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September 29, 1989

AFFILIATED OFFICE
KUWAIT

13209-5
RECORDED BY FILED 1408 WRITER'S DIRECT DIAL NUMBER
(415) 954-0366

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The Honorable Noretta R. McGee **INTERSTATE COMMERCE COMMISSION**
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

9-276A018

Attention: Mildred Lee

Dear Madam Secretary:

We enclose for recordation pursuant to 49 U.S.C. § 11303 the original and a counterpart of an Assignment and Assumption Agreement, dated as of September 29, 1989.

The Assignment is a secondary document, as defined in 49 C.F.R. § 1177.1(b). It relates to the following primary document:

Equipment Lease, dated as of July 1, 1981, filed with ICC on July 31, 1981, at 2:20 p.m., Recordation No. 13209

The names and addresses of the parties to the Assignment are as follows:

Assignor: Wells Fargo Leasing Corporation
101 California Street
Suite 2800
San Francisco, California 94111

Attention: Operations Department

Assignee: Delos Leasing Corporation
101 California Street
Suite 2800
San Francisco, California 94111

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The Honorable Noreta R. McGee
September 29, 1989
Page 2

A general description of the railroad equipment covered by the Assignment is set forth in Schedule A attached hereto.

We request that this Assignment also be indexed under the name of the assignee, Delos Leasing Corporation.

A brief summary of the Assignment to appear in the index follows:

Same units as in above Equipment Lease, as amended, bearing identification marks and numbers set forth in Schedule A attached hereto.

We enclose the fee of \$15.00 for recordation. Please file-stamp and return to Delos Leasing Corporation, c/o BA Leasing & Capital Corporation, Two Embarcadero Center, San Francisco, California 94111, the original Assignment and the enclosed copy of this transmittal letter.

Very truly yours,

GRAHAM & JAMES

By 
John P. Breedlove

JPB:RSB:amb
WFBN 1.103
Enclosures

cc: Robert Darling
John D. Wright
David V. Biesemeyer

SCHEDULE A

DESCRIPTION OF EQUIPMENT

One Hundred (100), 100-ton, 4750 cubic foot covered hopper cars manufactured by Thrall Car Manufacturing Company and bearing identification marks and numbers CCLX 61001 through CCLX 61100.

Twenty-four (24), 23,500 gallon nominal capacity tank cars manufactured by Richmond Tank Car Company and bearing identification marks and numbers RUSX 2601 through RUSX 2606, RUSX 2608, RUSX 2609, RUSX 2611 through RUSX 2614, RUSX 2616 through RUSX 2621, RUSX 2623 through RUSX 2625, and IFCX 2607, IFCX 2615, and IFCX 2622.

Ninety (90), 100-ton 4750 cubic foot covered hopper cars manufactured by Thrall Car Manufacturing Company and bearing identification marks and numbers RUSX 5101, RUSX 5102, RUSX 5107, RUSX 5111, RUSX 5112, RUSX 5114, RUSX 5116, RUSX 5118 through RUSX 5121, RUSX 5123 through RUSX 5125, AN 9000 through AN 9009, PCN 5103, PCN 5110, PCN 5113, PCN 5117, PCN 5122, PCN 5137, PCN 5138, PCN 5143 through PCN 5148, PCN 5150 through PCN 5152, PCN 5154, PCN 5157, PCN 5160, PCN 5161, PCN 5171 through PCN 5181, PCN 5183, PCN 5184, PCN 5186 through PCN 5191, PCN 5193 through PCN 5196, PCN 5198 through PCN 5201, PCN 5218, PCN 5227, PCN 5229, PCN 5232, PCN 5234, PCN 5235, PCN 5237, PCN 5238, BXN 5139, BXN 5142, BXN 5153, BXN 5155, BXN 5156, BXN 5158, BXN 5159, BXN 5182, BXN 5185, BXN 5197, BXN 5236

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INTERSTATE COMMERCE COMMISSION

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT dated as of September 29, 1989, is entered into by and among WELLS FARGO LEASING CORPORATION (the "Assignor"), a California corporation, DELOS LEASING CORPORATION (the "Assignee"), a Delaware corporation, and BA LEASING & CAPITAL CORPORATION (the "Successor Assignee"), a California corporation.

WHEREAS, in a simultaneous closing: a) the Assignor wishes to assign, transfer, and convey to the Assignee, and the Assignee wishes to receive and accept, all of the Assignor's right, title and interest in and to the assets set forth in Appendix 1 (the "Assets"), b) the Assignor wishes to sell and transfer to the Successor Assignee, and the Successor Assignee wishes to receive and accept, all of the capital stock of the Assignee, and c) the Assignee wishes to grant the Successor Assignee, and the Successor Assignee wishes to obtain, the right to acquire all of the Assignee's right, title and interest in and to the Assets.

W I T N E S S E T H:

NOW THEREFORE, the parties agree as follows:

Section 1. Assignment of Assets. The Assignor assigns, transfers and conveys to Assignee as of the date hereof all its right, title and interest in and to the Assets. The Assignee accepts and receives all such right, title and interest in and to the Assets.

