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LAW OFFICES

ROSS & HARDIES

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

RECORDATION NO 15243 X FILED 1423
150 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601-7567

TWX NUMBER
910-221-1154

TELECOPIER
312-750-8600

MAR 23 1989 - 10 25 AM

312-558-1000

529 FIFTH AVENUE
NEW YORK, NEW YORK 10017-4608
212-949-7075

580 HOWARD AVENUE
SOMERSET, NEW JERSEY 08875-6739
201-563-2700

888 16TH STREET, N.W.
WASHINGTON, D.C. 20006-4103
202-296-8600

INTERSTATE COMMERCE COMMISSION
SUSAN G. LICHTENFELD

March 21, 1989

RECORDATION NO 15243 X FILED 1423

MAR 23 1989 - 10 25 AM

INTERSTATE COMMERCE COMMISSION

VIA FEDERAL EXPRESS

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

3/23/89
26.00

ICC Washington, D.C.

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are one original executed copy and three photostatic copies of a Lease of Railroad Equipment (the "Lease") dated as of February 1, 1989, between The Pittsburgh and Lake Erie Railroad Company and U.S. Railcar, Inc., which Lease is a primary document as defined in the Commission's Rules for the Recordation of Documents.

The name and address of the parties to the enclosed Lease are:

Lessor: The Pittsburgh and Lake Erie
Railroad Company
Commerce Court Building
4 Station Square
Pittsburgh, Pennsylvania 15219

Lessee: U.S. Railcar, Inc.
2333 Waukegan Road
Bannockburn, IL 60015

MAR 23 11 25 AM '89
1070R OPERATING UNIT

Also enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are one original executed copy and three photostatic copies of an Agreement and Assignment ("Agreement and Assignment") dated as of February 1, 1989 among The Pittsburgh and Lake Erie Railroad Company, The Connecticut National Bank, as Security Trustee and U.S. Railcar, Inc.,

Ms. Noreta R. McGee
March 21, 1989
Page 2

relating to the Lease, which Agreement and Assignment is a secondary document as defined in the Commission's Rules for the Recordation of Documents.

The name and address of the parties to the enclosed Assignment and Agreement are:

Lessor: The Pittsburgh and Lake Erie
 Railroad Company
 Commerce Court
 4 Station Square
 Pittsburgh, PA 15219

Security Trustee: The Connecticut National Bank
 777 Main Street
 Hartford, Connecticut 06115

Lessee: U.S. Railcar, Inc.
 2333 Waukegan Road
 Bannockburn, IL 60015

A description of the railroad equipment covered by the enclosed documents is set forth in the Lease.

Also enclosed are two checks each in the amount of \$13.00, payable to the order of the Interstate Commerce Commission covering the required recordation fee for each document.

Kindly return the stamped original executed copy and two stamped photostatic copies of each of the enclosed documents and the stamped photostatic copy of this letter to Susan G. Lichtenfeld, Esq., Ross & Hardies, 150 North Michigan Avenue, Chicago, Illinois 60601.

Following is a short summary of the enclosed documents:

Primary Document to be Recorded

Lease of Railroad Equipment between The Pittsburgh and Lake Erie Railroad Company, and U.S. Railcar, Inc., dated as of February 1, 1989, covering the railcars described on Schedules A and B thereto.

Ms. Noreta R. McGee
March 21, 1989
Page 3

Secondary Document to Be Recorded

Assignment and Agreement, dated as of
February 1, 1989, between The Pittsburgh and
Lake Erie Railroad Company, The Connecticut
National Bank, as security trustee, and U.S.
Railcar, Inc.

Very truly yours,


Susan G. Lichtenfeld

SGL:shp

enc.

cc: Gordon E. Neuenschwander
G. E. Yurcon
C. R. Holley
J. E. Lenart
J. J. Lafferty
Robert W. Kleinman
Michael Hopkins
Jeffrey B. Schamis

RECORDATION NO

16243-14

FILED 1425

MAR 23 1989 -10 25 AM

INTERSTATE COMMERCE COMMISSION

AGREEMENT AND ASSIGNMENT

Dated as of February 1, 1989

Among

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY,

THE CONNECTICUT NATIONAL BANK, as Security Trustee,

and

U. S. RAILCAR, INC.

AGREEMENT AND ASSIGNMENT

AGREEMENT AND ASSIGNMENT, dated as of February 1, 1989, among THE CONNECTICUT NATIONAL BANK, as Security Trustee (the "Trustee") under a Master Agreement Regarding the Restructuring of Obligations of The Pittsburgh and Lake Erie Railroad Company, dated as of May 1, 1985, as amended (the "Master Agreement"), THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY (the "Lessor") and U.S. RAILCAR, INC. (the "Lessee").

