

7761

RECORDATION NO. _____ Filed & Recorded

JAN 9 1975 10 30 AM

CHATTEL MORTGAGE

(Railroad Equipment Security Agreement)

THIS CHATTEL MORTGAGE dated as of December 18, 1974, from UNITED STATES RAILWAY LEASING COMPANY, an Illinois corporation, with its principal offices at 2200 East Devon Avenue, Des Plaines, Illinois, (the "Mortgagor") to CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Agent, a national banking association organized and existing under the laws of the United States of America with its principal offices at 231 South LaSalle Street, Chicago, Illinois (the "Mortgagee" or "Agent").

W I T N E S S E T H:

WHEREAS, the Mortgagor is justly indebted to one or more or all of the lending institutions (the "Lenders") named in that certain letter agreement dated or to be dated December 18, 1974 ("Purchase Agreement") among Mortgagor, Mortgagee as Agent and such Lenders in an aggregate principal amount not to exceed \$25,000,000 as evidenced by the Equipment Promissory Notes, Issue W, of the Mortgagor (the "Notes") payable to the order of the Mortgagee, which are expressed to be issued under and secured by this Chattel Mortgage, and

WHEREAS, said Notes and the principal and interest thereon and any and all extensions or renewals thereof in whole or in part and all other sums at any time due or owing from or required to be paid by the Mortgagor under the terms hereof or of said Notes are hereinafter referred to as "indebtedness hereby secured".

NOW, THEREFORE, the Mortgagor, to secure the payment of all the indebtedness hereby secured and the performance and observance of all the covenants and agreements in said Notes or in this Mortgage provided to be performed or observed by the Mortgagor, does hereby grant, bargain, sell, convey, confirm, transfer, mortgage and set over unto the Mortgagee, its successors and assigns, forever, and does hereby grant to the Mortgagee a security interest in, all and singular the following described properties, rights and interests, and all of the estate, right, title and interest of the Mortgagor therein, whether now owned or hereafter acquired (all of which property, rights and interests hereby transferred, conveyed and mortgaged or intended so to be is hereinafter collectively referred to as the "mortgaged property") that is to say:

DIVISION I

1,393 railroad cars bearing, respectively, the car reporting marks and being leased by Mortgagor under the leases ("Leases") delivered to the respective lessees ("Lessees"), all as set forth and more fully described in Schedule I hereto.

DIVISION II

All accessories, equipment, parts and appurtenances appertaining or attached to any of the equipment hereinabove described, whether now owned or hereafter acquired, and all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to any and all of said equipment, including all additions thereto which are now or shall hereafter be incorporated therein, together with all the rents, issues, income, profits and avails thereof.

SUBJECT, HOWEVER, to all the rights, powers, title and interest of the respective Lessees under the Leases.

TO HAVE AND TO HOLD said mortgaged property unto the Mortgagee, its successors and assigns, forever, for the uses and purposes herein set forth; provided, however, that if the Mortgagor performs the covenants herein and pays to the Mortgagee, its successors or assigns, the full amount of both principal of and interest on the indebtedness hereby secured then this instrument shall be and become void and of no further force and effect; otherwise this Mortgage to remain in full force and effect.

SECTION 1. COVENANTS AND WARRANTIES:

The Mortgagor covenants, warrants and agrees as follows:

1.1 The Mortgagor is the owner and is lawfully seized and possessed of the mortgaged property and has good right, full power and authority to convey, transfer and mortgage the same to the Mortgagee; and such property is free from any and all liens and encumbrances prior to or on parity with or to junior the lien of this Chattel Mortgage (excepting only any lien for ad valorem taxes not now in default, and the right, title and interest of Lessees under the Leases) and the Mortgagor will warrant and defend the title thereto against all claims and demands whatsoever (except those of the Lessees or parties claiming by or through the Lessees under the Leases).

1.2 The Mortgagor will do, execute, acknowledge, and deliver all and every further acts, deeds, conveyances, transfer and assurances necessary or proper for the better assuring, conveying, assigning and confirming unto the Mortgagee all of the mortgaged property, or property intended so to be, whether now owned or hereafter acquired.

1.3 The Mortgagor will promptly pay the indebtedness hereby secured as and when the same or any part thereof becomes due (whether by lapse of time, declaration, demand or otherwise).

