

1-1401021
No.
MAY 20 1981
Date.....
Fee \$ 60.00
ICC Washington, D. C.

RECORDATION NO. 12783-1
FILED 1425

MAY 20 1981 - 9 25 AM
INTERSTATE COMMERCE COMMISSION

RAILEASE
Inc
Business Center Building
P.O. Box 1518
Bellevue, Washington 98009
Telephone (206)455-7400

RECORDATION NO. 12783-C
FILED 1425

May 20, 1981

MAY 20 1981 - 9 25 AM

RECORDATION NO. 12783-D
FILED 1425

MAY 20 1981 - 9 25 AM

Secretary
Interstate Commerce Commission
Washington, D.C. 20433

INTERSTATE COMMERCE COMMISSION

Re: RAILEASE Inc Equipment Trust
1981 Series A

Madam:

In accordance with the provisions of 49 U.S.C. § 11303 and Rules and Regulations of the Interstate Commerce Commission ("ICC") thereunder, there are submitted herewith for filing and recordation an Equipment Trust Agreement, an Assignment and a Bill of Sale, each relating to railroad cars used or intended for use in connection with interstate commerce, as follows:

1. Four (4) executed counterparts of an Equipment Trust Agreement dated as of January 15, 1981, between The Connecticut Bank and Trust Company, as Trustee, and RAILEASE Inc, a Washington corporation;

2. Seven (7) executed counterparts of an Assignment dated as of January 15, 1981, between RAILEASE Inc (Assignor) and The Connecticut Bank and Trust Company, as Trustee (Assignee) which assigns Assignor's interest as lessor under an Equipment Lease dated as of October 31, 1980 between Assignor and Richard B. Ogilive, Trustee of the Property of Chicago Milwaukee, St. Paul and Pacific Railroad Company, Debtor, as Lessee (Lessee); and

3. Four (4) copies of a Bill of Sale dated as of May 20, 1981, from RAILEASE Inc to The Connecticut Bank and Trust Company, as Trustee.

The address of RAILEASE Inc is 777 106th Avenue, N.E., Bellevue, Washington 98004, the address of The Connecticut Bank and Trust Company is One Constitution Plaza, Hartford, Connecticut 06115 and the address of Lessee is 516 West Jackson Boulevard, 746 Union Station Building, Chicago, Illinois 60606, Attention: Vice President-Finance.

Counterpart - Anne Sutton

RECEIVED
MAY 20 1981
MAIL ROOM
DEPT. OF TRANSPORTATION

The equipment covered by the Equipment Trust Agreement, the Assignment and Bill of Sale is described in Exhibit A hereto. The Equipment Lease assigned pursuant to the Assignment is described in Exhibit B hereto. The Assignment is being delivered in connection with the Equipment Trust Agreement and also in connection with the Equipment Lease which was filed with the ICC on January 19, 1981 at 1:35 P.M. and assigned recordation number 12783.

Enclosed is a check to cover the recordation fee.

You are hereby authorized to deliver three executed counterparts of the Equipment Trust Agreement, six executed counterparts of the Assignment and three copies of the Bill of Sale, each with filing data noted thereon, following recordation, to the representative of Messrs. Dewey, Ballantine, Bushby, Palmer & Wood, who is delivering this letter and said enclosures to you.

Very truly yours,

RAILEASE Inc.

By 
Authorized Representative

EXHIBIT A

Description of Trust Equipment Subject
to Equipment Trust Agreement

<u>Quantity</u>	<u>Specification</u>	<u>Description</u>	AAR <u>Mechinal Designation</u>	<u>Car Numbers (all inclusive)</u>
500	PACCAR Inc PC-723, as amended	52'6" 100 Ton general purpose gondola car	GB	MILW 81200 through 81699

Description of Trust Equipment Subject
to Bill of Sale

<u>Quantity</u>	<u>Specification</u>	<u>Description</u>	<u>AAR Mechanical Designation</u>	<u>Car Numbers (all inclusive)</u>
411	PACCAR Inc PC-723, as amended	52'6" 100 Ton general purpose gondola car	GB	MILW 81200 through 81597, 81600-81605 and 81607-81613

