

RECORDATION NO. 21233-A FILED

MAR 31 '98

3-50PM

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N.W.
SUITE 200
WASHINGTON, D.C.

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

20006-2973

(202) 393-2266

FAX (202) 393-2156

OF COUNSEL
URBAN A. LESTER

RECEIVED
SURFACE TRANSPORTATION
BOARD

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Counter parts -

March 31, 1998

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are four (4) copies of an Assignment and Assumption Agreement, dated as of March 31, 1998, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Railcar Equipment Lease which was previously filed with the Board under Recordation Number 21233.

The names and addresses of the parties to the enclosed document are:

Assignor: JAIX Leasing Company
980 North Michigan Avenue, Suite 1000
Chicago, Illinois 60611

Assignee: The CIT Group/Equipment Financing, Inc.
1211 Avenue of the Americas
New York, New York

A description of the railroad equipment covered by the enclosed document is:

240 railcars bearing JAIX reporting marks and road numbers 98121 through 98360

Vernon A. Williams
March 31, 1998
Page 2

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

MAR 31 '98

3-50PM

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement, dated as of March 31, 1998, is between JAIX Leasing Company ("Assignor"), a Delaware corporation, and The CIT Group/Equipment Financing, Inc. ("Assignee"), a Delaware corporation.

RECITALS

WHEREAS, Assignor and Assignee have entered into a Purchase Agreement dated as of March 31, 1998 (the "Purchase Agreement"), pursuant to which Assignor shall sell, assign, transfer and convey to Assignee, and Assignor shall purchase, receive and accept, all of Assignor's right, title and interest in and to the railcar equipment described in Appendix 2 hereto (the "Railcars").

WHEREAS, Assignor desires to transfer to Assignee all of its right, title and interest in and to the Railcar Equipment Lease, dated as of January 19, 1998 (the "Lease"), between JAIX Leasing Company, as lessor, and The Burlington Northern and Santa Fe Railway Company ("BNSF"), as lessee, Rider 1 thereto, dated January 19, 1998 ("Rider 1"; the Lease and Rider 1 hereinafter collectively referred to as the "Lease"), and all other operative documents described in Appendix 1 hereto (collectively referred to as the "Operative Documents" and referred to with the Railcars as the "Owner Interests").

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Assignment of Owner Interests. Assignor hereby sells, assigns, transfers and conveys to Assignee, as of the date hereof, free and clear of all liens, claims and encumbrances, all of its right, title and interest in, to and under the Owner Interests; and Assignee hereby accepts and receives all such right, title and interest in, to and under the Owner Interests, excluding any claim, cause of action, liability or obligation of any nature or description or other right to payment accruing, arising or relating to any period on or prior to the date hereof or payable by reason of any act, event or omission occurring or existing on or prior to the date hereof, whether known or unknown, contingent or otherwise, as of the date hereof to have and to hold the same unto Assignee, its successors and assigns, forever.

Section 2. Assumption of Liabilities. Upon the execution and delivery of this Agreement, Assignee shall be deemed to be the "Lessor" for all purposes of the Lease, and each reference in the Lease to "Lessor" shall thereafter be deemed to be Assignee. Assignee assumes, with respect to the periods after the date hereof, all of the duties and obligations of Assignor hereafter accruing or arising incident to the Owner Interests. Assignee confirms, with respect to the periods after the date hereof, that as of the date hereof it shall be deemed a party to the Owner Interests hereto to which Assignor is a party, and Assignee agrees to be bound by all the terms of, and to undertake all such obligations of, Assignor contained therein arising after the date hereof.

Section 3. Distribution of Funds Received and Railcar Related Expenses Incurred Pursuant to the Lease. Revenues earned by the Railcars prior to the Closing are for Assignor's account. Revenues earned by the Railcars after the Closing are for Assignee's account. Assignor shall pay any advance lease revenues collected by Assignor, if any, which are attributable to the period after the Closing, to Assignee within a reasonable time period after the Closing. Assignee shall pay to Assignor any revenues that may be paid to Assignee as lessor under the Lease after the Closing, but which are attributable to the period on or prior to the Closing, within a reasonable time period after Assignees' receipt thereof. Assignor shall assume any expenses incurred with respect to the Railcars prior to the Closing. Assignee shall assume any expenses incurred with respect to the Railcars after the Closing. In the event either party receives an invoice for expenses that are due the other party, such invoice shall be immediately forwarded to the proper party for payment.