1.4 Subject to the rights and obligations of the Lessees under the Leases to maintain the equipment covered thereunder the Mortgagor will maintain, preserve and keep or will cause the mortgaged property and each and every part thereof to be maintained, preserved and kept in safe and good repair, working order and condition, and will from time to time make or cause to be made all necessary and proper repairs, renewals, and replacements so that the value and efficiency of such property shall not be impaired.

1.5 The Mortgagor will from time to time duly pay and discharge or cause to be paid and discharged all taxes, assessments and governmental charges lawfully imposed upon or against the mortgaged property or any part thereof, and will not suffer to exist any mechanics', laborers', statutory or other lien on the mortgaged property or any part thereof; provided, however, that nothing herein contained shall be deemed to require the Mortgagor to pay any tax, assessment, charge or lien, or any claim or demand of mechanics, laborers or others, prior to the due date thereof, or to require the Mortgagor to pay or discharge any tax, assessment, lien, claim or charge (whether or not due or delinquent) the validity or amount of which is being contested in good faith by appropriate proceedings and which has been adequately reserved against.

1.6 The Mortgagor will at its own expense duly comply with and perform all the covenants and obligations of the Mortgagor under the Leases and will at its own expense seek to cause the Lessees to comply with and observe all the terms and conditions of the Leases and, without limiting the foregoing, at the request of the Mortgagee, the Mortgagor will at its own expense take such action with respect to the enforcement of the Leases, and the duties and obligations of the Lessees thereunder, as the Mortgagee may from time to time direct; provided that the Mortgagor shall not have any right to settle, adjust, compound or compromise any claim against the Lessees under the Leases without the prior written consent of the Mortgagee. Mortgagor at its sole cost will appear and defend every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of Mortgagor as lessor under the Leases.

1.7 The Mortgagor shall not, without the prior consent of the Mortgagee, which consent will not be unreasonably withheld or delayed, take any action to terminate, modify or accept a surrender of any Lease or consent to the creation or existence of any mortgage, security interest, or other lien on the Lease, the rentals due thereunder, or any of the mortgaged property.

1.8 The Mortgagor will furnish to the Mortgagee such information respecting the financial condition of the Mortgagor and its business and operations, including annual audit statements certified by public accountants, as the Mortgagee shall from time to time reasonably request.

1.9 If the Mortgagor shall fail to observe and perform any of the covenants set forth in this Section 1, the Mortgagee may advance sums to, and may perform the same and all advances made by the Mortgagee shall, with interest thereon at the rate then provided in the Notes or 10% per annum, whichever is higher, constitute part of the indebtedness hereby secured and shall be payable forthwith; but no such act or expenditure by the Mortgagee shall relieve the Mortgagor from the consequence of any default.

1.10 It shall be lawful for the Mortgagor to retain possession of the mortgaged property and at its own expense to keep and use the same, until an event of default shall occur hereunder as hereinafter defined.

SECTION 2. APPLICATION OF PROCEEDS OF LEASES, CERTAIN
PREPAYMENTS AND APPLICATION OF PAYMENTS

2.1 The Mortgagor has executed and delivered to Mortgagee an Assignment of Lease in the form and text attached hereto as Schedule II, dated on or prior to the date hereof ("Assignment") with respect to each of the Leases, under which the Mortgagor assigns or transfers unto Mortgagee, its successors and assigns, as further security for the indebtedness hereby secured, each such Lease and all rentals and other sums due and to become due thereunder provided that unless and until an event of default under Section 3 hereof has occurred and is continuing, all rentals and other sums from time to time payable on account of such Lease shall be paid to and be received by Mortgagor. If an event of default under Section 3 hereof, has occurred and is continuing, all rentals and other sums from time to time payable on the Leases shall be paid to and received by the Mortgagee pursuant to the Assignment, and shall be applied in the manner set forth in Section 3.3 hereof.