WHEREAS, the Lessor and the Lessee have entered into a Lease Agreement, dated as of the date hereof (the "Lease Agreement"), covering the Lease by the Lessor to the Lessee of the railroad cars (individually a "Car" and collectively the "Cars") described on Exhibits A and B to the Lease Agreement, on the terms and conditions set forth therein;

WHEREAS, pursuant to the requirements of the Master Agreement, the Lessor has entered into a Railcar Security Agreement dated as of May 1, 1985 (the "Security Agreement"), which was filed and recorded with the Interstate Commerce Commission on June 6, 1985 in accordance with the provisions of 49 U.S.C. § 11303 and assigned recordation number 14696, in which the Lessor granted a security interest in the Cars (and other collateral) to the Trustee as collateral security for the payment of the Obligations, as such term is defined in the Security Agreement;

WHEREAS, the Trustee is willing to release its security interest in the Cars in consideration of an assignment by the Lessor of its rights under the Lease Agreement, and the Lessor is willing to assign such rights to the Trustee; and

WHEREAS, the Trustee as assignee of the rights of the Lessor under the Lease Agreement, is willing to release all of its rights, title and interest in and to the Cars upon satisfaction of performance by the Lessee of all of its obligations hereunder and under the Lease Agreement and upon Lessee's exercise of its option to purchase the Cars under the Lease Agreement.

NOW THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the mutual covenants and conditions herein contained:

1. The Lessor hereby assigns, transfers and sets over unto the Trustee, its successors and assigns, as additional collateral security under the Security Agreement, all of the Lessor's right, title and interest in, to and under the Lease Agreement, including but not limited to:

(a) the interest of the Lessor in and to each Car pursuant to the terms of the Lease Agreement;

(b) the immediate right to receive and collect any and all rental payments and the Purchase Price (as defined in the Lease Agreement) which may be or become due or owing under the Lease Agreement and any other sums payable to or receivable by the Lessor under the Lease Agreement; and

(c) all of the Lessor's rights, powers, privileges and remedies under the Lease Agreement.

In furtherance of the foregoing assignment and transfer, the Lessor hereby authorizes and empowers the Trustee, its successors and assigns, in the Trustee's own name or in the name of the Trustee's nominee, or in the name of or as attorney hereby irrevocably constituted for the Lessor, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Trustee is or may become entitled under this Agreement and Assignment and to ask, demand, sue for and enforce compliance by the Lessee with the terms and agreements on its part to be performed under the Lease Agreement. The Lessee further agrees that the Trustee shall not, by virtue of this Agreement and Assignment, be or become subject to any liability or obligation of the Lessor to the Lessee, whether arising under the Lease Agreement or otherwise.

2. Until written notice to the contrary from the Trustee, the Lessee agrees to make all payments required to be made by the Lessee to the Lessor pursuant to the Lease Agreement to the Trustee for distribution in accordance with the provisions of the Master Agreement. Payments shall be made by wire transfer of immediately available funds to:

The Connecticut National Bank
777 Main Street
Hartford, Connecticut 06115
ABA No. 011900445
Attention: Michael Hopkins, Bond and Trust
Administration

Re: PLE Lease Agreement dated as of
February 1, 1989

3. Promptly upon completion of performance by the Lessee of all of its obligations under the Lease Agreement and under this Agreement and Assignment, and the exercise of the Lessee of its option to purchase the Cars under the Lease Agreement, the Trustee agrees that it will execute and deliver releases, in forms reasonably acceptable to the Lessee and the Lessor, of its right, title and interest in and to the Cars.

