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RECORDATION NO. Filed 1425

AUG 28 1979 - 12 20 PM

INTERSTATE COMMERCE COMMISSION

9-240A060

RECORDATION NO. 10770 Filed 1425

AUG 28 1979 - 12 20 PM

Date AUG 28 1979 INTERSTATE COMMERCE COMMISSION

Fee \$ 110.00

CC Washington, D.C.

RECEIVED  
AUG 28 12 27 PM '79  
T.O.O.  
FEE OPERATION BR.

10770-B  
RECORDATION NO. Filed 1425

AUG 28 1979 - 12 20 PM

INTERSTATE COMMERCE COMMISSION  
Secretary

Interstate Commerce Commission  
Washington, D.C. 20423

RECORDATION NO. 10770-A Filed 1425

AUG 28 1979 - 12 20 PM

INTERSTATE COMMERCE COMMISSION

Lease of Equipment dated as of April 6, 1979  
between San Francisco Financial No. III, lessor,  
and The Western Pacific Railroad Company, lessee.

Dear Sir:

Enclosed herewith for filing pursuant to 49 U.S.C. § 11303 is the Lease of Equipment dated as of April 6, 1979, as amended and assigned to First Security Bank of Utah, N.A., and the Security and Loan Agreement dated as of July 1, 1979 among San Francisco Financial No. III, First Security Bank of Utah, N.A., and General American Life Insurance Company.

The parties to the transaction are:

Lessor: San Francisco Financial No. III, a partnership composed of Steiner Sea, Air & Rail Co. and AUCO Leasing Co.  
c/o Steiner Sea, Air & Rail Co.  
Spear Street Tower - Suite 2510  
One Market Plaza  
San Francisco, California 94105

Lessee: The Western Pacific Railroad Company  
526 Mission Street  
San Francisco, CA 94105

NOTE Please file in this order  
1) Security and Loan Agreement - ~~new number~~  
2) Lease of Equipment - A  
3) Lease Amendment No. 1 - B  
4) Assignment of Lease & Agreement - C  
1) Lease of Equipment - new number  
2) Lease Amendment No. 1 - A  
3) Assignment of Lease - B  
4) Security & Loan Agreement - C

*Comuter part  
John  
Heath*

Lender: General American Life Insurance Company  
700 Market Street  
St. Louis, Mo. 63101

Secured  
Party: First Security Bank of Utah, N.A.  
(for the Corporate Trust Department  
Lendor) 79 South Main Street  
Salt Lake City, Utah 84111

The railroad rolling stock covered by the Lease

is:

30 bi-level auto racks on leased Trailer  
Train flatcars; Lessee road numbers  
WPB 701-730

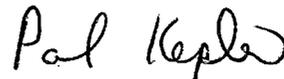
2 tri-level auto racks on leased Trailer  
Train flatcars; Lessee road numbers  
WPR 731-732

5 Wide deck implement flatcars, rebuilt  
from cars in series PC 750000  
Lessee road numbers WP 1902-1906

Please record one original of each document and  
stamp the other four copies and the copy of this letter  
enclosed herewith with the recordation date and return such  
copies to the delivering messenger who will wait.

A check is enclosed in payment of the applicable  
recording fee.

Very truly yours,



Paul Kepler  
President,  
Steiner Sea, Air & Rail Co.,  
Managing partner of  
San Francisco Financial No. III

PK/gm  
Encs.

*Assignment of Lease and Agreement*

RECORDATION NO. 10770-B Filed 1425

AUG 28 1979 - 12 20 PM

CERTIFICATE OF A NOTARY PUBLIC

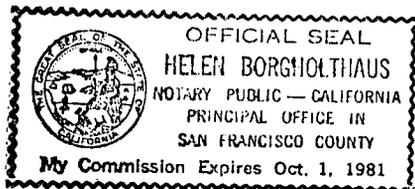
INTERSTATE COMMERCE COMMISSION

No #

I, HELEN BORGHOLTHAUS, do hereby certify that:

(i) I have compared the attached copy of the Lease of Equipment dated as of April 6, 1979, between San Francisco Financial No. III as Lessor and the Western Pacific Railroad Company as Lessee, as amended and assigned to First Security Bank of Utah, N.A., with the original document; and

(ii) The attached copy is a true and correct copy of the original in all respects.



Helen Borgholthaus  
Notary Public

EXHIBIT II TO THE SECURITY AND LOAN AGREEMENT

ASSIGNMENT OF LEASE AND AGREEMENT

Dated as of July 1, 1979

RECORDATION NO. 10770-B Filed 1425

AUG 28 1979 - 12 20 PM

Between

INTERSTATE COMMERCE COMMISSION

SAN FRANCISCO FINANCIAL NO. III

as Debtor,

and

FIRST SECURITY BANK OF UTAH, N.A.,  
as Security Trustee for  
General American Life Insurance Co.,  
as Secured Party.

