

**STEARSON EQUIPMENT INVESTORS**

Suite 1401  
521 Fifth Avenue  
New York, New York 10175  
(212) 557-2525



13643 *b*  
RECORDATION NO. .... Filed 1425

MAY 21 1982-9 05 AM

13643  
RECORDATION NO. .... Filed 1425

MAY 21 1982-9 05 AM

INTERSTATE COMMERCE COMMISSION  
STEARSON EQUIPMENT MANAGEMENT CORPORATION  
2-141A018

General Partner

James A. Garthaus, President  
Albert E. Booth, II, Vice President  
Charles F. Keating, Vice President

13643 *V*

RECORDATION NO. .... Filed 1425

No.

MAY 21 1982-9 05 AM

Date MAY 21 1982  
Fee \$ 110.00

INTERSTATE COMMERCE COMMISSION  
MAY 18, 1982

ICC Washington, D. C.

13643

RECORDATION NO. .... Filed 1425

FEE OPERATION BR.  
I.C.C.

MAY 21 8 59 AM '82

RECEIVED

Secretary  
Interstate Commerce Commission  
Washington, D. C. 20423

MAY 21 1982-9 05 AM

INTERSTATE COMMERCE COMMISSION

Dear Secretary:

We have enclosed an original and three executed (in the case of item 2, two executed and one photocopy) counterparts of the documents described below, to be recorded pursuant to section 11303 of title 49 of the U.S. Code.

These documents respectively are, within the classification scheme promulgated as 49 C.F.R. § 1116.1, as follows:

- (1) a lease (consisting of (a) separately-executed counterparts of a "Lease Agreement" and a "Rider" thereto, each dated as of December 17, 1981, and a "Schedule" thereto dated December 31, 1981, and (b) a jointly-executed "Lease Amendment" relating thereto, dated as of January 15, 1982) -- a primary document,
- (2) an assignment of said lease to be filed concurrently therewith (being an "Assignment of Lease and Agreement" dated as of December 31, 1981), -- a secondary document to be treated as one along with the foregoing primary document for fee purposes, and
- (3) a mortgage (being a "Security Agreement (Railroad Cars)" dated as of December 31, 1981) -- a primary document.

We request that the assignment identified as item (2) be cross-indexed.

(4) "Lease Amendment" dated January 15, 1982

*Vertical handwritten notes:*  
- Joan [Signature]  
- [Signature]

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

(1) LEASE

Lessor:

Shearson Equipment Investors  
c/o Shearson Equipment Management Corporation  
Suite 1401  
521 Fifth Avenue  
New York, New York 10175

Lessee:

North American Car Corporation  
33 W. Monroe  
Chicago, Illinois 60603

(2) ASSIGNMENT OF LEASE

Assignor:

Shearson Equipment Investors  
c/o Shearson Equipment Management Corporation  
Suite 1401  
521 Fifth Avenue  
New York, New York 10175

Assignee:

Continental Illinois National Bank and Trust Company  
of Chicago  
231 South LaSalle Street  
Chicago, Illinois 60693

(3) MORTGAGE ["Security Agreement"]

Mortgagor:

Shearson Equipment Investors  
c/o Shearson Equipment Management Corporation  
Suite 1401  
521 Fifth Avenue  
New York, New York 10175

Mortgagee:

Continental Illinois National Bank and Trust Company  
of Chicago  
231 South LaSalle Street  
Chicago, Illinois 60693

A description of the equipment covered by each said document follows:

Sixty-three (63) 4,750 cu. ft. covered hopper cars, with 100-ton trucks, of AAR Mechanical Designation "LO", bearing the following numbers:

487079-487108 (incl.)  
487841  
487844-487858 (incl.)  
487967-487970 (incl.)  
487972-487983 (incl.)  
488031

The cars' present running numbers are the same as the aforesaid numbers, prefixed by the designation "NAHX" to identify North American Car Corporation as the lessee thereof, i.e.:

NAHX 487079-487108 (incl.)  
NAHX 487841  
NAHX 487844-487858 (incl.)  
NAHX 487967-487970 (incl.)  
NAHX 487972-487983 (incl.)  
NAHX 488031

A fee of \$100.00 is enclosed. Please return the original of each document and any extra copies not needed by the Commission for recordation to the legal assistant presenting this letter and its enclosures for filing.

A short summary of each respective document to appear in the index follows:

(1) Lease between SHEARSON EQUIPMENT INVESTORS, lessor (address: c/o Shearson Equipment Management Corporation, Suite 1401, 521 Fifth Avenue, New York, N. Y. 10175) and NORTH AMERICAN CAR CORPORATION, lessee (address: 33 West Monroe, Chicago, Illinois 60603), dated as of December 17, 1981 (with a Schedule dated December 31, 1981, and as amended by a Lease Amendment dated as of January 15, 1982), and covering sixty-three (63) 4,750 cu. ft. covered hopper cars with 100-ton trucks.