2.2 Without regard to whether an event of default under Section 3 hereof has occurred and is continuing, Mortgagor agrees that it will pay over to Mortgagee all monies ("settlement monies") paid to it pursuant to a Lease as settlement for the loss, theft, destruction, or damage beyond repair of any car or cars leased thereunder as follows: commencing with the first settlement from and after the date hereof relating to any car covered by a Lease, Mortgagor will retain and accumulate the monies received from a settlement or succeeding settlements under any or all of the Leases until such time as the Mortgagor has accumulated an amount in excess of \$50,000.00 at which time all such settlement monies then held by the Mortgagor will be applied against the indebtedness due under the Notes as hereinafter provided. The foregoing procedure for accumulating and paying over settlement monies in excess of \$50,000.00 shall be repeated from time to time until all indebtedness due under the Notes has been paid in full. Mortgagee shall apply each payment of settlement monies on the next succeeding interest installment payment date to the prepayment of principal of the Notes. Such prepayment of principal shall be applied pro rata on the Notes. The Mortgagor shall promptly transmit to Mortgagee any notice or information it receives concerning loss, theft, destruction or damage to cars covered by a Lease requiring settlement payment under such Lease. With respect to all cars for which Mortgagee has received all settlement monies paid to the Mortgagor as required by a lease, Mortgagee shall execute and deliver to Mortgagor, if requested, a release of the lien of this Mortgage with respect to such car or cars.

SECTION 3. DEFAULTS AND OTHER PROVISIONS:

3.1 The term "event of default" for the purpose hereof shall mean any one or more of the following:

- (a) Default for a period of ten days in the payment of interest on the Notes;
- (b) Default in the payment of the Notes at maturity, whether by acceleration or otherwise;
- (c) Default in the due observance or performance of any other covenant, condition or agreement required to be observed and performed by the Mortgagor in the Purchase Agreement, the Notes, the Assignment, or this Mortgage or by the Guarantor under the Guaranty (as defined in the Purchase Agreement) of the Notes and continuance of such default for a period of thirty days after notice thereof has been given to Mortgagor or such Guarantor, as the case may be;
- (d) The service of notice on Mortgagor by Agent upon written authorization of the Lenders of 66 2/3% in principal amount of the outstanding Notes that Evans Products Company ("Evans") is in default in the due observance or performance of any covenant or agreement on its part made or to be performed under the Evans Guaranty (as defined in the Purchase Agreement), it being understood and agreed that Mortgagee shall not be deemed to have waived its rights to serve notice as above provided or any other rights hereunder if such notice is not served promptly upon the occurrence of such default by Evans or is served at any time after the occurrence of such default by Evans if at the time of such service of notice the default by Evans is continuing and has not been cured.
- (e) Any representation or warranty made by the Mortgagor or Evans to the Mortgagee in writing herein or in the Purchase Agreement, or in the Assignment or in any statement or certificate furnished by the Mortgagor or Evans to the Mortgagee in connection with the making of any loan or loans evidenced by the Notes, proves untrue in any material respect as of the date of the issuance or making thereof;
- (f) The entry of a decree or order by a court having jurisdiction in the premises adjudging the Mortgagor a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Mortgagor, under the Federal

Guarantor or Evans,

or the Note Agreement between The Prudential Insurance Company of America ("Prudential") and Evans providing for the borrowing by Evans from Prudential of \$100,000,000

Bankruptcy Act or any other applicable Federal or State law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Mortgagor, or of any substantial part of its property, or ordering the winding up or liquidation of its affairs; and the continuance of any such decree or order unstayed and in effect for a period of thirty (30) consecutive days;

Guarantor or Evans

- (g) The institution by the Mortgagor, of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Act or any other applicable Federal or State law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Mortgagor or of any substantial part of its property, or the making by the Mortgagor of an assignment for the benefit of creditors, or the admission in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Mortgagor, in furtherance of any such action;

3.2 When any such event of default has happened and is continuing, the Mortgagee may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

- (a) The Mortgagee may, by notice in writing to the Mortgagor, declare the entire unpaid balance of the Notes to be immediately due and payable; and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable;
- (b) Subject always to then existing rights, if any, of the Lessees under the Leases, the Mortgagee, personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to

take immediate possession of the mortgaged property, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Mortgagor, with or without notice, demand, process of law or legal procedure, and search for, take possession of, remove, keep and store the same, or use and operate the same until sold; it being understood, without limiting the foregoing, that the Mortgagee may, and is hereby given the right and authority to, keep and store said mortgaged property, or any part thereof, on the premises of the Mortgagor, and that the Mortgagee shall not thereby be deemed to have surrendered, or to have failed to take, possession of such mortgaged property;