ASSIGNMENT OF LEASE AND AGREEMENT dated as of July 1, 1979 (hereinafter called this Assignment), by and between San Francisco Financial No. III, a partnership composed of Steiner Sea, Air & Rail Co. and AUCO Leasing Co. (the "Lessor") and First Security Bank of Utah, N.A., Security Trustee for General American Life Insurance Co. (the "Lender"), as Secured Party under a Security and Loan Agreement dated the date hereof (the "Secured Party").

The Lessor is the owner of certain standard railroad equipment (the "Trailers") and is obligated to purchase certain other standard railroad equipment (the "Rebuilt Hulks" and the "Auto Racks"); the Trailers, Rebuilt Hulks and Auto Racks being hereinafter called the "Equipment";

The Lessor has leased the Trailers pursuant to a Lease of Equipment dated as of April 6, 1979 (the "Lease") and proposes to lease the Rebuilt Hulks and the Auto Racks to the Lessee pursuant to the Lease as amended by Lease Amendment No. 1 dated the date hereof.

The Lessor, the Lender, and the Secured Party have entered into a Security and Loan Agreement dated as of the date hereof (the "Security Document") pursuant to which the Lender has agreed to lend to the Lessor, under the terms and conditions provided in the Security Document, a portion of the Lessor's Cost (as defined in the Security Document) of the Equipment, and the Secured Party has agreed to act as trustee for the Lender;

In order to provide security for the obligations of the Lessor under the Security Document and as an inducement to the Lender to lend thereunder, the Lessor has agreed to assign for security purposes its rights in, to and under the Lease to the Secured Party.

NOW THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Secured Party, as collateral security for the payment and performance of the Lessor's obligations under the Security Document, all the Lessor's right, title and interest, powers, privileges, and other benefits under the Lease as amended, including, without

limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee under or pursuant to the provisions of the Lease whether as rent, 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 an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Secured Party in its own name, or the name of its nominee, or in the name of the Lessor or as its attorney, to ask, demand, sue for, collect and receive any and all sums to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Secured Party agrees to accept any payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Secured Party will apply such payments to satisfy the obligations of the Lessor under the Security Document; provided, however, that the Lessor shall retain (i) the right to receive insurance proceeds payable under general public liability policies maintained by the Lessee pursuant to Section 12 of the Lease which by their terms or by the terms of the Lease are payable directly to the Lessor for its own account and (ii) the right to receive all payments of any indemnity under Sections 7 and 13 of the Lease. If the Secured Party shall not receive any rental payment under Section 3 of the Lease when due, the Secured Party shall notify the Lessor at the address set forth in the Lease; provided, however, that failure of the Secured Party so to notify Lessor shall not affect the obligations of the Lessor hereunder or under the Security Document.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Secured Party to, or transfer, or pass, or in any way affect or modify the liability of the Lessor under the Lease, it being understood and agreed that notwithstanding this

Assignment or any subsequent assignment, all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Lessor or persons other than the Secured Party.

3. To protect the security afforded by this Assignment the Lessor agrees as follows:

(a) The Lessor will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Lessor; without the written consent of the Secured Party, the Lessor 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, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or herein or enter into any agreement amending, modifying or terminating the Lease and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

(b) At the Lessor's sole cost and expense, the Lessor will appear in and defend every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of the Lessor under the Lease.

(c) Should the Lessor fail to make any payment or to do any act which this Assignment requires the Lessor to make or do, after first making written demand upon the Lessor and affording the Lessor a reasonable period of time within which to make such payment or do such act, such reasonable period in no event to exceed fifteen (15) days, but without releasing the Lessor from any obligation hereunder, the Secured Party may make or do the same in such manner and to such extent as the Secured Party may deem necessary to protect the security hereof, 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 Secured Party, and also the right to perform and discharge each and every obligation, covenant and agreement of the Lessor contained in the Lease; and in exercising any such powers, the Secured Party may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and the Lessor will reimburse the Secured Party for such costs, expenses and fees.

4. The Lessor does hereby constitute the Secured Party the Lessor'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 to which the Lessor 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 to the Secured Party may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all Lessor's obligations under the Security Document, this Assignment and all rights herein assigned to the Secured Party shall terminate, and all estate, right, title and interest of the Secured Party in and to the Lease shall revert to the Lessor.

6. The Lessor will, on the First Disbursement Date (as defined in the Security Document) furnish the Secured Party with a Certificate of Lessor that the Lease has not previously been assigned to any other person.

7. The Lessor will, from time to time, do and perform any other act and will execute, acknowledge, deliver and file, register, deposit and record (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or reasonably required by the Secured Party in order to confirm or further assure, the interests of the Secured Party hereunder.

8. The Secured Party 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. 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 Secured Party hereunder.

9. This Assignment shall be governed by the laws of the State of Utah, but the parties shall be entitled to all rights conferred by Section 11303 of the Interstate Commerce Act.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Secured Party at its address set forth in Section 23 of the Security Document, or at such other address as the Secured Party shall designate.

11. The Secured Party hereby agrees with the Lessor that the Secured Party will not, so long as no Event of Default under the Lease or event of default under the Security Document has occurred and is then continuing, agree to any change, alteration or modification of the Lease without the Lessor's consent.