Section 2. Assumption of Liabilities. The Assignee assumes and agrees to pay when due all liabilities, debts and obligations of the Assignor and its Affiliates (as defined below) hereafter arising incident to the Assets and any agreements related thereto. The Assignor and its Affiliates are released from all such liabilities, debts and obligations, including, without limitation, those arising under any guaranties. The Assignee confirms that as of the date hereof it shall be deemed a party to those agreements set forth in Appendix 1 to which the Assignor is a party, and the Assignee agrees to be bound by all the terms of, and to undertake all such obligations of, the Assignor contained therein. For purposes of this agreement, an "Affiliate" of a party shall mean a person controlling, controlled by, or under common control with such party, provided, however, that the Assignee shall not be an Affiliate of the Assignor.

Section 3. Exception. Notwithstanding the foregoing, the Assignor and the Assignee shall each be entitled, as their respective interests may appear, to pursue claims, and all their rights and remedies related to claims, for

- (a) payments of indemnity now or hereafter due under the agreements related to the Assets from any obligor thereunder, and/or
- (b) insurance payments or proceeds, provided, however, that any obligor's liability for such claims shall not exceed the liability it would have incurred if the assignment had not been made.

Section 4. Guaranty. Upon the execution and delivery of this agreement, the Successor Assignee shall execute and deliver to the parties referred to therein the Guaranty attached as Attachment A.

Section 5. Right to Acquire. The Assignee hereby grants the Successor Assignee the right, exercisable by written notice to the Assignee and to the parties listed in Appendix 2, to succeed to all of the Assignee's rights and obligations under this agreement. Effective upon such exercise:

- (a) Subsequent Assignment. The Assignee assigns, transfers and conveys to the Successor Assignee as of the date of such notice all its right, title and interest in and to the Assets. The Successor Assignee accepts and receives all such right, title and interest in and to the Assets.

(b) Subsequent Assumption. The Successor Assignee assumes and agrees to pay when due all liabilities, debts and obligations of the Assignee hereafter arising incident to the Assets and any agreements related thereto. The Assignee is released from all such liabilities, debts and obligations. The Successor Assignee confirms that as of the date of such notice it shall be deemed a party to those agreements set forth in Appendix 1 to which the Assignee is deemed a party, and agrees to be bound by all the terms of, and to undertake all such obligations of, the Assignee contained therein.

(c) Subsequent Assignment Exception. Notwithstanding the foregoing, the Assignee and the Successor Assignee shall each be entitled, as their respective interests may appear, to pursue claims, and all their rights and remedies related to, claims for (a) payments of indemnity now or hereafter due under the agreements related to the Assets from any obligor thereunder, and/or (b) insurance payments or proceeds, provided, however, that any obligor's liability for such claims shall not exceed the liability it would have incurred if the assignment had not been made.

Section 6. Indemnity. BALC will indemnify and hold WFLC harmless from any liability to the Note Purchaser and/or

the Lessee (as defined in the agreements related to the Assets) arising at any time on or after the date of this agreement, whether under Section 3.4(d)(v) of the Term Financing Participation Agreement dated as of March 1, 1986 Re: USRS Lease No. 6, or otherwise.

Section 7. Representations and Warranties. The Assignee and, effective upon its exercise (if any) of the right contained in Section 5 of this agreement, the Successor Assignee each represents and warrants as follows, with capitalized terms having the meanings set forth in the agreements related to the Assets:

(a) Organization and Authority. It is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and has all requisite power and authority and all necessary licenses and permits to enter into, execute and perform this agreement and to assume and perform the Operative Agreements to which it is a party and to assume the Notes and to incur the indebtedness evidenced thereby.

(b) Due Authorization. This agreement and the Operative Agreements to which it is a party and the Notes have been duly authorized, executed and delivered or assumed by it, and in each case constitute its legal, valid and binding agreements and obligations enforceable in accordance with their respective terms.

(c) No Violation of Agreements, Etc. Its execution, delivery and performance of this agreement and its assumption of the Operative Agreements to which it is a party and the Notes do not contravene any law or any governmental rule, regulation, judgment, decree, writ, injunction or order binding on it or its charter or By-laws or contravene the provisions of, or constitute a default under, any indenture, mortgage, contract or other agreement or instrument to which it is bound or to which any of its properties or assets are subject.

(d) Pending Litigation. There are no proceedings pending, or, to its knowledge, threatened, in any court or before any governmental authority or arbitration board or tribunal which, if adversely determined, would materially and adversely affect its ability to enter into or perform its obligations under this agreement or to assume and perform its obligations under the Operative Agreements to which it is party and the Notes.

(e) Title to the Equipment. The Equipment is free and clear of any liens or encumbrances which result from claims against it other than Permitted Encumbrances and the Interim Security Agreement. It has not by affirmative act conveyed title to the Equipment to any Person or subjected the Equipment to any lien or encumbrance other

than Permitted Encumbrances and the Interim Security Agreement.