- (c) Subject always to then existing rights, if any, of the Lessees under the Leases, the Mortgagee may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Mortgagor once at least 10 days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of said mortgaged property, or any part thereof, at public auction or private sale to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Mortgagee may determine, and at any place (whether or not it be the location of the mortgaged property or any part thereof) designated in the notice above referred to. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further published notice; and the Mortgagee or the holder or holders of the Notes, or of any interest therein, may bid and become the purchaser at any such sale;

- (d) The Mortgagee may proceed to protect and enforce this Mortgage and the Notes by suit or suits or proceedings in equity, at law or in pending bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the mortgaged property or any part thereof, for the recovery of judgment for the indebtedness hereby secured, or for the enforcement of any other proper legal or equitable remedy available under applicable law;
- (e) The Mortgagee may proceed to exercise in respect of the Leases and the property covered thereby and the duties, obligations and liabilities of the Lessees thereunder, all rights, privileges and remedies in said Leases or by applicable law permitted or provided to be exercised by the Mortgagor, and may exercise all such rights and remedies either in the name of the Mortgagee or in the name of the Mortgagor for the use and benefit of the Mortgagee. Without limiting any of the other terms of this Mortgage or of the Assignment, it is acknowledged and agreed by the Mortgagor that the Assignment shall be deemed to give and assign to and vest in the Mortgagee all the rights and powers in this paragraph (e) provided for;
- (f) The Mortgagee may sell the rentals reserved under any or all of the Leases, and all right, title and interest of the Mortgagee as assignee thereof, at public auction to the highest bidder and either for cash or on credit, the Mortgagee to give the Mortgagor 10 days' prior written notice of the time and place of holding any such sale, and provided always that the Mortgagee shall also comply with any applicable mandatory legal requirements in connection with such sale.

3.3 If the Mortgagee shall be receiving or shall have received monies pursuant to the Assignment, it may from time to time, but no less frequently than on the next succeeding quarterly interest payment date, apply such monies against the next succeeding installment of interest and then against principal due on the Notes, or if pro-

ceedings have been commenced for the sale of the mortgaged property then all sums so received and the purchase money proceeds and avails of any sale of the mortgaged property or any part thereof, and the proceeds and avails of any other remedy hereunder, or other realization of the security hereby given, and the proceeds of any sale pursuant to subparagraph (f) of Section 3.2 hereof, shall be applied:

- (a) First, to the payment of the costs and expenses of the sale, proceeding or other realization, including all costs and expenses and charges for pursuing, searching for, taking, removing, keeping, storing, advertising and selling such mortgaged property or, as the case may be, said rentals, the reasonable fees and expenses of the attorneys and agents of the Mortgagee in connection therewith, and to the payment of all taxes, assessments, or similar liens on the mortgaged property which may at that time be superior to the lien of this Mortgage (unless such sale or other realization is subject to any such superior lien);
- (b) Second, to the payment of all advances made hereunder by the Mortgagee pursuant to Section 1.9 hereof, together with all interest therefor;
- (c) Third, to the payment of the whole amount remaining unpaid on the Notes, both for principal and interest, and to the payment of any other indebtedness of the Mortgagor hereunder or secured hereby, so far as such proceeds may reach;
- (d) Fourth, to the payment of the surplus, if any, to the Mortgagor, or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

The Mortgagee shall not be liable for interest on any sums held by it pursuant to this Paragraph 3.3. If there be a deficiency, the Mortgagor shall remain liable therefor and shall forthwith pay the amount of any such deficiency to the Mortgagee.

3.4 Any sale or sales pursuant to the provisions hereof, whether under the power of sale granted hereby or pursuant to any legal proceedings, shall operate to divest the Mortgagor of all right, title, interest, claim and demand whatsoever, either at law or in equity, of, in and to the mortgaged property so sold, and shall be free and clear of any and all rights of redemption by, through or under the

Mortgagor, the Mortgagor hereby covenanting and agreeing that it will not any any time insist upon or plead, or take the benefit or advantage of or from, any law now or hereafter in force providing for a valuation of appraisalment of the mortgaged property prior to any sale or sales thereof or providing for any right to redeem the mortgaged property or any part thereof. The receipt by the Mortgagee, or by any person authorized under any judicial proceeding to make any such sale, shall be a sufficient discharge to any purchaser of the mortgaged property, or of any part thereof, sold as aforesaid; and no such purchaser shall be bound to see to the application of such purchase money, or be bound to inquire as to the authorization, necessity or propriety of any such sale. In the event at any such sale the holder or holders of the Notes is or are the successful purchaser or purchasers, such holder or holders of said Notes shall be entitled, for the purpose of making settlement or payment, to use and apply said Notes by crediting thereon the amount apportionable and applicable thereto out of the net proceeds of such sale.