Section 4. Notices. Any notices provided for in the Lease shall be delivered to Assignee at the following address or such other place as Assignee may designate in accordance with the Lease:

The CIT Group/Equipment Financing, Inc.
1211 Avenue of the Americas
20th Floor
New York, New York 10036

Attention: Manager - Rail Group

Section 5. Headings. The headings of the Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 6. Governing Law. THIS AGREEMENT SHALL BE DEEMED TO HAVE BEEN MADE IN THE STATE OF NEW YORK, SHALL BE CONSTRUED IN ACCORDANCE WITH, AND THE RIGHTS AND LIABILITIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, THE LAWS OF SUCH STATE, WITHOUT REGARD TO ITS CONFLICTS OF LAW DOCTRINE (OTHER THAN TITLE 14 OF ARTICLE 5 OF THE GENERAL OBLIGATIONS LAW), AND THIS AGREEMENT SHALL BE DEEMED IN ALL RESPECTS TO BE A CONTRACT OF SUCH STATE. BOTH PARTIES CONSENT TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS SITTING IN NEW YORK, NEW YORK FOR ANY ACTION THAT MAY BE BROUGHT UNDER THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 7. Definitions. Capitalized terms used herein without definition shall have the meanings given them in the Purchase and Sale Agreement described in Section 9 below.

Section 8. Execution in Counterparts. This Agreement and any amendments, waivers or consents hereto may be executed by Assignor and Assignee in separate counterparts (or upon separate signature pages bound together into one or more counterparts), each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute one and the same instrument.

Section 9. Purchase and Sale Agreement. The rights and obligations of the parties hereto are subject to the terms and conditions of that certain Purchase and Sale Agreement, dated as of March ____, 1998, between Assignor and Assignee (the "Purchase and Sale Agreement").

Section 10. Recordation. Assignor hereby authorizes the recordation of this Agreement and hereby agrees to execute such further documentation as Assignee may reasonably request in order to carry out the purposes of this Agreement.

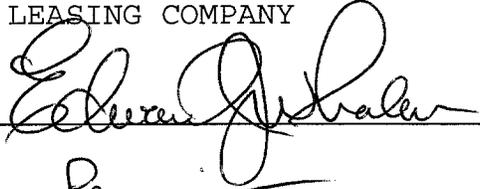
Section 11. Miscellaneous. Each party to this Agreement shall execute and deliver such instruments, documents and other written information and take such other actions as the other party may reasonably require in order to carry out the intent of this Agreement. This Agreement and all the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one instrument.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first hereinabove set forth.

JAIK LEASING COMPANY

By:



Its:

President

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By:



Its:

Vice President

STATE OF ILLINOIS

)

) SS:

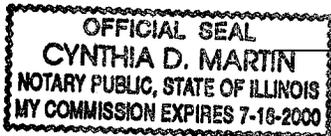
COUNTY OF COOK

)

On this 26th day of March, 1998, before me personally appeared Edward Whalen to me personally known, who being duly sworn, says that he is a President of JAIX LEASING COMPANY, that said instrument was signed 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.

Cynthia D. Martin
Notary Public

[NOTARY SEAL]



My Commission Expires:

STATE OF NEW YORK

)

) SS:

COUNTY OF NEW YORK

)

On this 30th day of March, 1998, before me personally appeared Lawrence E. Littlefield to me personally known, who being duly sworn, says that she is a Vice-President of THE CIT GROUP/EQUIPMENT FINANCING, INC., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Barbara Garner
Notary Public
BARBARA GARNER
Notary Public, State of New York
No. 01GA5065133
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires Sept. 3, 1998

[NOTARY SEAL]

My Commission Expires:

APPENDIX 1

OPERATIVE DOCUMENTS

Except as set forth herein, all right, title and interest of JAIX Leasing Company ("Assignor") in, to and under the following Operative Documents:

1. Railcar Equipment Lease, dated as of January 19, 1998 (the "Lease"), by and between JAIX Leasing Company, as lessor, and The Burlington Northern and Santa Fe Railway Company, as lessee (the "BNSF Lease").
2. Rider 1 to the Lease, dated January 19, 1998 ("Rider 1").
3. Certificate of Acceptance dated March __, 1998 executed by The Burlington Northern and Santa Fe Railway Company with respect to the delivery of the Cars under the Lease.
4. Memorandum of Lease Agreement, dated as of February 20, 1998, between JAIX Leasing Company, as lessor, and The Burlington Northern and Santa Fe Railway Company, as lessee, relating to the BNSF Lease and Rider 1 thereto.

APPENDIX 2

DESCRIPTION OF RAILCARS

240 aluminum BethGon coalporter cars manufactured by Freight Car Services, Inc. and bearing road marks and numbers:

JAIX 98121 through JAIX 98360 (both inclusive)