

RECORDATION NO. 20694 FILED

MAY 23 '97 9-32 AM

May 19, 1997

RECORDATION NO. 20694-A FILED

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RECEIVED
SURFACE TRANSPORTATION
BOARD

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

Dear Secretary Williams:

I submit for filing and recording under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder, one enclosed executed counterpart and one (1) certified copy of the following documents: Railcar Lease Agreement dated May 16, 1997 and Assignment of Lease Agreement dated May 16, 1997.

The parties to the Railcar Lease Agreement and Assignment of Lease Agreement are:

Lessor: Railcar, Ltd.
1819 Peachtree Road, N.E.
Suite 455
Atlanta, Georgia 30390
Attention: President

Lessee: Iowa Interstate Railroad, Ltd.
800 Webster Street
Iowa City, Iowa 52240
Attention: Directors, Customer Service

Assignee: BTM Capital Corporation
125 Summer Street
Boston, Massachusetts 02110
Attention: Senior Vice President
Administration

The equipment covered in the Railcar Lease Agreement and the Assignment of Lease Agreement is as follows:

<u>A.A.R.</u> <u>Mechanical</u> <u>Designation</u>	<u>Description</u>	<u>Reporting</u> <u>Marks and</u> <u>Car Nos.</u>	<u>Number</u> <u>of Cars</u>
GB	110 Ton 52'6" End Gondola Cars	IAIS30000 to IAIS30099	100

LJ/lowa/TLetter

A short summary of the documents to appear in the index is as follows:

Railcar Lease Agreement and Assignment of Railcar Lease Agreement by Lessor to Assignee.

Enclosed is our check for \$24.00 in payment of the filing fee. Once this filing has been made, please return to the undersigned the stamped counterpart of each document not required for filing purposes, together with the fee receipt and the letter from the STB acknowledging the filing.

Very truly yours,

Elizabeth K. Johnson
Vice President and
Senior Counsel

Iowa/TLetter
Enclosures

LJ/Iowa/TLetter

MAY 23 '97

9-32AM

ASSIGNMENT OF LEASE AGREEMENT

THIS ASSIGNMENT OF LEASE AGREEMENT is made as of this 16th day of May, 1997, between RAILCAR, LTD., a Georgia corporation with a business address at 1819 Peachtree Road, N.E., Suite 455, Atlanta, Georgia 30309 ("LTD"), BTM CAPITAL CORPORATION, a Delaware corporation with a business address at 125 Summer Street, Boston, Massachusetts 02110 ("BTM"), and IOWA INTERSTATE RAILROAD, LTD., a Iowa Corporation, with a business address at 2920 Industrial Park Blvd., Iowa City, Iowa 52240 ("IIR").

WITNESSETH:

WHEREAS, LTD has entered into that certain Railcar Lease Agreement (the "Lease Agreement") with IIR (a copy of which is attached hereto and made a part hereof) pursuant to which LTD has leased approximately 100 new Trinity Industries, Inc. 110 ton, 52'6" end gondola railroad cars (capitalized terms used herein without definitions shall have the meaning assigned thereto in the Lease Agreement); and

WHEREAS, BTM has requested LTD to assign to it all rights, duties and obligations of Lessor under the Lease Agreement, and LTD is willing to do so but only upon the assumption by BTM of all duties and obligations of Lessor under the Lease Agreement except as provided, and on the other terms and conditions set forth, in this Assignment; and

WHEREAS, the parties are agreeable to the assignment of the Lease Agreement on the terms and conditions outlined below;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Assignment. LTD hereby assigns to BTM and BTM hereby assumes from LTD the Lease Agreement attached hereto and incorporated herein by reference. Subject to such modifications as are set forth herein, BTM shall be entitled to all rights and benefits conferred upon Lessor in the Lease Agreement and shall be obligated to perform all duties, obligations and responsibilities of Lessor as set forth in the Lease Agreement.

2. Notices, Invoices. IIR shall concurrently send (by similar method) a copy of any notices or invoices provided under the terms of the Lease Agreement to each of LTD and BTM; provided, however, that all payments due to Lessor under the Lease Agreement shall be sent to BTM. The address of LTD shall be as set forth in the Lease Agreement, and the address of BTM shall be as set forth above (subject to change by giving notice of such change to all parties hereto in the manner provided in the Lease Agreement).

5. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Georgia.

6. Entire Agreement. The Lease Agreement and this Assignment constitute the entire agreement of the parties with respect to the subject matter hereof, and supersede and replace any prior or contradictory representations, warranties or agreements between or among the parties. Except as expressly provided herein, the Lease Agreement shall continue in full force and effect.