*See Doc  
for #s.  
Sch pay  
67 cents  
487914-  
487916  
which released  
by C as well  
as 487971*

(2) Assignment between SHEARSON EQUIPMENT INVESTORS, assignor (address: c/o Shearson Equipment Management Corporation, Suite 1401, 521 Fifth Avenue, New York, N. Y. 10175) and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, assignee (address: 231 South LaSalle Street, Chicago, Illinois 60693), dated as of December 31, 1981, and covering sixty-three (63) 4,750 cu. ft. covered hopper cars with 100-ton trucks, and connected to a lease being concurrently recorded.

(3) Mortgage between SHEARSON EQUIPMENT INVESTORS, mortgagor (address: c/o Shearson Equipment Management Corporation, Suite 1401, 521 Fifth Avenue, New York, N. Y. 10175) and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, mortgagee (address: 231 South LaSalle Street, Chicago, Illinois 60693), dated as of December 31, 1981, and covering sixty-three (63) 4,750 cu. ft. covered hopper cars with 100-ton trucks.

Very truly yours,

SHEARSON EQUIPMENT INVESTORS

By SHEARSON EQUIPMENT MANAGEMENT CORPORATION, its General Partner

By Alfred B. B...  
Title: Vice President

13643/B

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MAY 21 1982-9 05 AM

SECURITY AGREEMENT (Railroad Cars)

INTERSTATE COMMERCE COMMISSION

THIS SECURITY AGREEMENT (Railroad Cars) ("Agreement") is made as of this 31st day of December, 1981 by SHEARSON EQUIPMENT INVESTORS, a limited partnership duly organized and existing under the laws of the State of New York, with an office c/o its General Partner, Shearson Equipment Management Corporation, a Delaware corporation, at Suite 1401, 521 Fifth Avenue, New York, New York 10175 (the "Partnership"), to CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, 231 South LaSalle Street, Chicago, Illinois 60693 (the "Bank").

W I T N E S S E T H:

The Partnership and the Bank have entered into a Credit Agreement dated as of August 7, 1981 (herein, as it may be amended, modified or supplemented from time to time, called the "Credit Agreement") providing for loans not to exceed \$19,000,000 to the Partnership, which loans are evidenced by the secured promissory note of the Partnership dated August 7, 1981 (such secured promissory note, together with any note taken in renewal, replacement, substitution or extension thereof, being herein called the "Note"). The Partnership has agreed under the Credit Agreement to secure the payment of the Note and certain other obligations of the Partnership under this Agreement.

NOW, THEREFORE, it is hereby agreed as follows:

1. Grant of Security Interest. The Partnership, for value received, hereby mortgages, pledges and assigns to the Bank, and hereby grants to the Bank a continuing Uniform Commercial Code security interest in and to, the railroad cars owned by the Partnership and described on Annex I to this Agreement, and all accessories, parts and other property owned by the Partnership and now or hereafter affixed thereto or used in connection therewith (collectively, the "Equipment"), together with all proceeds (including insurance proceeds) thereof, to secure the payment of all obligations of the Partnership to the Bank under the Note, the Credit Agreement, this Agreement and each other instrument now or hereafter executed by it pursuant to the Credit Agreement (all such obligations under the Note, the Credit Agreement, this Agreement and each such other instrument being hereinafter collectively called the "Liabilities"). Until Default (as defined herein), the Partnership may have possession of the Equipment and may use the same in any lawful manner not inconsistent with this Agreement or with any policy of insurance on the Equipment.

2. Warranties and Covenants. The Partnership hereby warrants and agrees that:

(a) The Partnership is the owner and is lawfully seized and possessed of the Equipment and has the right, full power and authority to mortgage, transfer and assign the same to the Bank. Except as permitted under the Credit Agreement, such property is and will be free from any and all liens and encumbrances prior to, on a parity with, or junior to the lien of this Agreement and the Partnership will warrant and defend the title thereto and the interest of the Bank therein against all claims and demands whatsoever.

(b) The Partnership, at its own expense, will do, execute, acknowledge, and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the better assuring, conveying, assigning and confirming unto the Bank all of the Equipment, whether now owned or thereafter acquired.

(c) The Partnership, so long as no Default shall have occurred under this Agreement and be continuing and subject to all the terms and conditions of this Agreement, shall be entitled to the possession of the Equipment and the use thereof in the contiguous continental United States and in Canada. The Partnership shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. The Partnership shall, at its own cost and expense, maintain and keep the Equipment (or cause the Equipment to be maintained and kept)

in good order, condition and repair, ordinary wear and tear excepted, suitable for use in interchange (if and to the extent permitted by the Interchange Rules or supplements thereto of the Association of American Railroads (herein called the "AAR")). Except as required or permitted by the provisions of Section 3(d) hereof, the Partnership shall not modify any Equipment without the prior written authority and approval shall not be unreasonably withheld.