4. The Trustee acknowledges that the Lessee is entitled to quiet possession and enjoyment of the Cars, as more fully described in Section 21 of the Lease Agreement. If the Lessor should default in any of its obligations to the Trustee under the Master Agreement or the Security Agreement, the Trustee agrees, so long as the Lessee is not in default under the Lease Agreement or under this Agreement and Assignment, that (1) it will not consider the Cars as being subject to the default remedies available to it under the Master Agreement or the Security Agreement; (2) it will not attempt to obtain possession of or title to the Cars or otherwise interfere with the Lessee's full, complete and quiet possession and enjoyment of the Cars; (3) it will continue to accept all payments from the Lessee, in accordance with Paragraph 2 of this Assignment and Agreement and (4) upon completion of the Lessee's obligations under the Lease Agreement and under this Agreement and Assignment and the exercise of the Lessee of its option to purchase the Cars under the Lease Agreement, it will release all of its right, title and interest in and to the Cars, as provided in Paragraph 3 of this Agreement and Assignment.

5. The Lessee shall file and record the Lease Agreement and this Agreement and Assignment with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303.

6. The Trustee may assign all or any of its rights under the Lease Agreement, including the right to receive any payments due or to become due to it from the Lessee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges of the Trustee hereunder; provided, however, that no such assignment shall adversely affect the rights and privileges of the Lessee set forth in paragraphs 3 and 4 hereof.

7. The terms of this Agreement and Assignment and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Pennsylvania, without regard to its conflicts of law doctrine; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303

8. This Agreement and Assignment may be executed in any number of counterparts and by different parties hereto in separate counterparts, but the counterpart delivered to the Trustee shall be deemed to be the original counterpart.

IN WITNESS WHEREOF, the parties have caused this Agreement and Assignment to be executed and delivered by their duly authorized officers, all as of the date first above written.

THE PITTSBURGH AND LAKE ERIE RAILROAD
COMPANY

By: Gordan E. Henschwender
President

THE CONNECTICUT NATIONAL BANK, as Security
Trustee

By: _____
Title:

U.S. RAILCAR, INC.

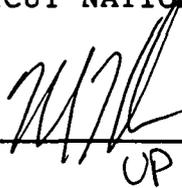
By: _____
Title:

IN WITNESS WHEREOF, the parties have caused this Agreement and Assignment to be executed and delivered by their duly authorized officers, all as of the date first above written.

THE PITTSBURGH AND LAKE ERIE RAILROAD
COMPANY

By: _____
President

THE CONNECTICUT NATIONAL BANK, as Security
Trustee

By: _____
Title:  UP

U.S. RAILCAR, INC.

By: _____
Title:

IN WITNESS WHEREOF, the parties have caused this Agreement and Assignment to be executed and delivered by their duly authorized officers, all as of the date first above written.

THE PITTSBURGH AND LAKE ERIE RAILROAD
COMPANY

By: _____
President

THE CONNECTICUT NATIONAL BANK, as Security
Trustee

By: _____
Title:

U.S. RAILCAR, INC.

By: Harold J. [Signature]
Title: PRESIDENT

STATE OF CONNECTICUT)
) SS
COUNTY OF HARTFORD)

On this 21st day of February, 1989, before me, the subscriber, Susan C., a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Michael M. Hopkins to me personally known, who stated and acknowledged that he is a Vice president of The Connecticut National Bank, a national banking association, and duly authorized by authority of the board of directors or the by-laws of said association in his capacity as such officer to execute and acknowledge the foregoing instrument for and in the name and on behalf of said association and further stated and acknowledged that he has so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said association, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 21st day of February, 1989.

Susan C. Chadbourne

My commission expires: March 31, 1990

STATE OF Illinois)
COUNTY OF Lake) SS)

On this 9th day of March, 1989, before me, the subscriber, Loretta Ziolkowski, a Notary Public, duly commissioned, qualified and acting, within and for said City and State, appeared in person the within named Harner Jones to me personally known, who stated and acknowledged that he is the President of U. S. Railcar, Inc., an Illinois corporation, and duly authorized by authority of the board of directors or the by-laws of said corporation in his capacity as such officer to execute and acknowledge the foregoing instrument for and in the name and on behalf of said corporation and further stated and acknowledged that he has so signed, executed and delivered the foregoing instrument as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 9th day of March, 1989.

Loretta M. Ziolkowski

My commission expires: _____

MY COMMISSION EXPIRES
JUNE 19, 1989
LORETTA M. ZIOLKOWSKI