereof (hereinafter, together with the amendments and supplements thereto, being called "Lease"), providing for the leasing by the Trustee to the Lessee of the Units; and

WHEREAS, in order to provide security for the obligations of the Trustee under the CSA and as an inducement to the Investors to invest in the CSA Indebtedness as defined in the CSA, the Trustee agrees to assign for security purposes its rights in, to and under the Lease to the Agent, and the capitalized terms used herein to define each of the Documents shall refer to each of such Documents as they may be modified, amended or supplemented from time to time.

NOW, THEREFORE, in consideration of the payments to be made, the parties hereto agree as follows:

SECTION 1. <u>Assignment by Trustee to Agent; Application of Payments.</u> (a) The Trustee hereby assigns, transfers and sets over unto the Agent, as collateral

security for the payment and performance of the Trustee's obligations under the CSA all the Trustee's right, title and interest, powers, privileges, and other benefits under the Lease (including those inuring to the benefit of the Owner and the Owner's assigns by reason of Section 12 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 under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity (except sums which by the express terms of the Lease are payable directly to the Trustee or the Owner pursuant to Sections 3.03(b), 6.01, 9.07 and 17.01 of the Lease (or any amounts whether denominated as rents or otherwise payable by the Lessee pursuant to the Tax Indemnity Agreement), liquidated damages, or otherwise (such moneys being hereinafter called "Payments") and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Trustee is or may become entitled to do under the Lease; provided, however, that upon the occurrence of an Event of Default under the Lease, before taking any unilateral action which might materially and adversely affect the interests of the Owner or the Trustee, the Agent will give the Owner a reasonable opportunity to consult with the Agent and representatives of the Investors and to propose solutions to the circumstances of such Event of Default. In response to any such proposals, the Investors and the Agent will thereafter use reasonable efforts, in good faith and in a manner not inconsistent with their own interests, to mitigate any material and adverse effect on the interests of the Owner and the Trustee in connection with any such action to be taken by the Agent in respect of such Event of Default. In furtherance of the foregoing assignment, the Trustee hereby irrevocably authorizes and empowers the Agent 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.

(b) The Agent agrees to accept any Payments made by the Lessee for the account of the Trustee pursuant to the Lease and, to the extent received, the Agent will apply such Payments to satisfy the obligations of the Trustee under the CSA then due and payable, subject to the limitations contained in the last paragraph of Article 4 of the CSA, and any balance held by the Agent hereunder for the account of

the Trustee shall be deemed to be held in trust for the Trustee and shall be paid immediately to and retained by the Trustee. If the Agent shall not receive any rental payment under Section 3.01 of the Lease or any payment of Casualty Values or Termination Values under Section 7 of the Lease when due, the Agent shall promptly notify the Trustee by telegraphic communication at the address set forth in the Lease. Failure to so notify the Trustee shall not affect the rights and remedies of the Agent hereunder or under the CSA; except that the Agent may not make a Declaration of Default (as defined in the CSA) on the basis of an event of default under subparagraph (a) of Article 15 of the CSA arising solely by reason of the failure of the Lessee to make any such rental payment which under the provisions of paragraph (e) of Article 15 of the CSA is permitted to be cured by the Trustee, unless such event of default is not remedied within 10 days after notification is given as aforesaid.

SECTION 2. Trustee's Liabilities under the Lease not Assigned or Assumed by Agent. This Assignment is executed only as security for the obligations of the Trustee under the CSA and, therefore, the execution and delivery of this Assignment shall not subject the Agent to, or transfer, or pass, or in any way affect or modify the liability of the Trustee under the Lease, it being 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 Agent.

SECTION 3. No Modification of the Lease without the Written Consent of Agent. To protect the security afforded by this Assignment, the Trustee agrees as follows:

(a) The Trustee will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Trustee; without the written consent of the Agent, 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 which are intended to satisfy the obligations of the Trustee under the CSA, 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 so

amending, modifying or terminating the Lease and the Trustee agrees that any such amendment, modification or termination thereof without such consent shall be void.