(d) Without limiting the foregoing subsection (c), the Partnership agrees to comply with all insurance policies covering the Equipment and all governmental laws, regulations, requirements and rules (including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission and, if and to the extent permitted thereby, the current Interchange Rules or supplements thereto of the Mechanical Division, AAR) as the same may be in effect from time to time with respect to the use, maintenance and operation of the Equipment. In case any equipment or appliance is reasonably interpreted as being required to be installed on any Equipment in order to comply with such laws, regulations, requirements and rules, the Partnership agrees to make (or cause to be made) such changes, additions and replacements at its own expense; provided, however, that the Partnership may, in good faith and by appropriate legal proceedings, contest the validity

or application of any such law, regulation, requirement or rule in any reasonable manner which does not in the opinion of the Bank adversely affect the security interest of the Bank hereunder.

(e) The Partnership agrees that it will, at no cost or expense to the Bank, keep (or cause to be kept) each item of Equipment insured in such amounts, against such risks, in such form and with such insurance companies, underwriters or funds as shall be customary among corporations of established reputation engaged in the same or a similar business and similarly situated; provided, however, that from and after expiration of the Lease Agreement dated December 17, 1981 between the Partnership, as lessor, and North American Car Corporation, as lessee, for the Equipment, all such insurance shall be in such form and amount as the Bank may reasonably request. The Bank may apply any proceeds of such insurance which may be received by it toward payment of any expenses incurred by it in connection with the Equipment, the Credit Agreement and herewith (including, without limitation, reasonable attorneys' fees and legal expenses), and any balance of such proceeds may be applied toward the payment of such of the Liabilities, and in such order of application, as the Bank may from time to time determine. All insurance shall cover the interests of the Partnership and the Bank in the Equipment, or, as the case may be, shall protect the

Partnership and the Bank in respect of risks arising out of the condition, maintenance, use, ownership or operation of the Equipment. The Partnership shall furnish the Bank with the certificates or other satisfactory evidence of maintenance of the insurance required hereunder and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal prior to the expiration date of the original policy or policies. All insurance provided for in this Section shall be effected with insurance companies approved by the Bank, which approval shall not be unreasonably withheld.

(f) Except as provided herein, as permitted by the Credit Agreement or with the prior written consent of the Bank, the Partnership will not sell, loan, pledge, mortgage, assign or otherwise dispose of, or credit or suffer to be created any levies, liens or encumbrances on, or permit any bailment or other legal or equitable interest in, any of the Equipment or any interest therein, except for leases of the Equipment entered into with responsible lessees in the ordinary course of the Partnership's business; and the Partnership will from time to time cause to be paid all liens, taxes, assessments and governmental charges levied, assessed or imposed upon any of the Equipment or any interest therein; provided, however, that nothing herein contained shall be deemed to require any lien, tax, assessment, charge, claim or demand to be paid or discharged prior to the due

date thereof. The Partnership will give the Bank notice of any attachment or judicial process affecting any of the Equipment as soon as the Partnership has knowledge thereof.

(g) The Bank shall have at all times the right to enter into and upon any premises under the control of the Partnership where any of the Equipment is located for the purposes of inspecting the same, observing its use or otherwise protecting Bank's interest therein.

3. Performance of Bank. The Bank from time to time, at its option, may perform any agreement of the Partnership under this Agreement which the Partnership shall fail to perform and take any other action which the Bank deems reasonably necessary for the maintenance or preservation of the Equipment or its interest therein, and the Partnership agrees to forthwith reimburse the Bank for all expenses of the Bank in connection with the foregoing, together with interest thereon at the rate of interest borne on the Note after maturity from the date incurred until reimbursed by the Partnership.

4. Default. (a) The occurrence of any of the events defined as an "Event of Default" under Section 10.1 of the Credit Agreement shall constitute a Default under this Agreement.

(b) Whenever a Default shall be existing, in addition to the rights and remedies set forth in Section

10.2 of the Credit Agreement, the Bank from time to time may exercise any rights and remedies available to it under applicable law. Without limiting the foregoing, upon the occurrence of a Default the Bank, to the fullest extent permitted by applicable law, without notice, advertisement, hearing or process of law of any kind, but subject to the rights of any lessee of the Equipment, may (a) enter upon the premises where the Equipment may be located and take possession of and remove such Equipment, (b) sell any part of or all of the Equipment, free of all rights and claims of the Partnership therein and thereto, at any public or private sale, and (c) bid for and purchase the Equipment at any such sale.