SECTION 4. RELEASE OF EQUIPMENT:

4.1 Upon request of Mortgagor at any time and from time to time Mortgagee shall without the prior consent of the Lenders, execute and deliver to Mortgagor a release and/or any other documents reasonably requested by Mortgagor releasing, assigning and transferring to Mortgagor or any other parties designated by Mortgagor, all right, title and interest of the Mortgagee hereunder in and to any of the mortgaged property provided that (a) the mortgaged property to be so released shall be all, but not less than all, of the mortgaged property covered by any one lease and the loan value, as hereinafter defined, of all mortgaged property remaining subject to this Mortgage shall not be less than the aggregate amount of all principal then due and owing on all notes theretofore issued by the Mortgagor which are secured by this Mortgage or (b) Mortgagor has substituted for the mortgaged property to be released other mortgaged property, all as provided and in accordance with the requirements of Section 4.2 hereof. The loan value of the mortgaged property as used in this Section 4 shall be deemed to equal 80% of the manufacturer's cost thereof as set forth in Schedule I hereto.

4.2 At any time and from time to time Mortgagor shall have the right to substitute for the mortgaged property other railroad rolling stock owned by the Mortgagor, provided that as of the date thereof (a) the AAR destroyed value classification of the property to be substituted is equal to or greater than that of the mortgaged property for which it is to be substituted, (b) the AAR classification of such substituted equipment provides that the per diem or mileage earnings applicable to such substituted equipment is equal to or greater than that of the mortgaged property for which it is to be substituted, (c) such equipment is subject to a lease, the term of which expires after January 31, 1976,

except that for each unit of mortgaged property not manufactured by U. S. Railway Mfg. Co., the loan value shall equal 80% of the selling price thereof

and containing other terms not less favorable to the lessor

and which provides for a rental per car per day equal to or greater than that of the equipment for which it is to be substituted, (d) the Mortgagee is satisfied with the financial stability of the lessee of such equipment, and (e) Mortgagor shall provide Mortgagee with all documents provided in the Purchase Agreement, which documents are therein provided for any closing, such as bills of sale, opinions of counsel and certificates together with any security agreements supplemental hereto and all other documents and things reasonably requested by Mortgagor or its counsel to properly effectuate the substitution of such equipment.

SECTION 5. MISCELLANEOUS:

5.1 Any notice provided for hereby or by any applicable law to be given to the Mortgagor shall be in writing and shall be deemed to have been given when delivered personally or when deposited in the United States mail, registered, postage prepaid, addressed to the Mortgagor at its address set forth at the beginning of this Mortgage.

5.2 The failure or delay of the Mortgagee to insist in any one or more instances upon the performance of any of the terms, covenants or conditions of this Mortgage, or to exercise any right, remedy or privilege herein conferred, shall not impair, or be construed as there- after waiving any such covenants, remedies, conditions or provisions; but every such term, condition and covenant shall continue and remain in full force and effect. Nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Mortgage operate to prejudice, waive or affect the security of this Mortgage or any rights, powers or remedies hereunder; nor shall the Mortgagee be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

5.3 The unenforceability or invalidity of any provision or provisions of this Mortgage shall not render any other provision or provisions herein contained unenforceable or invalid.

5.4 All the covenants, stipulations, promises, undertakings and agreements herein contained by or on behalf of the Mortgagor shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

IN WITNESS WHEREOF, the Mortgagor has caused its corporate name to be hereunto subscribed and its corporate

seal to be hereunto affixed by its officers thereunto duly authorized all as of the day and year first above written.

