

SHEARSON EQUIPMENT INVESTORS-II

Suire 1401
521 Fifth Avenue
New York, New York 10175
212 953 4125



2-178A103

No.
Date **MAR 19 1982**
Fee \$ 100.00

ICC Washington, D. C. March 17, 1982

Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Secretary:

We have enclosed an original set, and four counterpart sets (one of which counterpart sets of the lease identified below consists of one executed counterpart and one photocopy), 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 Lease Agreement and a Rider thereto, each dated as of December 18, 1981, and a Schedule thereto dated December 31, 1981) -- a primary document,
- (2) an assignment of said lease to be filed concurrently therewith (being an Assignment dated March 19 1982, 1982) -- a secondary document to be treated as one along with the foregoing primary document for fee purposes, and
- (3) Security Agreement 58 a mortgage (consisting of Supplement No. 1 to Security Agreement dated as of March 8, 1982, 58 with the Security Agreement dated as of December 9, 1981, that is supplemented thereby attached as Exhibit A thereto) -- a primary document.

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

Handwritten signature: Joan J. [unclear]

RECORDATION NO. 13600-A Filed 1425
MAR 19 1982-2 25 PM
SHEARSON EQUIPMENT MANAGEMENT CORPORATION
INTERSTATE COMMERCE COMMISSION
General Partner
James A. Carhaus, President
Albert E. Booth, II, Vice President
Charles F. Keating, Vice President

RECORDATION NO. 13600-B Filed 1425
MAR 19 1982-2 25 PM
RECORDATION NO. 13600-C Filed 1425
MAR 19 1982-2 25 PM
INTERSTATE COMMERCE COMMISSION

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

(1) LEASE

Lessor:

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

Assignee:

The First National Bank of Maryland,
Trustee
25 South Charles Street
Baltimore, Maryland 21201

(3) MORTGAGE

Mortgagor:

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

*(4) Supplement No. I to Mortgage
& Security Agreement.*

Mortgagee:

The First National Bank of Maryland,
Trustee
25 South Charles Street
Baltimore, Maryland 21201

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

Eighty-three (83) 4,750 cu. ft. covered hopper cars, with 100-ton trucks, of AAR Mechanical Designation "LO", bearing the following numbers:

488032-488093 (incl.)
488095-488115 (incl.)

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 488032-488093 (incl.)
NAHX 488095-488115 (incl.)

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-II, 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 18, 1981 (with a Schedule dated December 31, 1981), and covering eighty-three (83) 4,750 cu. ft. covered hopper cars with 100-ton trucks.

(2) Assignment between SHEARSON EQUIPMENT INVESTORS-II, assignor (address: c/o Shearson Equipment Management Corporation, Suite 1401, 521 Fifth Avenue, New York, N. Y. 10175) and THE FIRST NATIONAL BANK OF MARYLAND, as Trustee, assignee (address: 25 South Charles Street, Baltimore, Maryland 21201), dated _____, 1982, and covering eighty-three (83) 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-II, mortgagor, (address: c/o Shearson Equipment Management Corporation, Suite 1401, 521 Fifth Avenue, New York, N. Y. 10175) and THE FIRST NATIONAL BANK OF MARYLAND, as Trustee, mortgagee (address: 25 South Charles Street, Baltimore, Maryland 21201), dated as of _____, 1982 (relating to and confirming a mortgage dated as of December 9, 1981), and covering eighty-three (83) 4,750 cu. ft. covered hopper cars with 100-ton trucks.

Very truly yours,

SHEARSON EQUIPMENT INVESTORS-II

By SHEARSON EQUIPMENT MANAGEMENT CORPORATION, its General Partner

By Alfred B. Burt
Title: Vice President

MAR 19 1982 -2 25 PM

ASSIGNMENT

INTERSTATE COMMERCE COMMISSION

THIS ASSIGNMENT, dated March 19, 1982, is given by the Assignor identified in Schedule A hereto, to THE FIRST NATIONAL BANK OF MARYLAND, a national banking association, not in its individual capacity but solely as Trustee under a Participation and Trust Agreement dated as of November 30, 1981 (the "Assignee").

