

**UNITED STATES
LEASE FINANCING, INC.**

A SUBSIDIARY OF
U.S. LEASING INTERNATIONAL, INC.

RECORDATION NO. 9078-A Filed & Recorded

RECORDATION NO. 9077-A Filed & Recorded

MAR 28 1978 - 11 15 AM

MAR 28 1978 - 11 15 AM

RECORDATION NO. 9079-A Filed & Recorded

INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

MAR 28 1978 - 11 15 AM

Dated as of
November 16, 1977

INTERSTATE COMMERCE COMMISSION

Wells Fargo Bank, N.A.
475 Sansome Street
San Francisco, California 94111
Attention: Corporate Trust
Department

The Sumitomo Bank of California
365 California Street
San Francisco, California 94104
Attention: Franz T. Nagai
Assistant Vice President

United States Leasing
International, Inc.
633 Battery Street
San Francisco, California 94111
Attention: Vice President

Michigan National Bank of Detroit
c/o Michigan National Leasing
Corporation
38200 West 10 Mile Road
Farmington, Michigan 48024
Attention: Richard Zamojski
Lease Officer

William M. Gibbons,
Trustee of the Property of
Chicago, Rock Island and
Pacific Railroad Company
332 South Michigan Avenue
Chicago, Illinois 60605
Attention: Burton M. Strauss, Jr.
Chief Financial Officer

Re: United States Lease Financing, Inc.
(1977) Equipment Trust No. 1

Gentlemen:

Reference is made to the Participation Agreement dated as of October 1, 1977 ("Participation Agreement") among the undersigned and each of you except William M. Gibbons, Trustee of the Property of Chicago, Rock Island and Pacific Railroad Company ("Railroad") and to the Equipment Lease dated as of October 1, 1977 ("Sublease") between the Railroad and us. Terms and definitions used herein and not otherwise defined, have the same meaning as when used in the Participation Agreement.

The undersigned hereby agree to the following amendments to the documents referred to below:

1. The Participation Agreement is hereby amended by (i) changing the 6th line from the bottom of page 23 thereof so that it reads as follows: "Sections 8, 13 and 15 thereof or under or in connection with any" and (ii)

replacing the last sentence of Section 14 thereof with the following "It is further agreed among the parties hereto that the obligations of the Lessee under Sections 8, 12 and 13 (in so far as they affect the Owner Trustee and the Beneficiary) and Section 15 of the Lease are not subject to the Security Agreement and may be enforced solely by or on behalf of the Owner Trustee and/or the Beneficiary, as the case may be, and for such purposes, the terms and conditions of such Sections of the Lease are hereby incorporated herein and made a part of this Agreement by this reference with the same force and effect as if set forth at length herein."

2. The Lease is hereby amended by (i) replacing the words "pays additional income taxes with respect thereto" in the 8th and 9th lines on page 27 thereof with the words "is notified by the Lessee of any Additional Expenditure", (ii) replacing the words "payment of additional income taxes" in the 10th line on page 27 thereof with the word "notice", (iii) adding the following additional sentence at the end of Section 15(d): "The Lessee agrees that on the Rent Commencement Date and every Basic Rent Date after any non-removable addition has been made to give written notice to the Lessor of the Additional Expenditure including the nature of such non-removable addition, the date it was made and the cost thereof." and (iv) providing that with respect to all obligations of the Lessee under the Lease, where an amount is to be paid by the Lessee after the Last Basic Rent Date, the Lessee shall pay such amount promptly to the Lessor in a lump sum but in no event more than thirty (30) days after the same has been determined as owing.

3. The Security Agreement is hereby amended by (i) adding the words "any amount paid or released to the Debtor prior to any Event of Default," before the word "any" in the 4th line under the caption "DIVISION II" on page 2 thereof and in the 11th line under said caption changing the word "Section" to "Sections" and adding thereafter the words and numbers, "8, 12, 13 and", (ii) deleting the balance of Section 3.6(a) after the word "thereof" in the 8th line thereof and substituting the following therefore: "except the Debtor may (i) exercise its rights provided in Section 14 of the Participation Agreement, (ii) give notice to the Lessee of any event under the Lease which with the giving of notice and/or the lapse of time, or both, would constitute an event of default under the Lease and require the Lessee to take appropriate curative action and (iii) declare a default under the Lease and exercise the rights of the

**UNITED STATES
LEASE FINANCING, INC.**

Lessor thereunder, after it has paid the Indebtedness Hereby Secured to the Secured Party in a manner comparable to the manner set forth in Section 6.9 hereof; or", (iii) in the 2nd line of Section 6.2(e) after the word "Lease" adding the words "and the rights of the Debtor and the Beneficiary hereunder and under Section 14 of the Participation Agreement", and (iv) in the 2nd line of Section 6.9 thereof after the word "hereunder" adding "or any event which with the lapse of time or the giving of notice, or the making of a declaration, or any of these, would constitute an Event of Default".

