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RECORDATION NO. 7311-B Filed 1425

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INTERSTATE COMMERCE COMMISSION

THE ROCK

September 18, 1978

RE: LEASE DATED JANUARY 15, 1974, GROUP NO. 11
LEASE ASSIGNMENT AGREEMENT DATED AS OF JULY 1, 1978, BETWEEN WILLIAM M. GIBBONS, TRUSTEE OF CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY, UNITED STATES OF AMERICA, AND UNITED STATES RAILWAY EQUIPMENT CO. RECORDED AS DOCUMENT NO. 7311

Interstate Commerce Commission
Washington, D. C. 20423

Gentlemen:

Enclosed for recordation under the provisions of Section 20(c) of the Interstate Commerce Act, as amended, are ~~seven~~ SIX executed counterparts of Lease Assignment Agreement dated as of July 1, 1978, which is a supplement to the above Lease. RBC

A general description of the railroad rolling stock covered by the Assignment is freight cars bearing RI or ROCK numbers as set forth in Exhibit B hereto.

The undersigned is an executive officer of William M. Gibbons, Trustee of Chicago, Rock Island and Pacific Railroad Company mentioned in the enclosed documents and has knowledge of the matters set forth therein.

Please return six executed counterparts of the Assignment with the recording information stamped thereon to me by mail at 332 South Michigan Avenue, Chicago, Illinois 60604.

Also enclosed is a check payable to the Interstate Commerce Commission covering the required $10 recordation fee.

WILLIAM M. GIBBONS, TRUSTEE OF
CHICAGO, ROCK ISLAND AND PACIFIC
RAILROAD COMPANY

By O. L. Houts
O. L. Houts
General Solicitor

9/25/78
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OLH:dln
Enclosures

GROUP NO. 11 Exhibit B

Initial	Number	Car Type	O/L	Lessor
RI	100014	HPR-OP	L	L38
RI	100044	HPR-OP	L	L38
RI	100045	HPR-OP	L	L38
RI	100060	HPR-OP	L	L38
RI	100067	HPR-OP	L	L38
RI	100076	HPR-OP	L	L38
RI	100113	HPR-OP	L	L38
RI	100128	HPR-OP	L	L38
RI	100139	HPR-OP	L	L38
RI	100148	HPR-OP	L	L38
RI	100152	HPR-OP	L	L38
RI	100176	HPR-OP	L	L38
RI	100181	HPR-OP	L	L38
RI	100288	HPR-OP	L	L38
RI	100290	HPR-OP	L	L38
RI	100357	HPR-OP	L	L38
RI	100358	HPR-OP	L	L38
RI	100362	HPR-OP	L	L38
RI	100370	HPR-OP	L	L38

LEASE ASSIGNMENT AGREEMENT

LEASE ASSIGNMENT AGREEMENT (hereinafter called "Lease Assignment") dated as of July 1, 1978 by and between William M. Gibbons, Trustee of the Property of Chicago, Rock Island and Pacific Railroad Company (said Trustee in his capacity as trustee, together with his successors or assigns, being hereinafter called "Trustee"), the United States of America ("United States"), represented by the Secretary of Transportation acting through the Administrator of the Federal Railroad Administration or the Administrator designee ("Administrator"), and United States Railway Equipment Co. ("Lessor"

WHEREAS, Lessor and Chicago, Rock Island and Pacific Railroad Company, a Delaware corporation ("Rock Island"), have previously entered into a Lease-Group No. 11 dated as of January 15, 1974 (the "Lease"), a copy of which is currently being delivered to United States; and

WHEREAS, the Lease was filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act on January 18, 1974 and assigned Recordation No. 7311; and

WHEREAS, Rock Island filed with the United States District Court for the Northern District of Illinois, Eastern Division (the "Reorganization Court"), a petition for reorganization pursuant to Section 77 of the Bankrupt Act on March 17, 1975; and

WHEREAS, pursuant to Order No. 9 entered on April 25, 1975 by the Reorganization Court, Trustee assumed and affirmed the Lease on April 25, 1975; and

WHEREAS, United States and Trustee intend to enter into a financing agreement ("Financing Agreement") by which the Secretary will guarantee

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certain obligations of Trustee with respect to certain leased railroad equipment being rehabilitated by Trustee (the "Leased Equipment") which is a part of the railroad equipment described and identified in Appendix A to the Lease; and

WHEREAS, in order to secure the payment of the obligations contained in the Financing Agreement, execution and delivery of this Lease Assignment has been made a condition precedent to execution of the Financing Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and promises herein contained, the parties hereto agree as follows:

1. Trustee hereby assigns to United States the entire leasehold interest in the Leased Equipment described in Exhibit B attached hereto and made a part hereof.

2. The term of this Lease Assignment shall commence forthwith and shall continue as to each item of Leased Equipment until the Lease or the Financing Agreement is terminated, whichever is earlier.

3. Except as provided in paragraph 6 hereof, this Lease Assignment is subject to all of the terms and conditions of the Lease. Trustee shall duly and punctually perform, when due, all of the agreements and obligations under or pursuant to the Lease. This Lease Assignment shall not relieve Trustee from any of these obligations under the Lease.