12. It is expressly understood and agreed by and between the parties hereto, except as set forth in Section 6.1 of the Security Document, that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Lessor on account of this Agreement or on account of any representation, undertaking or agreement of said Lessor set forth herein, either express or implied, all such personal liability, if any, being expressly waived and released by the Secured Party and by all persons claiming by, through or under the Secured Party; provided, however, that the Secured Party or any person claiming by, through or under it, making claim hereunder, may look to the Collateral, as such term is defined in the Security Document, for satisfaction of the same.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by officers hereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

SAN FRANCISCO FINANCIAL NO. III  
by Steiner Sea Air & Rail Co., a  
general partner

By Paul Kyles  
Authorized Officer

[SEAL]

Attest:

[Signature]  
Title [Signature]

FIRST SECURITY BANK OF UTAH, N.A.,  
not in its individual capacity but  
solely as Security Trustee for the  
Lender

By [Signature]  
Authorized Officer

[SEAL]

Attest:

[Signature]  
Title ASSISTANT TRUST OFFICER

## LESSEE'S CONSENT AND AGREEMENT

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

(1) It will pay, by wire transfer of immediately available funds, all rentals, casualty payments, liquidated damages, indemnities (except indemnities payable directly to the Lessor pursuant to Sections 7 and 13 of the Lease) and other moneys provided for in the Lease due and to become due under the Lease, directly to First Security Bank of Utah, N.A., as Agent (hereinafter called the Secured Party), the assignee named in the Assignment, at 79 South Main Street, Salt Lake City, Utah 84111, Attention of Trust Department, Corporation Division, or at such other address as may be furnished in writing to the undersigned by the Secured Party;

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

(3) The Secured Party 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; and

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

This Consent and 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 Secured Party by signing the acceptance at the fact hereof, shall be deemed to be a contract under the laws of the State of Utah and, for all purposes, shall be construed in accordance with the laws of said State.

Dated as of July 1, 1979.

THE WESTERN PACIFIC RAILROAD  
COMPANY

By   
Sr. Vice President - Finance

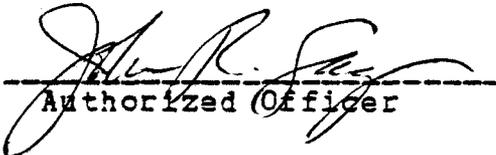
(Corporate Seal)

Attest:

  
Corporate Secretary  
Title \_\_\_\_\_

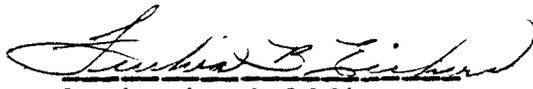
The foregoing Consent and Agreement is hereby accepted, as of the 1st day of July, 1979.

FIRST SECURITY BANK OF UTAH,  
NATIONAL ASSOCIATION, Not in  
Its Individual Capacity But  
Solely as Trustee for the  
Lender,

By   
Authorized Officer

(Corporate Seal)

Attest:

  
Authorized Officer

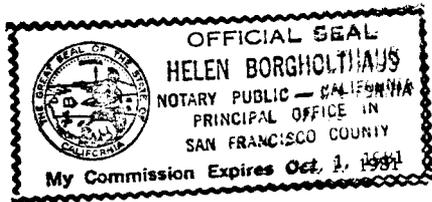
STATE OF CALIFORNIA )  
 ) ss.:  
CITY AND COUNTY OF SAN FRANCISCO )

On this 20<sup>th</sup> day of August, 1976,  
before me personally appeared Paul Kepner, to me  
personally known, who, being by me duly sworn, says that he  
is an authorized officer of STEINER SEA, AIR & RAIL CO.,  
that one of the seals 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 he acknowledged  
that the execution of the foregoing instrument was the free  
act and deed of said association.

  
Notary Public

[NOTARIAL SEAL]

My commission expires

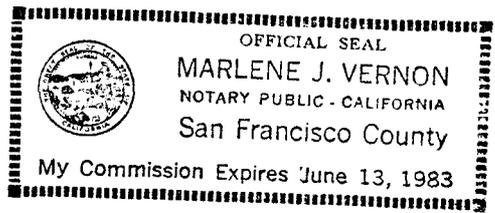


STATE OF CALIFORNIA        )  
                                  ) ss.:  
COUNTY OF SAN FRANCISCO )

On this 20 day of August, 1979, before me personally appeared Paul Stump, Jr., to me personally known, who, being by me duly sworn, says that he is the Sr Vice President Finance of THE WESTERN PACIFIC RAILROAD COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation and 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 a free act and deed of said corporation.

Marlene Vernon  
Notary Public

[NOTARY SEAL]  
My commission expires



STATE OF UTAH )  
 ) ss.:  
CITY AND COUNTY OF SALT LAKE )

On this 23 day of August, 1979, before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that he is an authorized officer of FIRST SECURITY BANK OF UTAH, N.A., that one of the seals 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

*Tenna L. Hill-Cora*  
Notary Public  
My Commission Expires August 15, 1981

[Notarial Seal]

My commission expires