7. Consent. IIR hereby expressly acknowledges and consents to this Assignment.

IN WITNESS WHEREOF, LTD, BTM and IIR have duly executed this Assignment as of the day and year first written above.

ATTEST:

RAILCAR, LTD.

B. Thomas Rockett

By: Wells L. Pierce

[CORPORATE SEAL]

State of Georgia
~~COMMONWEALTH OF MASSACHUSETTS~~
~~COUNTY OF SUFFOLK~~ FULTON

On this 16th day of May, 1997, before me personally appeared Wells L. Pierce, to me personally known, who, being by me duly sworn, says that he is President of Railcar, Ltd., that said instrument was signed on behalf of said corporation and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation

Jay J. Hardin
Notary Public

My Commission Expires: Notary Public, Coweta County, Georgia
My Commission Expires March 30, 1999

[NOTARIAL SEAL]

3. **Modifications.** Notwithstanding anything in the Lease Agreement to the contrary, the parties hereto agree as follows:

(a) Upon request from IIR, LTD agrees to use reasonable efforts, at IIR's expense, to assist IIR in fulfilling its obligations pursuant to the first sentence of Section 4(B) of the Lease Agreement (i.e., the preparation and filing of all documents relating to the registration, maintenance and record keeping functions involving the Cars).

(b) LTD, as well as BTM, shall have the rights accorded Lessor pursuant to Section 4(C) of the Lease Agreement.

(c) Notwithstanding any provision in this Assignment to the contrary, BTM shall not be responsible for any obligation of Lessor under Section 5(A) of the Lease Agreement. All responsibilities and rights of Lessor pursuant to Section 5(A) shall be retained and borne by and inure to LTD.

(d) BTM agrees to pay LTD, only from Net Payments received, on the last day of each calendar month an amount ("X"), if a positive number, equal to (i) the excess of the average monthly net payments per Car as of the end of that month (determined on a cumulative basis from the beginning of the calendar year to the end of such calendar month -- the "applicable period"; such amount equates to "A" in Section 6(B) of the Lease Agreement) over \$450 (not to exceed \$50), (ii) multiplied by the number of Cars (determined on a weighted average basis over the applicable period), (iii) further multiplied by the number of months in the applicable period, with the product of (i) - (iii) then (iv) reduced by the aggregate amount of payments previously made by BTM to LTD pursuant to this sentence for the applicable period; and (v) increased by the aggregate amount of payments previously paid by LTD to BTM pursuant to the next sentence for the applicable period. If X is a negative number, then LTD shall pay this amount to BTM, provided the maximum liability of LTD pursuant to this sentence shall not exceed (iv) minus (v).

(e) IIR agrees that both LTD and BTM shall have the rights of Lessor pursuant to Sections 5(B), 5(D), 10 and 12 of the Lease Agreement; provided, however, LTD shall have no right to receive financial statements of IIR pursuant to Section 12.

4. **Liability: Rights.** Except for those obligations of LTD expressly provided in this Assignment and in the Management Agreement between BTM and LTD executed in connection herewith, BTM and IIR hereby acknowledge and agree that LTD shall have no, and is hereby released and will be held harmless from any and all, liability with respect or relating to the Cars and the Lease Agreement (as amended and assigned) other than any liability arising from acts or omissions of LTD occurring prior to the date hereof and from the gross negligence or willful misconduct of LTD. LTD shall have all rights of Lessor under the Lease Agreement as shall be necessary and appropriate or advantageous for or to the performance of its obligations and the exercise of its rights hereunder.

ATTEST:

IOWA INTERSTATE RAILROAD, LTD.

Cheri McParland

By: *Robert C. Finley*

[CORPORATE SEAL]

IOWA
COMMONWEALTH OF MASSACHUSETTS
COUNTY OF SUFFOLK JOHNSON

On this 16th day of May, 1997, before me personally appeared Robert C. Finley, to me personally known, who, being by me duly sworn, says that he is Executive Vice-President of Iowa Interstate Railroad, Ltd., that said instrument was signed on behalf of said corporation by authority of its President and Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation

Paula A. Ingalls
Notary Public

My Commission Expires: 1999

[NOTARIAL SEAL]

ATTEST:

BTM CAPITAL CORPORATION

M. G. Nelson

By: Gary L. Christensen (EC)

[CORPORATE SEAL]

COMMONWEALTH OF MASSACHUSETTS
COUNTY OF SUFFOLK

On this 16th day of May, 1997, before me personally appeared Gary L. Christensen, to me personally known, who, being by me duly sworn, says that he is Sr. Vice President of BTM Capital corporation, that said instrument was signed on behalf of said corporation and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation

Ellen F. Henry
Notary Public

My Commission Expires: 1/17/2003

[NOTARIAL SEAL]