UNITED STATES RAILWAY LEASING COMPANY

By: Ralph E Bell
Vice President

(Corporate Seal)

ATTEST:

[Signature]
Assistant Secretary

ACCEPTED:

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO, As Agent

By: [Signature]
Vice President

(Corporate Seal)

ATTEST:

[Signature]
Operations Officer

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

On this 30 day of December, 1974, before me personally appeared Ralph E. Bell and Paul P. Leak to me personally known, who being by me duly sworn, say that they are, respectively, the Vice President and Assistant Secretary of UNITED STATES RAILWAY LEASING COMPANY, an Illinois corporation, that the seal 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 they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Barbara J. Hudson
Notary Public

My Commission expires 7-1-76

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

On this 31st day of December, 1974, before me personally appeared BARRY J. SCHEURING and M. I. HEDSTROM to me personally known, who being by me duly sworn, say that they are, respectively, the Vice President and Operations Officer of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, that the seal affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Eileen Hudson
Notary Public

My Commission expires 9-22-78

SCHEDULE I

DESCRIPTION OF CARS AND LEASES

<u>TYPE OF CAR</u>	<u>QUANTITY</u>	<u>LESSEE</u>	<u>LEASE DATE</u>	<u>TERM (YEARS)</u>	<u>CAR NUMBERS (BOTH INCLUSIVE)</u>	<u>TOTAL MANUFACTURERS COST</u>
50'16" XM Boxcars	350	Chicago, Milwaukee & St. Paul Railroad Company	3/18/74, amended 12/19/74	15	Milw. 50,150 - 50,499	\$7,904,000
70 ton RBL Boxcars	250	British Columbia Railway Co.	7/16/73	5	BCIT 800400 - 800649	5,754,000
70 ton RBL Boxcars	50	Minneapolis, Northfield & Southern Railway	10/9/74	10	MNS 50033 - 50082	1,508,000
70 ton RBL Boxcars	15	Minneapolis, Northfield & Southern Railway	2/5/74	10	MNS 571 - 585	394,000
70 ton RBL Boxcars	20	Minneapolis, Northfield & Southern Railway	7/17/74	10	MNS 50013, - 50032	603,000
100 ton 4750 cubic ft. covered hopper cars	50	Minneapolis, Northfield & Southern Railway	2/4/74	10	MNS 3001 - 3050	1,118,000 * <u>7761</u>
50'16" XM Boxcars	150	The Pickens Railroad Co.	3/11/74	15	PICK 50000 - 50149	2,536,000 <u>7544</u>
70 ton RBL Boxcars	40	Tillie Lewis Foods, Inc.	5/2/74	5	USLX 11498 - 11537	1,183,000 <u>7658</u>
70 ton RBL Boxcars	20	Pet, Inc.	3/4/74	1	USLX 11125 - 11144	603,000
70 ton RBL Boxcars	3	Northwest Hardwoods, Inc.	2/21/74	7.5	USLX 13150 - 13152	81,000
70 ton RBL Boxcars	3	Northwest Hardwoods, Inc.	5/10/74	7.5	USLX 13153 - 13155	87,000

<u>TYPE OF CAR</u>	<u>QUANTITY</u>	<u>LESSEE</u>	<u>LEASE DATE</u>	<u>TERM (YEARS)</u>	<u>CAR NUMBERS (BOTH INCLUSIVE)</u>	<u>TOTAL MANUFACTURERS COST</u>
100 ton 4750 cubic ft. covered hopper cars	100	Bunge Corporation	7/5/74	5	USLX 7818 - 7917	1,914,000
100 ton 4750 cubic ft. covered hopper cars	25	St. Louis Refrigerator Car Company	9/16/74	10	MRS 16000 - 16024	508,000
100 ton 4750 cubic ft. covered hopper cars	15	Frank Brothers Feed & Grain Co.	2/4/74	7.5	USLX 7520 - 7534	286,000
100 ton 4750 cubic ft. covered hopper cars	100	National Farmers Organization	1/8/74	5	USLX 7290 - 7389	2,131,000 *
100 ton 4750 cubic ft. covered hopper cars	12	Farmers Equity Elevator Company	2/1/74	7.5	USLX 4800 - 4811	257,000 *
100 ton 4750 cubic ft. covered hopper cars	190	National Farmers Organization	6/12/73	5	USLX 7100 - 7289	3,386,000
	<u>1393</u>					<u>\$30,253,000</u>

* Purchased for amount shown

ASSIGNMENT OF LEASE

WHEREAS, UNITED STATES RAILWAY LEASING COMPANY, a corporation of the State of Illinois (hereinafter referred to as "United"), and _____

_____ (hereinafter referred to as "Lessee"), have entered into a lease (herein called the "Lease") dated _____, providing for the lease by United to the Lessee of _____,

cars, therein described (hereinafter referred to as the "Cars"); and

WHEREAS, the Lease was recorded pursuant to the provisions of Section 20c of the Interstate Commerce Act, as amended, on _____, and was assigned recordation number _____; and

WHEREAS, CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, As Agent (hereinafter referred to as "Agent"), at 231 South La Salle Street, Chicago, Illinois 60693, has agreed to act as agent under a certain Chattel Mortgage ("Security Agreement") dated as of December 18, 1974, securing the loan of certain monies to United evidenced by United's Notes and United has agreed to assign all of its right, title and interest in and to the Lease to Agent as additional security for the Notes all as set forth in the Security Agreement.

