

RECORDATION NO. **8188** Filed & Recorded

JAN 22 1976 - 10 55 AM

INTERSTATE COMMERCE COMMISSION

CHATTEL MORTGAGE

(Railroad Equipment Security Agreement)

THIS CHATTEL MORTGAGE dated as of January 19, 1976, from UNITED STATES RAILWAY LEASING COMPANY, an Illinois corporation, with its principal offices at 2200 East Devon Avenue, Des Plaines, Illinois, (herein called 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 (herein called the Mortgagee or Agent).

W I T N E S S E T H:

WHEREAS, the Mortgagor, pursuant to the Revolving Credit Agreement dated or to be dated as of January 19, 1976 (herein as the same may be amended from time to time called the Credit Agreement) among Mortgagor, Mortgagee as Agent and the banks parties thereto (herein called the Banks) has been granted a revolving line of credit in an aggregate principal amount not to exceed \$20,000,000 at any one time to be evidenced by the promissory notes of the Mortgagor (herein called the Notes) payable respectively to the order of each Bank, which are expressed to be issued under and secured by this Chattel Mortgage; and

WHEREAS, the Notes and the principal and interest thereon and any and all extensions or renewals thereof in whole or in part and all other sums now or hereafter due or owing from or required to be paid by the Mortgagor under the terms hereof, the Credit Agreement or of the 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 the Credit Agreement, the Notes and 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

All railroad cars bearing, respectively, the car reporting marks and being leased by Mortgagor under the leases (herein called Leases) delivered to the respective lessees (herein called Lessees), all as set forth and more fully described in Schedule A attached hereto and in each and every Schedule A appurtenant to any Supplement to this Mortgage in the form of Schedule B hereto (herein called a Supplemental Mortgage) added pursuant to the terms of Section 4.2 hereof.

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 at a time when the Credit (as defined in the Credit Agreement) has expired, 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, on a parity with, or junior to 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, transfers 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 settle, adjust, compound or compromise any claim against the Lessees under the Leases without the prior written consent of the Mortgagee, which consent shall not be unreasonably withheld or delayed. 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 If the Mortgagor shall fail to observe and perform any of the covenants set forth in this Section 1, the Mortgagee may but need not 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.

1.9 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. ASSIGNMENTS OF LEASE AND APPLICATION OF PROCEEDS OF LEASES

2.1 The Mortgagor has or will have executed and delivered to Mortgagee an Assignment of Lease in the form and text attached hereto as Schedule C (herein called an Assignment of Lease), 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 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 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.

SECTION 3. DEFAULTS AND OTHER PROVISIONS:

3.1 The term "Event of Default" for the purpose hereof shall mean "an event of default" as defined in the Credit Agreement.

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) 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 cause Mortgagor to

assemble the mortgaged property in one location chosen by Mortgagee, 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;

(b) Subject always to then existing rights, if any, of the Lessees under the Leases, the Mortgagee may, if at any 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 (including, without limitation, on credit) 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;

(c) 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;

(d) 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 of Leases, it is acknowledged and agreed by the Mortgagor that the Assignment of Leases shall be deemed to give and assign to and vest in the Mortgagee all the rights and powers in this paragraph (d) provided for;

(e) The Mortgagee may sell (including, without limitation, on credit) 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 of Leases, it may from time to time, but no less frequently than on the next succeeding quarterly interest payment date, apply such monies first against any costs or expenses of any and all kinds it may have incurred pursuant to exercising its rights under subsection 3.2(e) hereof and thereafter against the next succeeding installment of interest and then against principal due on the Notes, or, if proceedings 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 (e) of Section 3.2 hereof, shall be applied:

(a) First, to the payment of the costs and expenses referred to in the introductory paragraph of this subsection 3.3 above and 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 Mortgage 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 1.8 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 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 Banks 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 (b) after giving effect to such release the Mortgagor will have complied with the provisions of Section 4.3 of the Credit Agreement, and if such release is pursuant to a substitution of other mortgaged property for the mortgaged property being so released as permitted by Section 4.2 hereof, such substitution of new mortgaged property shall comply with the terms of Section 4.2 hereof.