WHEREAS, the Assignor and the User identified in Schedule A hereto are parties to the Lease (as defined in Schedule A hereto) providing, among other things, for the possession, leasing, operation, use, management or control of the Equipment (as defined in Schedule A hereto) by the User; and

WHEREAS, Shearson Equipment Investors-II, a New York limited partnership ("SEI-II") has arranged for financing from The First National Bank of Maryland in its capacity as "Lender" pursuant to that certain Credit Agreement dated as of December 9, 1981, as the same may be amended, modified or supplemented, (the "Credit Agreement"), and in connection with such financing has agreed to assign or to have assigned to the Assignee, as collateral security for the payment of all Obligations (as defined in the Credit Agreement), the Lease and all the Assignor's right, title and interest in and to the Lease;

NOW, THEREFORE, in consideration of the premises, and as security for the payment of all money becoming due to the Lender, under the Credit Agreement, the Assignor agrees as follows:

1. The Assignor does hereby sell, assign, transfer and set over unto the Assignee the Lease and all of the Assignor's right, title and interest in, to and under the Lease, as said Lease may be further amended or modified including, without limitation, upon the occurrence of an Event of Default as defined in the Credit Agreement, the right to receive all payments from the User due the Assignor under the Lease and all other rights and benefits whatsoever (but none of the Assignor's obligations) accruing to the Assignor under the Lease including (but without prejudice to the generality of the foregoing) all claims for damages in respect of any breach by the User under the Lease; provided always that the Assignor shall keep the Assignee fully and effectively indemnified from and against all actions, losses, claims, proceedings, costs, demands and liabilities that may be suffered by the Assignee under or by virtue of the Lease or this Assignment including those arising out of Assignee's performance of any duties or obligations of the Assignor under the Lease which the Assignor has failed or refused to perform.

Notwithstanding the foregoing, so long as no Event of Default shall have occurred under the Credit Agreement,

the Assignee authorizes the Assignor to exercise in the Assignor's name all rights and powers granted to the Assignor under the Lease.

2. The Assignor hereby represents and warrants to the Assignee that:

(a) the Lease constitutes valid and binding obligations of the parties thereto, is in full force and effect and the Exhibit "A" attached hereto is a true photocopy of the executed Lease, and that there are no further amendments, additions, addenda or modifications thereto, and that the said Lease represents the entirety of the arrangements between the Assignor and the User and that neither party thereto is in default thereunder;

(b) it is authorized and empowered to make this Assignment and has not otherwise alienated, assigned, charged, pledged, granted a security interest in, disposed of or otherwise encumbered the Equipment or the Lease, amounts due or to become due thereunder, or any of its rights and benefits thereunder;

(c) the User is not in default under the Lease and no event has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute a default by the User thereunder;

(d) there are no equities in existence as between the Assignor and the User that may act to the detriment of the Assignee.

3. The Assignor hereby covenants with the Assignee that:

(a) after the occurrence of an Event of Default under the Credit Agreement, it will do or permit to be done each and every act or thing that the Assignee may from time to time require to be done for the purpose of enforcing the Assignee's rights under the Lease and this Assignment, and will allow its name to be used as and when required by the Assignee for that purpose;

(b) it will not, except with the prior written consent of the Assignee, which consent will not unreasonably be withheld, remove any Item of Equipment from the operation and effect of the Lease, release the User from any material obligation under the Lease, waive any material breach of the User's obligations under the Lease or consent to any such act or omission of the User as would otherwise constitute such breach;

(c) it will not alter or modify any of the terms or provisions of the Lease or cancel the same, or accept surrender or prepayment thereof, without prior written consent of the Assignee, which consent will not unreasonably be withheld;

(d) it will perform its obligations under the Lease and use its best endeavors to ensure that the User shall perform its obligations under the Lease;

(e) it will send a copy of all notices received or given by it under the Lease forthwith to the Assignee, save those received or given in the ordinary course of business; and

(f) so long as this Assignment remains in effect, the Assignor will not, without the Assignee's prior written consent, further assign or pledge the whole or any part of the right, title and interest hereby assigned to anyone other than the Assignee, its successors and assigns.

4. It is expressly agreed that, anything herein contained to the contrary notwithstanding:

(a) the Assignor shall at all times remain liable to the User under the Lease to perform all the duties and obligations imposed upon the Assignor thereunder to the same extent as if this Assignment had not been executed;

(b) the exercise by the Assignee of any of the rights assigned hereunder shall not release the Assignor from any of its duties or obligations to the User under the Lease except to the extent that such exercise by the Assignee shall constitute performance of such duties or obligations;

(c) the Assignee shall have no obligation or liability under the Lease by reason of, or arising out of, this Assignment or performance of duties of the Assignor under the Lease or to present or file any claim or to take any other action to collect or enforce any claim for any payment assigned hereunder; and

(d) no amendment or modification of the Lease and no consent, waiver or approval with respect thereto shall be valid unless joined in writing by the Assignee.