NOW, THEREFORE, for value received and upon the terms and conditions hereinafter set forth:

1. United does hereby sell, assign, transfer and set over to Agent all of the right, title and interest of United in and to the rentals and all other amounts payable by the Lessee or any other person, firm or corporation with respect to the Cars or under the Lease, except that any amount so payable shall continue to be paid to and received by United until and unless Agent or its successors or United shall notify the Lessee or any successor to its interest that an Event of Default has occurred under the terms and provisions of the Security Agreement and that payments are thereafter to be made to Agent, or its successors; and in furtherance of this Assignment and transfer, United does hereby authorize and empower Agent in the event of notice of a default as aforesaid, in its own name to sue for, collect, receive and enforce all payments to be made to United by the Lessee under and in compliance on the part of the Lessee with the terms and provisions of the Lease, to exercise all of the rights of United under any of the provisions of the Lease, and in its discretion to take any action under the Lease or with respect to the Cars as United could have taken thereunder if it had not assigned and transferred its rights therein, provided that nothing herein shall obligate Agent to take any action under the Lease or in respect of the Cars.

and the Lease (subject to this Assignment and the rights of the Lessee under the Lease)

2. United warrants and covenants (a) that on the date hereof title to the Cars is vested in United, that it has good and lawful right to sell and assign the same as provided in the Security Agreement and herein and that its right and title thereto is free from all liens and encumbrances, subject, however, in each case to the rights of the Lessee under the Lease and to the rights of the assignee hereunder; and (b) that notwithstanding this Assignment, it will perform and comply with each and all of the covenants and conditions in the Lease set forth to be complied with by United. United will cause notice of this Assignment forthwith to be given to the Lessee (together with a copy of this Assignment).

3. United represents and warrants that the Lease has been duly authorized and executed by it and covenants that it will, from time to time, at the request of Agent, make, execute and deliver all such further instruments of assignment, transfer and assurance and do such further acts and things as Agent may reasonably request to give effect to the provisions hereof and to confirm the right, title and interest hereby assigned and transferred to Agent or intended so to be.

4. Pursuant to the terms of the Security Agreement and this Assignment, United shall not without the prior consent of Agent:

- (a) terminate, modify or accept a surrender of, or offer or agree to any termination, modification, or surrender of, the Lease (except as otherwise expressly provided in the Security Agreement) or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease; or
- (b) receive or collect or permit the receipt or collection of any rental payment under the Lease prior to the date for payment thereof provided for by the Lease or assign, transfer or hypothecate (other than to the Agent under the Security Agreement) any rent payment then due or to accrue in the future under the Lease in respect of the Cars; or
- (c) sell, mortgage, transfer, assign or hypothecate (other than to Agent under the Security Agreement) its interest in the Cars or any part thereof or in any amount to be received by it from the use or disposition of the Cars.

5. Upon full discharge and satisfaction of all indebtedness secured by the Security Agreement, the assignment made hereby shall terminate and all estate, right, title and interest of Agent in and to the Lease shall cease and revert

to United. Agent agrees that upon satisfaction of the indebtedness as aforesaid or upon proper request by United pursuant to Section 4 of the Security Agreement, it will execute and deliver to United a release or reassignment of its interest hereunder as United may request.

IN WITNESS WHEREOF, United has caused this instrument to be executed by its proper officers thereunto duly authorized and its corporate seal to be hereunto affixed, as of the 18th day of December, 1974.

UNITED STATES RAILWAY LEASING COMPANY

By: _____ Vice President

ATTEST:

Assistant Secretary

ACCEPTED:

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO, as
Agent under the Security Agreement
and the Purchase Agreement referred
to therein

By: _____ Vice President

Attest:

Operations Officer