4.2. At any time and from time to time Mortgagor shall have the right, by mortgages supplemental hereto, to substitute for the mortgaged property other railroad rolling stock owned

by the Mortgagor or add additional railroad rolling stock owned by the Mortgagor as additional security hereunder, provided that as of the date thereof (i) in the case of equipment to be substituted, such equipment is subject to a lease, the term of which expires one year or more from the date of such contemplated substitution and which lease provides for a rental per car per day equal to or greater than that of the equipment for which it is to be substituted and contains other terms in the opinion of the holders of 66-2/3% of the principal outstanding amount of the Notes not less favorable to the lessor), and the Mortgagee is satisfied with the financial stability of the lessee of such equipment, and (ii) in the case of equipment to be substituted or to be added, Mortgagor shall provide Mortgagee with all documents provided in subsections 9.3 and 9.4 of the Credit Agreement, and all other documents and things reasonably requested by Mortgagor or its counsel to properly effectuate the substitution or addition of such equipment. In the event that the Company elects to add any cars as additional security hereunder rather than make a mandatory prepayment in order to comply with the provisions of Subsection 4.3 of the Credit Agreement because cars constituting mortgaged property have ceased to qualify as Eligible Cars (as defined in the Credit Agreement), the cars so added shall be deemed to be substituted for the cars so disqualified for the purposes of applying the requirements of this subsection 4.2.

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 thereafter 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:

Paul J. Williams
Assistant Secretary

ACCEPTED:

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

By: L. O. Fried
Vice President

(Corporate Seal)

ATTEST:

George R. Prince
Operations Officer

COMMERCIAL BANKING OFFICER

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

On this 14th day of JANUARY, 1976, before
me personally appeared Ralph E. Bell
and Fred Fukumoto 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.

Constance Reichl
Notary Public

My Commission expires 8/14/76.

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

On this 21st day of JANUARY, 1976, before
me personally appeared MAURICE G. FRIEDMAN
and GEORGE R. PRINCE 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.

C. J. H.
Notary Public

My Commission expires MY COMMISSION EXPIRES FEBRUARY 14, 1976.

SCHEDULE A

DESCRIPTION OF CARS AND LEASES

Type of Car	Quantity	Lessee	Lease Date	Term (Years)	Car Numbers (Both Inclusive)	Total Cost	Collateral Value
Boxcar, 52'5", 70 ton, RBL	61	Miller Brewing Company	3-21-75(1)	1	ARMH 787020-787080	\$ 2,175,300	\$ 1,740,240
Boxcar, 52'5", 70 ton, insulated	250	British Columbia Railroad Co.	7-16-73	5	BCIT 800400-800649	6,250,000	5,000,000
Boxcar, 52'5", 70 ton, insulated	15	Minneapolis, Northfield and Southern Railway	2- 5-74	10	MNS 571 to 585	424,500	339,600
Boxcar, 52'5", 70 ton	50	Minneapolis, Northfield and Southern Railway	10- 9-74	10	MNS 50033-50082	1,630,000	1,304,000
Boxcar, 50'6", 70 ton, XF type	50	Minneapolis, Northfield and Southern Railway	3-12-75	12	MNS 51001-51050	1,300,000	1,040,000
Pulpwood Cars, 70 ton	40	Mississippi and Skuna Valley Railway Company	6- 6-74(2)	5	MSV 800-839	910,936	728,749(3)
Boxcar, 52'5", 70 ton	20	E. I. duPont de Nemours & Co., Inc.	10- 1-74	5	TNM 787000-787019	652,000	521,600
Covered Hopper Car, 100 ton, 4750 cu. ft.	150	Reynolds Metals Company	3-11-74	15	USLX 4000-4149	3,403,650	2,722,920
Covered Hopper Car, 100 ton, 4750 cu. ft.	100	National Farmers Organization	1- 8-74	5	USLX 7290-7389	2,130,685	1,704,548(3)
Covered Hopper Car, 100 ton, 4750 cu. ft.	10	Aluminum Company of America	10-28-74	7.5	USLX 7588-7597	234,360	187,488
Covered Hopper Car, 100 ton, 4750 cu. ft.	97	Bunge Corporation	7- 5-74	5	USLX 7818 to 7917(4)	2,044,857	1,635,886
Boxcar, 52'5", 70 ton, insulated	<u>20</u> <u>863</u>	Pet, Inc.	3- 4-74	7.5	USLX 11125 to 11144	<u>652,000</u> <u>\$21,808,288</u>	<u>521,600</u> <u>\$17,446,631</u>

(1) as amended 7-28-75

(2) as amended 1-23-76

(3) Non-U.S. Railway Mfg. Co. manufacture

(4) except cars USLX 7839, 7842, 7847

SCHEDULE B

Supplement To The Mortgage

United States Railway Leasing Company, an Illinois corporation (herein called the Company) does hereby pledge, mortgage, and grant a security interest unto Continental Illinois National Bank and Trust Company of Chicago, as Agent (herein called the Agent) on account of the Banks (herein called the Banks) parties to a Credit Agreement dated as of January 19, 1976 among the Company, the Agent and the Banks, in and to the railroad cars described in the Schedule attached hereto.