4. The following Items of Equipment are deleted from Exhibit A to the Lease, Security Agreement and Sublease and released from the lien of the Security Agreement:

2 W68 Series C Hydraulic Tie Removers per bulletin No. 788- optional setoff- and turn table to meet Rock Island specifications. Manufactured by Fairmont Railway Motors.

Also, the Security Agreement is hereby supplemented with additional serial numbers which have become known since it was filed and recorded with the Interstate Commerce Commission. Accordingly and as a consequence of the matters contained in this paragraph, Exhibit A to the Security Agreement is hereby replaced with Exhibit A to this letter agreement.

The Lease, Security Agreement and Sublease were filed and recorded with the Interstate Commerce Commission on November 14, 1977 and such instruments were assigned, respectively, Recordation Numbers 9077, 9079 and 9078. This letter agreement will be filed and recorded with the ICC by us.

Please sign and notarize the enclosed copy of this letter and return it to the undersigned. This letter may be executed in counterparts. The undersigned hereby acknowledges its agreement to the foregoing.

Also enclosed for your information is a memorandum delivered at the closing on November 15, 1977 which explains some additional matters to be completed after the closing which were not considered important enough to delay the delivery of the Equipment. Executed documents will be distributed shortly.

**UNITED STATES
LEASE FINANCING, INC.**

If you should have any questions or comments, please do not hesitate to call us.

Very truly yours,

UNITED STATES LEASE
FINANCING, INC.

By [Signature]
its Vice President

Acknowledged and agreed to:

WELLS FARGO BANK, N.A.

By [Signature]
its TRUST OFFICER

Dated: March 17, 1978

THE SUMITOMO BANK OF CALIFORNIA

By [Signature]
its Assistant Vice President

Dated: March 17, 1978

UNITED STATES LEASING
INTERNATIONAL, INC.

By [Signature]
its Senior Vice President

Dated: March 17, 1978

MICHIGAN NATIONAL BANK OF DETROIT

By [Signature]
its

Dated: 2/14/78

WILLIAM M. GIBBONS,
Trustee of the Property of
Chicago, Rock Island and
Pacific Railroad Company

By [Signature]
its

Dated: 2/14/78

By [Signature]
Authorized Trustee Officer CHIEF FINANCIAL OFFICER

Dated: [Signature]
WITNESS
Assistant Secretary

[Signature]
Attorney

EXHIBIT A

DESCRIPTION OF EQUIPMENT

<u>Quantity</u>	<u>*Description</u>
4	Pettibone Speed Swing per bulletin P1717 and the following options 4-53 GM diesel-rops cab-heater-defroster-west coast mirrors-farr air cleaner- 13 x 24 x 16 ply tires spare tire and wheels-3 yd. snow bucket-1-1/4 yd. bucket-track cleaning bucket-forks-tote hook-pedestal 30" magnet-generator and hyrail gear- to meet Rock Island Specifications. Manufactured by Pettibone Corp. Serial Nos. 2223,2224,2225 and 2226
1	Mark I Model EA Tamper-fail safe brakes- and per Rock Island specs. Manufactured by Can Ron Rail Group. Serial No. 676727
1	Mark I Model EA Tamper-fail safe brakes- and per Rock Island specs. Manufactured by Can Ron Rail Group.
3	Railway Track Work Tie Handlers w/24' articulating boom- fail safe brakes-running lights- TR 1000 single head-TG 3000 tie grapple head- to meet Rock Island Specifications. Manufactured by Railway Track Work. Serial Nos. 310,311 and 312
2	Rexnord Rail Gang Spikers with gauging attachments as per Rexnord bulletin 386 and to meet Rock Island specifications. Manufactured by Rexnord Inc. Serial Nos. 165 and 166
2	Model 34-3 Scarifier Inserters as per bulletin No. 1-34-3/974 with extended reaching arm all machines to meet Rock Island specifications. Manufactured by Kershaw; supplied by Donald J. Hogan Co. Serial Nos. 399 and 400

2 Model 39-2 Kershaw Tie Injector as
per bulletin L-398-8-76 and Rock
Island specifications.

Manufactured by Kershaw;
supplied by Donald J. Hogan Co.
Serial Nos. 228 and 229

4 Model Mark I EA-TD-G Tampers and
the following options 4 wheel drive-
auto up-feed switch-automatic shutdown-
fail safe brakes-emergency hand pump-
1 extra set tamping bars- to meet Rock
Island specifications.