EXHIBIT B

Description of Lease Subject
to the Assignment

<u>Lease/Lessee</u>	<u>No. of Units</u>	<u>Road Numbers (incl.)</u>	<u>Unit Description</u>	<u>AAR Mechanical Designation</u>
Equipment Lease dated 10/31/80 between RAILEASE Inc, lessor, and Richard B. Ogilvie, trustee of the property of Chicago, Milwaukee, St. Paul, & Pacific RR Co., debtor, lessee (ICC recordation No. 12783 (1/19/91, 1:35 pm), as amended	500	MILW 81200- MILW 81699	52/6" general purpose gondola cars	GB

RECORDATION NO. *12782-C* Filed 1426

MAY 20 1981 -9 25 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT

(RAILEASE INC EQUIPMENT TRUST 1981 SERIES A)

Dated as of
January 15, 1981

Between

THE CONNECTICUT BANK AND TRUST COMPANY,

Trustee

and

RAILEASE INC

ASSIGNMENT, dated as of January 15, 1981, between THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, acting as Trustee under an Equipment Trust Agreement dated as of January 15, 1981 (hereinafter called the "Trustee"), and RAILEASE Inc, a corporation duly organized and existing under the laws of the State of Washington (hereinafter called the "Company").

WHEREAS, the Company has agreed to cause to be sold, transferred and delivered to the Trustee certain railroad equipment (hereinafter called the "Trust Equipment") pursuant to said Equipment Trust Agreement dated as of January 15, 1981 (hereinafter called the "Trust Agreement"); and

WHEREAS, title to such Trust Equipment is to be vested in and is to be retained by the Trustee and such Trust Equipment is to be leased to the Company under the Trust Agreement, all subject to the lease or leases referred to in Exhibit A hereto (hereinafter, whether one or more, as the same may be amended from time to time subsequent to the date hereof, called the "Leases") between the Company and the lessee or lessees named therein; and

WHEREAS, Railease Inc 14.50% Equipment Trust Certificates due May 1, 1997 have been or are to be issued and sold in an aggregate principal amount not exceeding \$15,540,000 and the aggregate proceeds (including accrued interest, if any) of such sale which shall equal the aggregate principal amount of the Trust Certificates so issued and sold shall constitute a fund to be known as the RAILEASE Inc Equipment Trust, 1981 Series A to be applied by the Trustee from time to time in payment of up to 80% of the Cost of the Trust Equipment, the remainder of the Cost of the Trust Equipment to be paid out of advance rentals paid by the Company, as provided in the Trust Agreement; and

WHEREAS, it is desired to grant to the Trustee an assignment of and a security interest in and to the Leases and other collateral described below;

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

Subject to the rights of lessees under Leases, the Company hereby assigns, transfers and sets over unto the Trustee as security for the payment and performance of all of the Company's obligations under the lease provided for in the Trust Agreement (i) all of the Company's right, title

and interest as lessor in, to and under the Leases described in Exhibit A hereto together with all rights, powers, privileges, and other benefits of the Company as lessor under the Leases in respect of any units of Trust Equipment covered thereby (except only such payments in respect of indemnities, taxes and insurance as are specifically reserved to Lessor under the provisions of such Leases notwithstanding any assignment of Lessor's rights and interests thereunder), including but not limited to the Company's right to receive and collect all rentals, liquidated damages, proceeds of sale and other payments now or hereafter to become payable to or receivable by the Company under or pursuant to the provisions of the Leases and, in addition, (ii) all the Company's right to collect, receive and retain all other rentals, mileage or other payments now or hereafter to become payable to the Company in respect of use of such units of Trust Equipment other than under or pursuant to the provisions of any of the Leases; provided, however, that unless an Event of Default (as such term is defined in the Trust Agreement) shall have occurred and shall not have been waived pursuant to Section 6.04 of the Trust Agreement, the Company, without the consent of the Trustee or any holders of the Trust Certificates, shall be solely entitled to collect and receive any and all of such rentals and other payments and to make all amendments, waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an event of default specified in any of the Leases, and to exercise in its sole discretion all rights, powers, and remedies whatsoever of lessor under any Lease including, without limitation, the right to terminate any Lease in whole or in part for default of lessee thereunder or by reason of other termination rights of lessor arising by reason of such Lease, and, subject to Section 5.10 of the Trust Agreement, to permit the use of, and to lease any units of Trust Equipment covered by such terminated Lease to another lessee, as deemed suitable by the Company, and the Trustee shall not be entitled to collect or receive any of such rentals or other payments or take any other action in respect thereof.