(b) Should the Trustee fail to make any payment or to do any act which this Assignment requires the Trustee to make or do, then the Agent, but without obligation so to do, after first making written demand upon the Trustee and affording the Trustee a reasonable period of time within which to make such payment or do such act, but without releasing the Trustee from any obligation hereunder, may make or do the same in such manner and to such extent as the Agent may deem necessary to protect the security provided hereby, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Agent, and also the right to perform and discharge each and every obligation, covenant and agreement of the Trustee contained in the Lease; and in exercising any such powers, the Agent may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and the Trustee will reimburse the Agent for such costs, expenses and fees; provided, however, that the obligations of the Trustee to make reimbursements under this Section 3 are subject to paragraph (h) of Article 4 of the CSA.

SECTION 4. Agent to Act for Trustee under the Lease. The Trustee does hereby constitute the Agent 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 the Agent may deem to be necessary or advisable in the premises.

SECTION 5. Termination. Upon the full discharge and satisfaction of all the Trustee's obligations under the CSA, this Assignment, and all rights herein assigned to the Agent in respect thereof, shall terminate, and all estate, right, title and interest of the Agent in and to the Lease shall revert to the Trustee without further act or deed, but the Agent shall execute and deliver such documents as the

Trustee may reasonably request in order to confirm, or make clear upon public records, such termination and/or reversion.

SECTION 6. Recording. The Trustee will, from time to time, do and perform any other act and will execute, acknowledge and deliver any and all further instruments required by law and reasonably requested by the Agent in order to confirm or further assure the interests of the Agent hereunder.

SECTION 7. Assignment by Agent. The Agent 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. The Agent will give written notice to the Trustee, the Owner and the Lessee of any such assignment.

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

SECTION 9. Notices. 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 Agent at its address set forth in Article 20 of the CSA, or at such other address as the Agent shall designate.

SECTION 10. Certain Additional Rights and Immunities of Trustee and Vendor. The Agent hereby agrees with the Trustee that, so long as no event of default, or any event which with lapse of time or notice or both would constitute such an event of default, under the CSA has occurred and is then continuing, the Agent will not exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits assigned and transferred by the Trustee to the Agent by this Assignment, except the right to receive and apply the Payments as provided in Section 1 hereof, and that, subject to the terms of the Lease and the CSA, so long as no such event of default under the CSA has occurred and is then continuing, the Trustee may exercise or enforce, or seek to exercise or enforce, its rights, powers, privileges and remedies arising out of subparagraph (a) of Section 10.01 of the Lease; provided, however, the Trustee shall not, without the prior written consent of the Agent, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges

and remedies arising out of subparagraph (b) of said Section 10.01.

SECTION 11. No Recourse. It is expressly agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, undertakings and agreements herein made on the part of the Trustee are each and every one of them made and intended not as personal representations, warranties, undertakings and agreements by the financial institution acting as Trustee hereunder 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 that term is used in the Trust Agreement and this Assignment is executed and delivered by the Trustee solely in the exercise of the powers expressly conferred upon the Trustee under the Trust Agreement; and that no personal liability or responsibility is assumed by or shall at any time be asserted or enforceable against said financial institution on account of any representation, warranty, undertaking or agreement hereunder of said financial institution, acting in its capacity as Trustee, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Agent and by all persons claiming by, through or under the Agent; provided, however, that the Agent or any person claiming by, through or under the Agent, making claim hereunder, may look to the Trust Estate for satisfaction of the same.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this instrument to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date

first above written, and each of the undersigned signatories hereto declares pursuant to 28 U.S.C. § 1746 under penalty of perjury that the foregoing is a true and correct document and was executed on the date indicated below its signature.

THE CONNECTICUT NATIONAL BANK,
not in its individual capacity
but solely as Trustee,

by

Name: PETER H. FOWLER
Title: Vice President

Executed on ~~January~~ February 8, 1990.