Manufactured by Can Ron Rail Group.
Serial Nos. 676557, 676567
676577, 676587

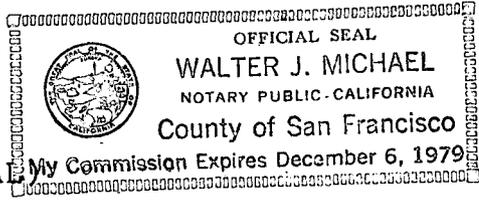
1 Injector- Nordberg OMSI as per
bulletin No. 404 and to meet Rock
Island specs. Serial No. 127
Manufactured by Rexnord Inc.

* Parts and accessories also included.

STATE OF CALIFORNIA)
)
CITY AND COUNTY OF SAN FRANCISCO)

SS

On this 17th day of ~~February~~ ^{March} 1978, before me personally appeared Myron M. Christy to me personally known, who being by me duly sworn, says that he is the Senior Vice President of United States Leasing International, Inc., that said instrument was signed 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.



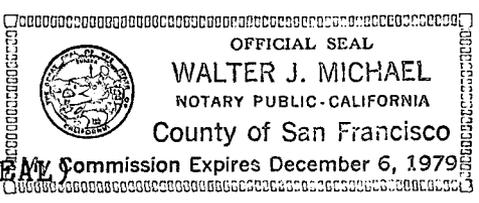
Walter J. Michael

My commission expires: December 6, 1979

STATE OF CALIFORNIA)
)
CITY AND COUNTY OF SAN FRANCISCO)

SS

On this 17th day of ~~February~~ ^{March} 1978, before me personally appeared Franz T. Nagai, to me personally known, who being by me duly sworn, says that he is the Assistant Vice President of The Sumitomo Bank of California, that said instrument was signed 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.



Walter J. Michael

My commission expires: December 6, 1979

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

On this 17th day of ~~February~~ ^{March} 1978, before me personally appeared Morris L. Forester, to me personally known, who being by me duly sworn, says that he is the Vice President of United States Lease Financing, Inc., that said instrument was signed 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.

OFFICIAL SEAL
WALTER J. MICHAEL
NOTARY PUBLIC - CALIFORNIA
County of San Francisco
My Commission Expires December 6, 1979
(SEAL)

Walter J. Michael

My commission expires: December 6, 1979

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

On this 17th day of ~~February~~ ^{March} 1978, before me personally appeared W. Van Zile, to me personally known, who being by me duly sworn, says that he is the Trust Officer of Wells Fargo Bank, N.A., that said instrument was signed 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.

OFFICIAL SEAL
WALTER J. MICHAEL
NOTARY PUBLIC - CALIFORNIA
County of San Francisco
My Commission Expires December 6, 1979
(SEAL)

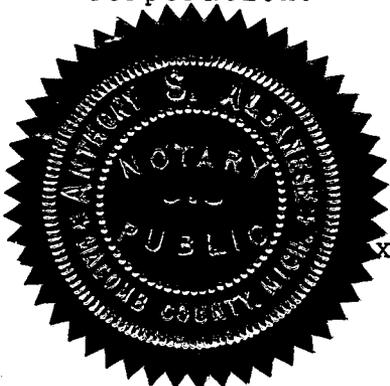
Walter J. Michael

My commission expires: December 6, 1979

STATE OF MICHIGAN)
)
COUNTY OF)

SS

On this 14th day of February, 1978, before me personally appeared R.E. Dore & I.W. Armstrong, to me personally known, who being by me duly sworn, says that he is the U.P. & A.P. of Michigan National Bank of Detroit, that one of the seals 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.



My commission expires:

ANTHONY S. ALBANESE
Notary Public, Macomb County, Mich.
Acting in Oakland County, Mich.
My Commission Expires 4-8-78

STATE OF ILLINOIS)
)
COUNTY OF COOK)

SS

On this 10th day of February, 1978, before me personally appeared Burton M. Strauss, Jr., to me personally known, who being by me duly sworn, says that he is the Chief Financial Officer of the Trustee of the Property of Chicago, Rock Island and Pacific Railroad Company, that said instrument was executed pursuant to Order of the Court in the Reorganization Proceedings.

(SEAL)

My commission expires:

Oct 26, 1981