The Company represents and warrants that it has not heretofore made and agrees that it will not hereafter make, in respect of the Trust Equipment, any other assignment of the Leases or the rentals or the payments payable to or receivable by the Company under any of the Leases or otherwise.

It is expressly agreed that the assignment made herein shall include, ipso facto and without further instrument of assignment or further act of the parties hereto, the rights of the Company under all amendments or supplements to the Leases in effect from time to time after the date hereof between the Company and the lessees under the Leases, and each such amendment or supplement to such Leases shall so provide.

It is expressly understood and agreed that the assignment made and security interest granted herein apply only to the Leases (and any right, title, interest, power, and privilege of the Company as lessor thereunder) insofar as such Leases cover or otherwise apply to the railcars described in Exhibit A hereto and any railcars substituted under the Trust Agreement as replacements for the railcars described in Exhibit A hereto, this Assignment to apply to such replacement railcars ipso facto, without further instrument of assignment; but this Assignment shall not apply to any other railcars subject to or hereafter added to such Leases as additional, and not as such replacement, railcars (unless such other railcars at the time also constitute Trust Equipment under the Trust Agreement).

Whenever any Lease covers equipment other than Trust Equipment and the amount of any payment due to the Company under such Lease as car hire payments (including both straight and incentive per diem), mileage charges or other rental revenues is calculated on an aggregate basis for all equipment leased thereunder, an amount equal to the Assigned Fraction (as hereinafter defined) of each such payment shall be deemed for the purposes of this Assignment to be payable with respect to such Trust Equipment leased under such Lease. The term "Assigned Fraction" as used herein shall mean at the time of determination a fraction the numerator of which shall be the number of units of Trust Equipment then leased under such Lease and the denominator of which shall be the aggregate number of units of equipment (including such units of Trust Equipment) then leased under such Lease.

It is expressly agreed that, so long as the lessee under each of the Leases shall not be in default under such Leases, such Lessee shall be entitled to the possession and use of the Trust Equipment covered thereby and the Trustee shall not interfere with such lessee's rights of peaceful and undisturbed possession in and to any of the Trust Equipment in accordance with the terms of such Leases, provided, however, that anything in the foregoing provisions of this sentence to the contrary notwithstanding, the rights of each such lessee under its Lease are subject to the rights and remedies of the Trustee in respect of the Trust Equipment covered by such Lease upon the occurrence of an Event of Default under (and as defined in) the Trust Agreement.

In addition to, and without in any way limiting, the powers conferred upon the Trustee by Sections 6.01 and 6.02 of the Trust Agreement, the Trustee may upon the hap-

pening of an Event of Default (as defined in the Trust Agreement) which shall not have been waived pursuant to Section 6.04 of the Trust Agreement but not otherwise, in the Trustee's own name or in the name of the Trustee's nominee, or in the name of the Company or as the Company's attorney, (i) ask, demand, sue for, collect and receive any and all rentals, mileage or other payments to which the Company is or may become entitled in respect of the Trust Equipment and assigned hereunder and (ii) enforce compliance by lessees under the Leases with all the terms and provisions thereof and make all waivers and agreements, give all notices, consents and releases, take all action upon the happening of an event of default specified in the Leases, and do any and all other things whatsoever which the Company, as lessor, is or may become entitled to do under the Leases.