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, not in its
individual capacity, but
solely as Agent,

by

Name:
Title:

Executed on January , 1990.

[Corporate Seal]

Attest:

Name:
Title:

first above written, and each of the undersigned signatories hereto declares pursuant to 28 U.S.C. § 1746 under penalty of perjury that the foregoing is a true and correct document and was executed on the date indicated below its signature.

THE CONNECTICUT NATIONAL BANK, not in its individual capacity but solely as Trustee,

by

_____
Name:
Title:

Executed on January , 1990.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, not in its individual capacity, but solely as Agent,

by

_____
Name: R. E. Schreiber
Title: VICE PRESIDENT

Executed on ~~January~~ February 6, 1990.

[Corporate Seal]

Attest:

_____
Name: A. E. Zukowski
Title: Corporate Trust Officer

LESSEE'S CONSENT AND AGREEMENT

The undersigned, a corporation duly incorporated under the laws of the State of Delaware, the Lessee named in the Lease ("Lease") referred to in the foregoing Assignment of Lease and Agreement ("Assignment") hereby acknowledges receipt of a copy of the Assignment, consents to all the terms and conditions of the Assignment and agrees as follows:

(1) subject to the terms and conditions of the Assignment, to pay all Payments (as defined in the Assignment) due and to become due to the Trustee under the Lease directly to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as agent ("Agent") under the Participation Agreement referred to in the Assignment, to be applied as provided in the Assignment, by bank wire transfer of immediately available funds to Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, for credit to its Corporate Trust Account No. 620081-8 with notation that the funds are "Re: TTX 1/2/90" (or such other address as may be furnished in writing to the undersigned by the Agent);

(2) agrees, subject to the terms and conditions of the Assignment, that the Agent shall be entitled to the benefits of, and to receive and enforce performance of, all of the covenants to be performed by the undersigned under the Lease as though the Agent were named therein as the Trustee;

(3) agrees that the Agent shall not, by virtue of the Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise;

(4) agrees that the Lease shall not, without the prior written consent of the Agent, be amended, terminated or modified, or any action be taken or omitted by the undersigned, the taking or omission of which might result in any alteration or impairment of the obligations of the Lessee under the Lease which are intended to satisfy the obligations of the Trustee under the CSA, the obligations of the Trustee under the Assignment or the obligations of the Lessee under this Consent and Agreement or of any of the rights created by any thereof; and

(5) will do all such acts and execute and deliver all such further assurances required to be done and/or executed and delivered by it pursuant to the provisions of the Participation Agreement and the exhibits thereto.

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed an original, and such counterparts together shall constitute one and the same instrument.

This Consent and Agreement, when accepted by the Agent by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the State of New York and, for all purposes, shall be construed in accordance with the laws of said State.

Dated as of January 2, 1990.

TRAILER TRAIN COMPANY,

by Thomas D. Marion

Name: Thomas D. Marion
Title: Treasurer

Accepted:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, not in its individual capacity, but solely as Agent under the Participation Agreement referred to above,

by

Name:
Title:

[Corporate Seal]

Attest:

Name:
Title:

(5) will do all such acts and execute and deliver all such further assurances required to be done and/or executed and delivered by it pursuant to the provisions of the Participation Agreement and the exhibits thereto.

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed an original, and such counterparts together shall constitute one and the same instrument.

This Consent and Agreement, when accepted by the Agent by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the State of New York and, for all purposes, shall be construed in accordance with the laws of said State.

Dated as of January 2, 1990.

TRAILER TRAIN COMPANY,

by

Name:
Title:

Accepted:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, not in its individual capacity, but solely as Agent under the Participation Agreement referred to above,

by

Name: R. E. Schreiber
Title: VICE PRESIDENT

[Corporate Seal]

Attest:

Name: A. B. Zukowski
Title: Corporate Trust Officer