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RECORDATION NO. 17813-A FILED 1/25

FEB 24 1996 -3 10 PM

February 21, 1996

INTERSTATE COMMERCE COMMISSION

VIA FEDERAL EXPRESS

Secretary
Surface Transportation Board
12th & Constitution
Room 2311
Washington, DC 20423

Attention: DOCUMENTS FOR RECORDATION

Re: Recordation No. 17813

Dear Secretary:

I am an attorney representing a party to the enclosed document. I have enclosed one original of the document described below, and two certified copies, to be recorded pursuant to Section 11301 of Title 49 of the United States Code and the regulations adopted thereto.

The document is an Assignment and Assumption of Certain Liabilities, a secondary document, dated as of February 9, 1996.

The primary document to which the foregoing document is connected is recorded under Recordation No. 17813.

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

Assignor: Interail, Inc.
One Foxfield Square, Suite 200
St. Charles, Illinois 60174

INTERSTATE COMMERCE
COMMISSION
RECEIVED
FEB 22 3 03 PM '96

Surface Transportation Board
DOCUMENTS FOR RECORDATION
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Assignee: First Union Rail Corporation
One O'Hare Center, Suite 3005
6250 River Road
Rosemont, Illinois 60018

Secured Party:
The First National Bank of Maryland
25 South Charles Street
Baltimore, Maryland 21201

A description of the equipment covered by the foregoing document follows:

All remaining equipment described in the primary document.

A fee of \$21.00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation and the enclosed copy of this letter, each stamped with your recordation number to **Richard Demarest Yant., Seyfarth, Shaw, Fairweather & Geraldson, 55 East Monroe Street, Suite 4200, Chicago, Illinois 60603.**

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

Assignment and Assumption of Certain Liabilities between Interail, Inc., St. Charles, Illinois, as assignor, and First Union Rail Corporation, Rosemont, Illinois, as assignee, by which the obligations of the assignor under the primary document are assumed by the assignee.

Yours very truly,
SEYFARTH, SHAW, FAIRWEATHER & GERALDSON

By


Richard Demarest Yant

Enclosures

cc: Robert V. Baker
Lita K. Jimenez
Richard M. Folio

CERTIFIED COPY

I, R. D. Yant, the undersigned affiant, certify and affirm that I have compared the attached copy with the original and have found the copy to be complete and identical in all respects to the original document.

R. D. Yant

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

The foregoing instrument was acknowledged before me this 21st day of February, 1996,
by R. D. Yant.

Margaret V. Brueck
NOTARY PUBLIC



RECORDATION NO. 17813-A
FILED 1625
FEB 22 1996 -3 10 PM
INTERSTATE COMMERCE COMMISSION

ASSIGNMENT AND ASSUMPTION OF CERTAIN LIABILITIES
(1st MD)

THIS ASSIGNMENT AND ASSUMPTION is hereby made by INTERAIL, INC., a Kansas corporation (the "Company") and FIRST UNION RAIL CORPORATION., a North Carolina corporation ("Purchaser"), as of this 9th day of February, 1996.

RECITALS

- A. Purchaser and the Company have entered into that certain Asset Purchase Agreement (the "Purchase Agreement"), whereby the Company has agreed to sell to Purchaser, and Purchaser has agreed to purchase, certain assets of the Company pursuant to the terms of the Purchase Agreement (capitalized terms used but not defined herein have the meanings assigned to such terms in the Purchase Agreement);
- B. Pursuant to Section 2.1(C)(1)(II) of the Purchase Agreement, the Company has agreed to transfer and Purchaser has agreed to assume certain scheduled liabilities, including the indebtedness of the Company represented by the documents described on the attached Schedule 1 (the "Assumed Liabilities").

NOW, THEREFORE, in consideration of the promises and covenants contained in the Purchase Agreement and herein, Purchaser hereby agrees as follows:

1. Assumption of Liabilities. Purchaser hereby assumes and agrees to be liable for and to discharge the Assumed Liabilities, including the principal thereon and all interest and other charges accruing after the Closing (except to the extent such charges or amounts accrue on any item required to be paid prior to the Closing), and agrees to be bound by and comply with all of the terms and conditions contained in any of the documents evidencing any of the Assumed Liabilities from and after the Closing to the same extent the Company is obligated. Nothing in this Assignment and Assumption shall be deemed to increase the liability of, or recourse to, Purchaser beyond that which the Company would have had if there had been no assignment or assumption.
2. Assignment. The Company hereby assigns to Purchaser any and all benefits accruing to the Company under any of the Assumed Liabilities or under any document evidencing or executed in connection with the Assumed Liabilities.
3. Governing Law. This Assignment and Assumption shall be governed in all respects, including as to validity, interpretations and effect, by the internal laws of the state of Illinois, without giving effect to the conflict of laws rules thereof.
4. Conflicting Terms. As between the Company and Purchaser only, to the extent the terms of this Assignment and Assumption conflicts with the terms of the Purchase Agreement, the terms of the Purchase Agreement shall control.

