

JAN 6 1986 1 30 PM

## INTERSTATE COMMERCE COMMISSION

## ASSIGNMENT AND ASSUMPTION OF CONTRACTS

INSURANCE POLICY

FOR VALUE RECEIVED RICHARD G. BAILEY AND FRANCES A. BAILEY residing at 14115 Allison Drive, Raleigh, North Carolina 27612 (Sellers) assign and transfer to FIRST NATIONAL EQUIPMENT CORPORATION, 10 Woodhill Road, Towaco, New Jersey (Buyer) all rights, title and interest in those certain insurance policies with the certificate numbers as follows: (a) Admiral Ins. Co. A85EG06026, (b) International Ins. Co. 522054784, and (c) California Union Ins. Co. ZCX008456 insuring one 4700 cubic foot 100 ton covered railroad hopper car designated RRRX002071, also known as CNW 182930.

MANAGEMENT AGREEMENT AND UNDERLYING LEASE

Additionally, Sellers assign and transfer to Buyer all rights, title and interest in the current Management Agreement between Sellers and Rex Leasing, Inc. dated June 21, 1980 and covering the management of one 4700 cubic foot 100 ton covered railroad hopper car designated RRRX002071, also known as CNW 182930. It is understood that a current Lease exists giving Chicago and Northwestern Transportation Company certain rights and interests in the subject hopper car under the Management Agreement provisions. Sellers rights, title and interest in this Lease arranged under the Management Agreement with Rex Leasing, Inc. is also assigned and transferred to Buyer.

ACCOUNTS RECEIVABLE

Furthermore, Sellers assign and transfer to Buyer any and all rights, title and interest in any and all accounts receivable generated by the use of said hopper car after the date of this Agreement. Buyer specifically acknowledges and agrees that Sellers are entitled to receive all accounts receivable generated by the use of said hopper car on or before the date of this Agreement, even though such receivables are not distributed under the Management Agreement between Rex Leasing and Sellers until sometime after the date of this Agreement.

EFFECTIVE DATE OF ASSIGNMENTS

The above assignments and transfers take effect simultaneously with the transfer of ownership of the subject covered hopper car RRRX002071, also known as CNW 182930 from Sellers to Buyer under Bill of Sale dated December 31, 1985 and are effective as of that date.

ASSUMPTION BY BUYERS

ASSUMPTION. Buyers accept the foregoing assignments. Buyer hereby assumes and agrees to pay and perform in accordance with, and to be bound by, all of the covenants, terms and obligations contained

in the Management Agreement with Rex Leasing to be performed by the Sellers from and after the date of this Assignment and Assumption of Contracts.

SELLERS' REPRESENTATIONS

Representations. Seller represents and warrants that at the time of execution and delivery of this Assignment and Assumption of Contracts, Sellers own their interest in the covered hopper car RRRX002071, also known as CNW 182930 and the interests in the aforementioned insurance policy, management agreement and underlying lease free and clear of all mortgages, liens, encumbrances, charges, claims, restrictions, pledges, security interest or impositions of any kind or nature.

IN WITNESS WHEREOF, the parties have caused this Assignment and Assumption of Contracts to be executed in their names as of the 31 day of December, 1985 and simultaneously with the Bill of Sale for one covered hopper car RRRX002071, also known as CNW 182930.

Brenda H. Fields  
Brenda H. Fields, witness as to  
Richard G. Bailey (Seller)

Richard G. Bailey  
Richard G. Bailey (Seller)

Brenda H. Fields  
Brenda H. Fields, witness as to  
Frances A. Bailey (Seller)

Frances A. Bailey  
Frances A. Bailey (Seller)

Edward K. Ernstrom  
Edward K. Ernstrom, witness as to  
First National Equipment  
Corporation by Edward Ernstrom,  
Ge. Mgr. (Buyer)

Edward K. Ernstrom  
First National Equipment Corp.  
by Edward Ernstrom, General  
Manager (Buyer)