This Supplemental Mortgage is issued pursuant to and is governed by the terms and provisions of the Mortgage dated as of January 19, 1976 between the Company and the Agent on account of the Banks and filed under § 20c of the Interstate Commerce Act on _____, 1976 at _____ as Document Number _____.

[Corporate Seal]

UNITED STATES RAILWAY LEASING
COMPANY

ATTEST:

By _____
Vice President

Asst. Secretary

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

On this ____ day of _____, 1976 before me personally appeared _____, to me personally known, who being by me duly sworn says that he is the Vice President of United States Railway Leasing Company, 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public [Seal]

My Commission Expires: _____

SCHEDULE A

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 Cost</u>	<u>Collateral Value</u>
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SCHEDULE C

ASSIGNMENT OF LEASE

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

_____ (herein referred to as Lessee), have entered into a lease (herein called the Lease) dated _____, providing for the lease by the Company to the Lessee of _____ cars, therein described (herein 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, and was assigned recordation number _____; and

WHEREAS, CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Agent (herein referred to as Agent), at 231 South LaSalle Street, Chicago, Illinois 60693, has agreed to act as agent under a certain Chattel Mortgage (herein called Security Agreement) dated as of January 19, 1976, securing the various obligations of the Company defined in the Security Agreement as "indebtedness hereby secured" and the Company has agreed to assign all of its right, title and interest in and to the Lease to Agent as additional security for such obligations so defined as "indebtedness hereby secured" in the Security Agreement.

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

1. The Company, in order to secure the payment of all obligations of the Company defined in the Security Agreement as "indebtedness hereby secured" and the performance and observance of all of the covenants and agreements in the Security Agreement, in the Credit Agreement and the Notes (referred to in the Security Agreement) and in this Assignment provided to be performed or observed by the Company, does hereby sell, assign, transfer and set over to Agent all of the right, title and interest of the Company 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 the Company until and unless Agent or its successors or the Company 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 (as therein

defined) and that the payments are thereafter to be made to Agent, or its successors; and in furtherance of this Assignment and transfer, the Company 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 the Company 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 the Company 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 the Company 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.

2. The Company warrants and covenants (a) that on the date hereof title to the Cars and the Lease (subject to this Assignment and the rights of the Lessee under the Lease) is vested in the Company, that it has good and lawful right to grant a security interest in the Cars and to assign the Lease as provided in the Security Agreement and herein and that its right and title thereto is free (excepting only liens for ad valorem taxes not now in default) 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 the Company. The Company will cause notice of this Assignment forthwith to be given to the Lessee (together with a copy of this Assignment).

3. The Company 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, the Company 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 of the Company 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. When the Credit (as defined in the Revolving Credit Agreement, dated as of January 19, 1976, among the Company, the Agent, as agent thereunder, and the banks parties thereto (herein called Credit Agreement)) has terminated, and 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 the Company. Agent agrees that upon termination of said Credit and satisfaction of the indebtedness as aforesaid or upon proper request by the Company pursuant to Section 4 of the Security Agreement, it will execute and deliver to the Company a release or reassignment of its interest hereunder as the Company may request.

IN WITNESS WHEREOF, the Company 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 _____ day of January, 1976.

ATTEST:

UNITED STATES RAILWAY LEASING COMPANY

Assistant Secretary

By _____
Vice President

ACCEPTED:

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO, as
Agent under the Security Agreement
and the Credit Agreement

ATTEST:

Operations Officer

By _____
Vice President

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

On this _____ day of _____, 1976, before me personally appeared _____ and _____ 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 that they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

My Commission expires _____

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

On this _____ day of _____, 1976, before me personally appeared _____ and _____ to me personally know, 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.

Notary Public

My Commission expires _____