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INTERSTATE COMMERCE COMMISSION

LEASE AGREEMENT ASSIGNMENT dated as of September 10, 1979 given by REX RAILWAYS, INC., a New Jersey corporation (hereinafter called the "Assignor"), to UNITED JERSEY BANK, a New Jersey banking corporation (hereinafter called the "Bank" or "Assignee").

WHEREAS, the Bank and the Assignor have entered into a loan and security agreement dated as of the date hereof (hereinafter the "Agreement") covering a loan, on the conditions therein set forth, by the Bank to the Assignor, secured by a security interest in the railroad equipment (50 70-ton, 50' 6" General Purpose Box Cars, Road Numbers BM 79050 - BM 79099) described in the Agreement (said equipment being hereinafter called collectively the "Equipment" or "Units" and individually a "Unit"), the obligations of the Assignor under the Agreement being guaranteed by Rex-Noreco, Inc., a New Jersey corporation (hereinafter the "Guarantor"); and the Assignor has entered into a lease agreement dated as of November 30, 1978 with Robert W. Meserve and Benjamin H. Lacy, as Trustees of the Property of the Boston and Maine Corporation, Debtor, a Delaware corporation, providing for the lease of the Equipment on the terms and conditions therein set forth (hereinafter the "Lease Agreement"); and

WHEREAS, it is a condition to the obligations of the Assignor under the Agreement that the Assignor shall have executed and delivered this Assignment in order to assign and transfer to the Assignee, as collateral security, the security title, rights, and interests of the Assignor as lessor under the Lease Agreement in the Units, all upon and subject to the terms and conditions more fully set forth herein:

NOW, THEREFORE, WITNESSETH:

That in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to the Assignor, the receipt of which is hereby acknowledged, and the mutual covenants herein contained:

1. The Assignor hereby, effective as of the Closing Date as defined in the Agreement, assigns, transfers and sets over unto the Assignee, as collateral security for the payment and performance of the obligations of the Assignor under the Agreement, all the Assignor's right, title and interest, powers, privileges, and other benefits under the Lease Agreement, including, without limitation, the immediate right to receive and collect all rentals, profits, proceeds and other sums payable to or receivable by the lessor under or pursuant to the provisions of the Lease Agreement whether as rent, mileage credits, purchase prices, casualty payment, indemnity, liquidated damages, or otherwise (such moneys being hereinafter called the "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of a default specified in

the Lease Agreement, and to do any and all other things whatsoever which the lessor is or may become entitled to do under the Lease Agreement. In furtherance of the foregoing assignment, the Assignor hereby irrevocably authorizes and empowers the Assignee in its own name, or in the name of its nominee, or in the name of the Assignor or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the lessor is or may become entitled under the Lease Agreement, and to enforce compliance by the lessee with all the terms and provisions thereof.

The Assignee agrees to accept any Payments for the account of the lessor pursuant to the Lease Agreement. To the extent received, the Assignee will apply such Payments to satisfy the obligations of the Assignor under the Agreement and remit any balance to the Assignor in the manner and subject to the terms and conditions set forth in the Agreement.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify, the liability of the lessor under the Lease Agreement, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the lessor to the lessee under the Lease Agreement shall be and remain enforceable by the lessee, its successors and assigns, against, and only against, the lessor or persons other than the Assignee.

3. The Assignor will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease Agreement provides are to be performed by the lessor; without the written consent of the Assignee, the Assignor will not anticipate the rents under the Lease Agreement or waive, excuse, condone, forgive or in any manner release or discharge the lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease Agreement and the Assignor agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Assignor does hereby constitute the Assignee the Assignor's true and lawful attorney, irrevocably, with full power (in the name of the lessor, 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 Agreement to which the lessor is or may become entitled, to enforce compliance by the lessee with all the terms and provisions of the Lease Agreement, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take

any action or institute any proceedings which to the Assignee may deem to be necessary or advisable.

5. Upon the full discharge and satisfaction of all sums due from the Assignor to the Assignee under the Agreement, this Assignment and all rights herein assigned to the Assignee shall terminate, and all estate, right, title and interest of the Assignee in and to the Lease Agreement shall revert to the Assignor.

6. The Assignor will pay and discharge any and all claims, liens, charges or security interests (other than those created by the Agreement or this Assignment) on the Lease Agreement or the Payments due or to become due thereunder claimed by any party from, through or under the Assignor, or its successors and assigns (other than the Assignee), including tax liens arising out of the receipt of the income and proceeds from the Units, which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease Agreement or such Payments, but the Assignor shall not be required to pay or discharge any such claims, liens, charges or security interests so long as it is contesting the same in good faith by appropriate proceedings and the nonpayment thereof does not, in the opinion of the Assignee, adversely affect such interests of the Assignee.

7. The Assignor represents to the Assignee that the Lease Agreement is in full force and effect without default by the Assignor thereunder or, to the best of the Assignor's knowledge, by the lessee thereunder, and the Assignor has not, except for the Assignment dated as of March 9, 1979 by the Assignor to McDonnell Douglas Finance Corporation which will be terminated on or before the Closing Date as defined in the Agreement, executed, made or consented to any other assignment, pledge, encumbrance of, or security interest on, the subject matter of the assignment hereby made to the Assignee. The Assignor will, from time to time, execute, acknowledge and deliver any and all further instruments and assurances required by law or reasonably requested by the Assignee in order to confirm or further assure the interest of the Assignee hereunder.