(f) No Defaults. To its knowledge, it is not in violation in any material respect of any term of this agreement or of any Operative Agreement to which it hereby becomes a party and for which it is, by the terms of such Operative Agreement, individually liable.

(g) Governmental Consent. No approval, consent or authorization on the part of any Federal, state or local governmental authority is necessary in connection with its execution and delivery or performance of this agreement or its assumption or performance of any of the Operative Agreements to which it is a party and the assumption and performance of the Notes.

(h) ERISA. No part of the funds used by it to purchase the Assets constituted assets allocated to any separate account (as defined in ERISA) maintained by it.

Section 8. Regulatory Filings. Promptly following the Closing, WFLC and Delos shall submit for filing with the relevant governmental agencies (a) amendments to all filed financing statements on form UCC-1 naming WFLC as debtor and listing the Equipment as collateral, and (b) pursuant to 49 CFR Part 1177, an assignment of lease with a transmittal letter referencing the related ICC filings, in each case naming Delos

as debtor (or naming BALC as debtor if BALC immediately exercises its right to acquire the Assets as Successor Assignee under the Assignment and Assumption Agreement).

Section 9. Miscellaneous. Each party to this agreement shall execute and deliver such instruments, documents and other written information and take such other actions as the other parties may reasonably require in order to carry out the intent of this agreement. This agreement and all the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This agreement may be executed in one or more counterparts, all of which taken together shall constitute one instrument. This agreement is made and entered into in California, and the laws of California shall govern the validity and interpretation hereof and the performance of the parties hereto of their respective duties and obligations.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement.

WELLS FARGO LEASING CORPORATION

By: Robert J. Darling
Its: _____
By: Joseph B. Schubert
Its: _____

DELOS LEASING CORPORATION

By: Tom D. Wozniak
Its:

BA LEASING & CAPITAL CORPORATION

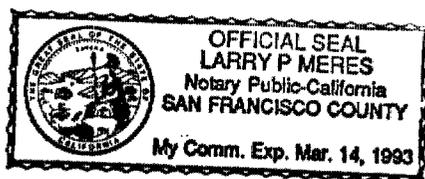
By: Persi L. Kurat
Its:

ACKNOWLEDGMENT

State of California)
) ss.
County of San Francisco)

On this 29th day of September, in the year 1989, before me, the undersigned, a Notary Public, in and for the State of California, duly commissioned and sworn, personally appeared TERRI KWIATEK, personally known to me (or proved on the basis of satisfactory evidence) to be the person who executed the within instrument as Vice President of BA Leasing & Capital Corporation, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date set forth above in this certificate.



Larry P Meres
Notary Public in and for said
State

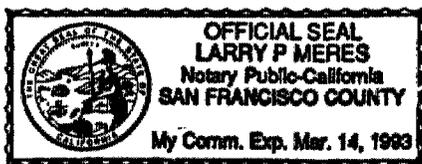
My Commission Expires MAR 14, 1993

ACKNOWLEDGMENT

State of California)
) ss.
County of San Francisco)

On this 29th day of September, in the year 1989, before me, the undersigned, a Notary Public, in and for the State of California, duly commissioned and sworn, personally appeared JOSEPH B. SCHUBERT, personally known to me (or proved on the basis of satisfactory evidence) to be the person who executed the within instrument as Vice President of Delos Leasing Corporation, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date set forth above in this certificate.



Larry P Meres
Notary Public in and for said
State

My Commission Expires Mar 14, 1993

ACKNOWLEDGMENT

State of California)
) ss.
County of San Francisco)

On this 29TH day of September, in the year 1989, before me, the undersigned, a Notary Public, in and for the State of California, duly commissioned and sworn, personally appeared ROBERT F. DARLING, personally known to me (or proved on the basis of satisfactory evidence) to be the person who executed the within instrument as President of Wells Fargo Leasing Corporation, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date set forth above in this certificate.

Larry P Meres
Notary Public in and for said State

My Commission Expires Mar 14, 1993



Appendix 1

Assets

All right, title and interest of the Owner (as defined in both the Participation Agreement dated as of October 1, 1981, as amended, and the Term Financing Participation Agreement dated as of March 1, 1986) in:

- (1) Operative Agreements (as defined in Term Financing Participation Agreement dated as of March 1, 1986);
- (2) Equipment (as defined in Term Financing Participation Agreement dated as of March 1, 1986); and
- (3) All documents, agreements, certificates and opinions delivered pursuant thereto and all amendments and supplements thereof.

Appendix 2

Notice Parties

United States Rail Services, Inc.
733 Front Street
San Francisco, CA 94111
Attention: President

New England Mutual Life Insurance Company
501 Boylston Street
Boston, Massachusetts 02117
Attention: Cary Bussema

Any other entity that acquires the interest of either of the foregoing in the captioned transaction in accordance with the terms of the Operative Documents