The assignment made by this instrument is made only as security and, therefore, shall not subject the Trustee to, or transfer, or pass or in any way affect or modify, the liability of the Company under any Lease or otherwise, it being understood that, notwithstanding any assignment, any obligations of the Company under any Lease or otherwise shall be and remain enforceable against and only against the Company.

To protect the security afforded by this Assignment, the Company agrees as follows: (i) the Company will cause each and every material obligation, covenant and agreement which the Leases provide is to be performed by the Company to be performed and discharged as the Company, in the good faith exercise of reasonable business judgment, may determine to be necessary or advisable under the circumstances, and in any event to the extent necessary to protect the security intended to be afforded by this Assignment and the rights and interests of the Trustee and of the holders of the Trust Certificates hereunder and under the Equipment Trust Agreement; (ii) at the Company's sole cost and expense, the Company will cause to be defended every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of the Company under the Leases; and (iii) should the Company fail to make any payment or to do any act which this Assignment requires the Company to make or do, then the Trustee, but without obligation so to do, after first making written demand upon the Company and affording the Company a reasonable period of time within which to make such payment or do such act, but without releasing the Company from any obligation hereunder, may make or do the same in such manner and to such extent as the Trustee may deem necessary to

protect the security provided hereby, 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 Trustee, and also the right to perform and discharge each and every obligation, covenant and agreement of the Company contained in the Leases; and, in exercising any such powers, the Trustee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and the Company will reimburse the Trustee for such costs, expenses and fees in accordance with the terms of the Trust Agreement.

Upon the full discharge and satisfaction of the Company's obligations under the lease provided for in the Trust Agreement, the assignment made pursuant to this instrument shall terminate and all rights, title and interest of the Trustee as assignee hereunder in and to any Lease or any payments in respect of the Trust Equipment shall revert to the Company without further act, and the Trustee shall upon request execute such instruments for recordation in public offices, at the expense of the Company, as shall then be required by law in order to make clear upon public records the termination of this Assignment and the Company's right to collect rentals and other moneys payable under or pursuant to the Leases, free from the lien of this Assignment.

The Trustee shall notify the lessee under the Leases of any Event of Default (as that term is defined in the Trust Agreement) or of any condition or event which, after notice or lapse of time or both, would constitute such an Event of Default concurrently with any notification thereof by the Trustee to the Company. The Company will undertake to keep the Trustee apprised of the appropriate address of such lessee for purposes of such notification in the event that such address shall be other than that which was set forth in the copy of the Leases previously furnished to the Trustee by the Company.

Upon the release of any unit of Trust Equipment pursuant to Section 3.05, 5.06, 5.08 or 5.09 of the Trust Agreement, this Assignment shall terminate pro tanto with respect to (i) such unit of Trust Equipment and (ii) rights assigned to the Trustee hereby pursuant to the Equipment Trust Agreement in the Leases insofar as they relate to such unit of Trust Equipment, and upon such partial termination such unit of Trust Equipment and rights shall revert to the Company or to such person or persons as may be legally entitled thereto, provided, however, that in the case of a release governed by the provisions of Section 5.06 of the Trust Agreement if an Event of Default has occurred and is then continuing, such termination and reversion shall not

occur until such Event of Default shall have been cured or waived in accordance with the provisions of the Equipment Trust Agreement. After any partial termination, the provisions of this Assignment shall no longer be applicable to such unit of Trust Equipment and rights, and the Trustee shall at the request of the Company or such other person, and at the expense of the Company, deliver to the Company or such other person, a confirmatory writing evidencing such partial termination.

The Company covenants and agrees with the Trustee that in any suit, proceeding or action brought by the Trustee pursuant to the provisions of this instrument for any rentals, mileage or other payments in respect of the Trust Equipment, whether under or pursuant to the provisions of the Leases or otherwise, or to enforce any provisions of any of the Leases, the Company will save, indemnify and keep the Trustee harmless from and against all expense, loss or damage suffered by reason of any defense, set-off, counterclaim or recoupment whatsoever which any lessee under any of the Leases may have or assert against the Company.