4. So long as Trustee shall have the right to possession of the Leased Equipment in accordance with the Lease and the Financing Agreement, he shall be entitled, as against the United States, to manage, operate, use, enjoy and be suffered and permitted to remain in the actual and undisturbed possession of the Leased Equipment, to receive, take and use all rents,

incomes, issues, tolls, profits and proceeds thereof and to exercise any renewal or purchase options.

5. If an event of default shall occur under the Lease, Lessor shall promptly notify the Administrator in writing of such event and shall give the Administrator 60 days within which to elect to exercise the Administ rights under paragraph 6 hereof and assume the lease obligations relative to such items of Leased Equipment as the Administrator elects to possess.

6. If an event of default (other than a default under the Lease) shall occur under the Financing Agreement and notice of such event shall have been furnished to the Lessor, then the Administrator shall at the Administrator's sole option be entitled to and shall succeed to all the right, title and interest of the leasehold interest in such Leased Equipment, described in Exhibit B, attached hereto, as the Administrator may designate in writing to the Lessor not more than 60 days after notice of such event of default to the Lessor. Notwithstanding any terms or conditi of the Lease, the Administrator shall have the right to sublet such equipment as the Administrator takes possession of under this paragraph. The Administ right to possession and use of any equipment under this paragraph shall not be affected by any rights (including rights protected under section 77(j) of the Bankruptcy Act) which the Lessor might have by virtue of a default by the Trustee on any of the Trustee's obligations under the Lease, and the Administrator (and the Administrator's sublessees) shall have the right to continue to possess and use such equipment so long as the lease payments (prorated for the actual number of cars that the Administrator possesses herein and adjusted to reflect only payments for prospective possessi and use from the date of the notice of default) which gave rise to the

event of default are made and all other obligations, including but not limited to lease payments, under the Lease (with respect to equipment which the Administrator possesses) are satisfied as they become due.

7. The Administrator's rights granted under paragraph 6 hereof are subject to the requirement that the exercise of any such rights shall not result in any loss of or recapture of Investment Tax Credit with respect to the Leased Equipment. Notwithstanding the latter provision, the Administrator shall have the right in the Administrator's sole discretion to take the assignment of the Lease if, concurrently with such assignment, the Administrator agrees in writing to indemnify and hold the Lessor harmless against any such loss or recapture of the Investment Tax Credit.

8. This Lease Assignment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns and the Lease and this Lease Assignment may not be modified unless such modification is consented to by the Administrator in writing.

IN WITNESS WHEREOF, Trustee, United States and Lessor, pursuant to proper authority, have caused these presents to be signed in their respective names and their respective seals to be hereunto affixed, duly attested, as of the day and year first above written.

William M. Gibbons, Trustee of the Property of Chicago, Rock Island and Pacific Railroad Company

United States of America by the Secretary of Transportation acting through the Administrator of the Federal Railroad Administration

John R. Sullivan

United States Railway Equipment Co.

By Ralph E Bell

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 13 day of Sept., 1978, before me personally appeared William M. Gibbons, to me known to be the person described in and who executed the foregoing instrument, who being by me duly sworn, says that he is the Trustee of the Property of Chicago, Rock Island and Pacific Railroad Company, and he acknowledged that he executed said instrumen as his free act and deed.

Notary Public

(SEAL)

My Commission Expires:

DISTRICT OF)
) SS.
COLUMBIA)

I, Ray Boyle, a notary public in and for the District of Columbia, DO HEREBY CERTIFY that John M Sullivan, personally known to me to be the Administrator of the Federal Railroad Administration, and personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Administrator, appeared before me this day in person, and, being by me duly sworn, said and acknowledged that he is the Administrator of the Federal Railroad Administration, that he signed, affixed thereto the seal and delivered said instrument as Administrator of the Federal Railroad Administration on behalf of the United States of America, pursuant to author

given by the Secretary of Transportation (49 CFR 1.49(u)) as his free and voluntary act, and as a free and voluntary act and deed of the Secretary of Transportation and the United States of America, for the use and purposes therein set forth, and that the seal affixed to said instrument is the seal of the Federal Railroad Administration.

GIVEN under my hand and notarial seal this 21st day of Sept. A.D., 1978.

Ray Boyle
Notary Public
My Commission Expires May 1, 1982

(SEAL)

My Commission Expires:

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 6 day of September, 1978, before me personally appeared Ralph E. Bell, to me personally known, who, being by me duly sworn, says that he is Vice President of Sales of United States Railway Equipment Co., 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 acknowled that the execution of the foregoing instrument was the free act and deed of said corporation.

Harry E. Goodlowe Jr.
Notary Public

(SEAL)

My Commission Expires:

MY COMMISSION EXPIRES APRIL 4, 1982

Exhibit D

GROUP NO. 11

Initial	Number	Car Type	O/L	Lessor
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RI	100044	HPR-OP	L	L38
RI	100045	HPR-OP	L	L38
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