(c) The Partnership agrees, in case of Default, to pay all costs of collection of the Note and any other liabilities, and enforcement of rights hereunder including reasonable attorneys' fees and legal expenses, and expenses of any repairs to any realty or other property to which the Equipment may be affixed or be a part. The Partnership hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Bank of any of its rights and remedies upon Default. If any notification of intended disposition of the Equipment is required by law, such notification, if mailed, shall be

deemed reasonably and properly given if mailed if least five days before such disposition, postage prepaid, addressed to the Partnership either at the address shown above, or at any other address of the Partnership appearing on the records of the Bank.

(d) Any proceeds of any disposition of the Equipment, including damage or loss covered by insurance, may be applied by the Bank (i) to the payment by the Bank of all expenses of retaining, holding, preparing for sale, and selling the Equipment and the like, including the reasonable attorneys' fees and legal expenses incurred in connection therewith by the Bank, and (ii) then to the payment of any Liabilities as provided in Section 2(f) hereof. Subject to the provisions of Section 10.3 of the Credit Agreement, the Partnership shall continue to be obligated for any debts, expenses and liabilities remaining unpaid after any such application, and any surplus after such application shall be returned to the Partnership or to whomever shall be legally entitled to the same.

5. General. (a) No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

(b) This Agreement has been delivered at Chicago, Illinois, and shall be governed by and construed in accordance with the laws of the State of Illinois. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(c) The rights and privileges of the Bank hereunder shall inure to the benefit of its successors and assigns.

(d) It is hereby understood and agreed that this Agreement is and shall be a "Collateral Agreement" as such term is defined in Section 8 of the Credit Agreement, anything therein to the contrary notwithstanding.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which shall together constitute but one and the same instrument. For the purpose of any filing with the Registrar General of Canada, the Bank is hereby authorized to attach hereto an executed copy of that certain Lease Assignment and Agreement, dated as of the date

hereof; and for the purpose of any such Canadian filing the aforementioned Lease Assignment and Agreement is hereby deemed to be made a part hereof.

SHEARSON EQUIPMENT INVESTORS

By SHEARSON EQUIPMENT MANAGEMENT CORPORATION, its General Partner

By *Arthur B. Bunker*

Its *Vice President*

Corporate Seal

ATTEST:

*C. F. Kwock*  
Its *Asst. Secy*

Address:

c/o Shearson Equipment Management Corporation  
Suite 1401  
521 Fifth Avenue  
New York, New York 10175

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

Corporate Seal

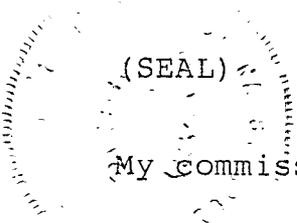
ATTEST:

*Robert S. Albrecht*  
Its SECOND VICE PRESIDENT

By *Melba Marnie*  
Its *Vice President*

STATE OF NEW YORK )  
 : SS.:  
COUNTY OF NEW YORK )

On this 5th day of January 1982, before me personally appeared Albert E. Booth II, to me personally known who being by me duly sworn, says that he is Vice President of SHEARSON EQUIPMENT MANAGEMENT CORPORATION, a Delaware corporation which is the sole general partner of SHEARSON EQUIPMENT INVESTORS, 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.



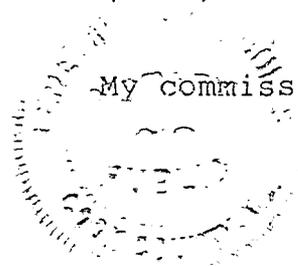
(SEAL)

My commission expires:

Diana S. Aquar  
DIANA S. AQUAR Notary Public  
Notary Public, State of New York  
No. 41-4739243  
Qualified in Queens County  
Commission Expires March 30, 1983

STATE OF ILLINOIS )  
 : SS.:  
COUNTY OF COOK )

On this 12<sup>th</sup> day of April 1982, before me personally appeared MEL A. MARINI, to me personally known who being by me duly sworn, says that he is Vice President of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, that one of the seals affixed to the foregoing instrument is the corporate seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association 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 banking association.



(SEAL)

My commission expires: **My Commission Expires**  
1-14-84

Demetrio Giovanni  
Notary Public

Annex 1 to Security Agreement  
(Railroad Cars)

Description of the Equipment:

Sixty-three (63) 4,750 cu. ft. covered hopper cars, with 100-ton trucks, of AAR Mechanical Designation "LO", bearing the following serial numbers:

487079-487108 (incl.),  
487841,  
487844-487858 (incl.),  
487967-487970 (incl.),  
487972-487983 (incl.),  
488031