Except as otherwise provided herein, the provisions of this agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by first class mail, postage prepaid to (a) in the case of the Company, 777 106th Avenue, N.E., Bellevue, Washington 98004 (delivery) or P.O. Box 1518, Bellevue, Washington 98009 (mail), Attention: Vice President and Treasurer, or such other address as may hereafter be furnished to the Trustee in writing by the Company and (b) in the case of the Trustee, the principal office of the Trustee at One Constitution Plaza, Hartford, Connecticut 06115, Attention: Corporate Trust Department, or such other address as may hereafter be furnished to the Company in writing by the Trustee. An affidavit by any person representing or acting on behalf of the Company or the Trustee, as to such mailing, having the registry receipt attached, shall be conclusive evidence of the giving of such demand notice or communication. Any communication so addressed and mailed shall be deemed to be given on whichever of the following dates shall first occur: (i) the date of actual receipt thereof by the intended recipient, (ii) the fifth day next following the date mailed, or (iii) if the substance thereof is communicated to the intended recipient by hand delivery, telephone or telex on or prior to the date of such mailing, the date so mailed.

This Agreement may be executed in counterparts each of which shall be deemed to be an original and all of such counterparts together constitute but one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

The provisions of this Agreement and all rights and obligations of the parties hereunder shall be governed by the laws of the State of New York; provided, that the parties shall be entitled to all rights conferred by the Interstate Commerce Act and such additional rights arising out of the filing or deposit hereof, if any, as shall be conferred by the laws of the several jurisdictions in which this Agreement or any supplement hereto shall be filed or deposited.

IN WITNESS WHEREOF, the Company and the Trustee have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective corporate seals duly attested to be hereunto affixed as of the day and year first written.

[Corporate Seal]

ATTEST:

M. Gend...

[Corporate Seal]

Attest:

M. Braw...
Secretary

THE CONNECTICUT BANK AND TRUST
COMPANY, Trustee

By *[Signature]*
Trust Officer
Asst. Vice Pres

RAILEASE Inc

By *[Signature]*
President

STATE OF NEW YORK)
 :
COUNTY OF NEW YORK)

On this 15th day of May, 1981, before me personally came M.J. Rister, to me known, who, being by me duly sworn, says that he resides at 132 Stage Coach Lane, Newington, Connecticut 06111, that he is an authorized officer of The Connecticut Bank and Trust Company, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation and that he signed his name thereto by like authority.

Byron K. Burnett

Notary Public
BYRON K. BURNETT
NOTARY PUBLIC, State of New York
No. 31-4639439
Qualified in New York County
Commission Expires March 30, 1982

[Notarial Seal]

STATE OF WASHINGTON)
 :
COUNTY OF KING)

On this 11th day of May, 1981, before me personally came J.J. Jolley, to me known, who, being by me duly sworn, says that he resides at Bellevue, Washington, that he is a duly authorized representative of RAILEASE Inc, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

Virginia J. Jolley

Notary Public

[Notarial Seal]

Exhibit A
to
Assignment

Lease and leased Trust Equipment subject to the Assignment*

<u>Lease/Lessee</u>	<u>No. of Units</u>	<u>Road Numbers (incl.)</u>	<u>Unit Description</u>	<u>AAR Mechanical Designation</u>
Equipment Lease dated 10/31/80 between RAILEASE Inc, lessor, and Richard B. Ogilvie, trustee of the property of Chicago, Milwaukee, St. Paul, & Pacific RR Co., debtor, lessee (ICC recordation No. 12783 (1/19/91, 1:35 pm), as amended	500	MILW 81200- MILW 81699	52 6" general purpose gondola cars	GB

*Information set forth under column headings is for Existing Lease only.