8. The Assignee may assign all or any of the rights assigned to it hereby or arising under the Lease Agreement, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

9. This Assignment shall be governed by the laws of the State of New Jersey, but the parties shall be entitled to all rights conferred by 49 U.S.C. 11303.

10. The Assignor shall cause copies of all notices received in connection with the Lease Agreement and all payments hereunder to be promptly delivered or made to the Assignee at its


address set forth in Article 22 of the Agreement or at such other address as the Assignee shall designate.

11. The Assignee hereby agrees with the Assignor that the Assignee will not, so long as no default under the Agreement has occurred and is continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or remedies conferred by Paragraph 18 of the Lease Agreement upon the occurrence of a default by the lessee thereunder, without the prior consent of the Assignor.


IN WITNESS WHEREOF, the parties hereto, pursuant to due corporate authority, have caused this instrument to be executed in their respective corporate names by duly authorized officials, all as of the date first above written.

ATTEST:

REX RAILWAYS, INC., as Assignor



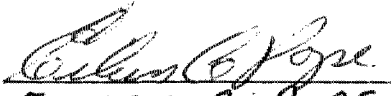
DAWN L. MADDOCK
ASST. SEC.

By 

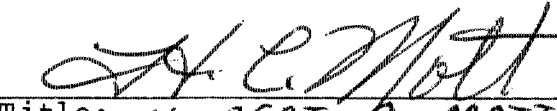
Title: MARK A. SALITAN, EX. V.P.

ATTEST:

UNITED JERSEY BANK, as Assignee



EILEEN C. POPE
ASST. SEC.

By 

Title: HUBERT E. MOTT, SR. V.P.

STATE OF NEW JERSEY)
) SS:
COUNTY OF BERGEN)

On this *10th* day of *Sept.*, 1979, before me personally appeared *Mark A. Salitan*, to me personally known, who being by me duly sworn, says that he is the *Ex. V.* President of Rex Railways, Inc., that said instrument was signed on behalf of said corporation by authority to its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

~~(seal)~~

Joseph A. Rizzi
(Title of Officer)

~~My commission expires~~ _____

JOSEPH A. RIZZI
Attorney at Law of
New Jersey

STATE OF NEW JERSEY)
) SS:
COUNTY OF BERGEN)

On this *10th* day of *Sept.*, 1979, before me personally appeared *Hubert C. Mott*, to me personally known, who being by me duly sworn, says that he is the *Sr. V.* President of United Jersey Bank, that said instrument was signed on behalf of said corporation by authority to its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

~~(seal)~~

Joseph A. Rizzi
(Title of Officer)

~~My commission expires~~ _____

JOSEPH A. RIZZI
Attorney at Law of
New Jersey

CONSENT AND AGREEMENT

The undersigned, Robert W. Meserve and Benjamin H. Lacy, as Trustees of the Property of the Boston and Maine Corporation, Debtor, a Delaware corporation (hereinafter called the "Lessee"), the lessee named in the Lease Agreement referred to in the foregoing Lease Agreement Assignment (hereinafter called the "Lease Assignment"), hereby (a) acknowledge receipt of a copy of the Lease Assignment, and agree that:

(1) the Lessee will pay all rentals, casualty payments, purchase prices, liquidated damages, indemnities and other moneys provided for in the Lease Agreement (which moneys are hereinafter called the "Payments") due and to become due under the Lease Agreement or otherwise in respect of the Units leased thereunder, ~~without any set-off, abatement, counterclaim, deduction or defense whatsoever,~~ directly to United Jersey Bank (hereinafter called the "Assignee"), the assignee named in the Lease Assignment, at the Assignee's address referred to in the Lease Assignment, namely, 750 Palisade Avenue, Englewood Cliffs, New Jersey;

*BHJ
PJM
BHM*

(2) the Assignee shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease Agreement as though the Assignee were named therein as the Lessor;

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

(4) the Lease Agreement shall not, without the prior written consent of the Assignee, be terminated or modified, nor shall any action be taken or omitted by the Lessee, the taking or omission of which might result in an alteration or impairment of the Lease Agreement or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

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

Accepted as of the day of *9th October*, 1979
UNITED JERSEY BANK,
Assignee

Robert W. Meserve
_____, as
Trustee, not individually

By *A. C. Mott*

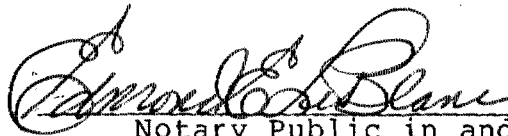
Title: *S. Vicepres*

Benjamin H. Lacy
_____, as
Trustee, not individually

STATE OF *Mass.*)
) SS:
COUNTY OF *Suffolk*)

On this *27th* day of *Sept.*, 1979, before me personally appeared before me ROBERT W. MESERVE and BENJAMIN H. LACY, to me known to be the persons named in and who executed the foregoing instrument and each of whom acknowledged that he executed the same as his free act and deed as trustee as aforesaid.

(seal)



Notary Public in and
for said County and State

My commission expires *June 6, 1986*

STATE OF NEW JERSEY)
) SS:
COUNTY OF BERGEN)

On this *9th* day of *October*, 1979, before me personally appeared *Hubert C. Mott*, to me personally known, who being by me duly sworn, says that he is the *Sr. Vice* President of United Jersey Bank, that said instrument was signed on behalf of said corporation by authority to its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(seal)



(Title of Officer)

KATHLEEN A. MATZURA
A Notary Public of New Jersey
My Commission Expires July 29, 1984

My commission expires