5. The Assignor hereby irrevocably constitutes and appoints the Assignee its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all amounts that may be or become due or payable under the Lease, with full power to settle, adjust or compromise any claim thereunder as fully as the Assignor could itself do, and to endorse the name of the Assignor on all commercial paper given in payment, or in part payment thereof, and in its discretion, to file any claim or take any other action or proceeding,

either in its own name or in the name of the Assignor, or otherwise, which the Assignee may deem necessary or appropriate to collect any and all sums that may be or become due or payable under the Lease, or that may be necessary or appropriate to protect and preserve the right, title and interest of the Assignee in and to such moneys and the security intended to be afforded hereby.

6. The Assignor agrees that at any time and from time to time, upon the written request of the Assignee, the Assignor will promptly and duly execute and deliver or cause to be executed and delivered on its behalf any and all such further assurances and any and all such further instruments and documents and take such further action as the Assignee may request in order to obtain the full benefits of this Assignment and of the rights and powers herein granted.

7. Upon the request of the Assignee, the Assignor shall: (a) affix to this Assignment the original executed Lease and deliver the same to the Assignee; (b) cause all remaining executed copies of said Lease to be marked conspicuously with substantially the following legend: "ORIGINAL ASSIGNED TO AND IN PHYSICAL POSSESSION OF THE FIRST NATIONAL BANK OF MARYLAND, TRUSTEE, FOR FINANCING PURPOSES"; and (c) permit the Assignee to inspect the Assignor's books and records relating to this Assignment, the Lease or the Equipment at such reasonable times and intervals as the Assignee may request.

8. The Assignor represents and warrants that it will deliver to the User a counterpart of this Assignment fully executed and procure the User's written Consent thereto.

9. No failure to exercise and no delay in exercising, on the part of the Assignee, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

10. This Assignment shall be governed by, and for all purposes construed in accordance with, the internal laws of the State of Maryland, but the parties hereto shall be entitled to all rights conferred by 49 U.S.C. §11303.

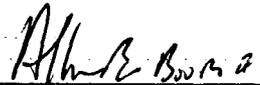
11. The rights, titles, interests, obligations and liabilities under this Assignment shall not be further assignable by the Assignor.

12. This Assignment shall be binding on the successors and assigns of the Assignor and shall inure to the benefit of and be binding on the successors and assigns of Assignee. The invalidity or unenforceability of any provisions of this Assignment shall not invalidate or render unenforceable any other provisions hereof.

IN WITNESS WHEREOF, the Assignor has caused this Assignment to be duly executed as of the day and year first above written.

SHEARSON EQUIPMENT INVESTORS-II

By: Shearson Equipment Management
Corporation, General Partner

By: 
Authorized Officer

THE FIRST NATIONAL BANK
OF MARYLAND, Trustee

By: 

ACKNOWLEDGMENTS

STATE OF *New York*)
COUNTY OF *New York*) ss:

On this *19th* day of *March* 1982, before me personally came and appeared *Albert E. Booth II*, to me personally known, who being by me duly sworn, says that he is the *Vice President* of Shearson Equipment Management Corporation, general partner of Shearson Equipment Investors-II, a New York limited partnership, that the seal affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on behalf of said corporation (acting on behalf of said partnership) by authority of its Board of Directors and he acknowledges that the execution of said foregoing instrument was the free act and deed of said corporation.

Angela V. Lawrence

Notary Public

ANGELA V. LAWRENCE
Notary Public, State of New York
No. 03-4715081
Qualified in Bronx County
Commission Expires March 30, 1982

Maryland
STATE OF ~~NEW YORK~~)
City Baltimore) ss:
COUNTY OF ~~NEW YORK~~)

On this *19th* day of *March* 1982, before me personally appeared *Bruce McBall*, to me personally known, who, being by me duly sworn, says that he is a *Vice President* of THE FIRST NATIONAL BANK OF MARYLAND, a United States national banking association, that the seal affixed to the foregoing instrument is the seal of said corporation and 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 each said foregoing instrument was the free act and deed of said corporation.

Bailey D. Day

Notary Public

[Notarial Seal]
My Commission expires *July 1, 1982*

ASSIGNMENT

SCHEDULE A

For the purposes of this Assignment, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the following meanings:

The Assignor shall mean Shearson Equipment Investors-II, a New York Limited Partnership.

The User shall mean North American Car Corporation, a Delaware corporation, and its successors and assigns.

The Lease shall mean that Lease Agreement dated December 18, 1981 between the User and the Assignor providing for the leasing of the Equipment from the Assignor by the User.

The Equipment shall mean eighty-three (83) 4,750 cu. ft. covered hopper cars, with 100-ton trucks, of AAR Mechanical Designation "LO", bearing the following serial numbers:

488032-488093 (incl.)

488095-488115 (incl.)

The User's running numbers are the same as the aforesaid serial numbers, prefixed by the designation "NAHX".