5. Successors and Assigns. This Assignment and Assumption shall be binding upon and shall inure to the benefit of the Company and Purchaser and their respective successors and assigns.

IN WITNESS WHEREOF, this Assignment and Assumption has been executed by duly authorized officers of the Company and Purchaser as of the date first above written.

FIRST UNION RAIL CORPORATION

By: 
Name: PAUL W. VAN WIE
Title: CHIEF EXECUTIVE OFFICER

INTERAIL, INC.

By: 
Name: Lita K. Jimenez
Title: V.P. Finance

CONSENT:

Subject to the completion of such assignments and/or completion of financing statements and other filings that The First National Bank of Maryland reasonably deems appropriate to evidence the continuation of its interests and the assumption by Purchaser, the undersigned hereby consents to the foregoing Assignment and Assumption and agrees that from and after the Closing under the Purchase Agreement it will recognize the above-named Purchaser as the assignee and successor to all rights and obligations under the Assumed Liabilities and all documents evidencing any of the Assumed Liabilities or executed in connection therewith and release Interail, Inc. from responsibility thereafter arising thereunder.

THE FIRST NATIONAL BANK OF MARYLAND

By: _____
Title: _____

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5. Successors and Assigns. This Assignment and Assumption shall be binding upon and shall inure to the benefit of the Company and Purchaser and their respective successors and assigns.

IN WITNESS WHEREOF, this Assignment and Assumption has been executed by duly authorized officers of the Company and Purchaser as of the date first above written.

FIRST UNION RAIL CORPORATION

By: _____
Name: _____
Title: _____

INTERAIL, INC.

By: _____
Name: _____
Title: _____

CONSENT:

Subject to the completion of such assignments and/or completion of financing statements and other filings that The First National Bank of Maryland reasonably deems appropriate to evidence the continuation of its interests and the assumption by Purchaser, the undersigned hereby consents to the foregoing Assignment and Assumption and agrees that from and after the Closing under the Purchase Agreement it will recognize the above-named Purchaser as the assignee and successor to all rights and obligations under the Assumed Liabilities and all documents evidencing any of the Assumed Liabilities or executed in connection therewith and release Interail, Inc. from responsibility thereafter arising thereunder.

THE FIRST NATIONAL BANK OF MARYLAND

By: Richard M. Shaw
Title: Assistant Vice President

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ACKNOWLEDGEMENTS

STATE OF)
) SS
COUNTY OF)

The forgoing instrument was acknowledged before me this _____, 199_ by _____ of FIRST UNION RAIL CORPORATION, a North Carolina corporation, on behalf of the corporation

Notary Public

(SEAL)

STATE OF)
) SS
COUNTY OF)

The forgoing instrument was acknowledged before me this _____, 199_ by _____ of INTERAIL, INC., a Kansas corporation, on behalf of the corporation

Notary Public

(SEAL)

STATE OF *Maryland*)
) SS
COUNTY OF *Baltimore*)

The forgoing instrument was acknowledged before me this 2/8, 1996 by Richard H. Felio, the past Vice President of THE FIRST NATIONAL BANK OF MARYLAND, a national banking association, on behalf of the association.

Debra A. Kellier
Notary Public
(SEAL)

My Commission Expires June 15, 1996

SCHEDULE 1

ASSUMED LIABILITIES

Promissory Note made by Interail, Inc., dated December 10, 1993 in the original principal amount of \$2,400,000.00, payable to the order of The First National Bank of Maryland, a certain Loan Agreement dated December 10, 1993 by and between The First National Bank of Maryland and Interail, Inc., a certain Security Agreement dated December 10, 1993, and a certain Assignment of Rights in certain Agreements dated December 10, 1993, by Interail, Inc., in favor of The First National Bank of Maryland, and all documents securing such note or executed in connection therewith.

Promissory Note made by Interail, Inc., dated May 2, 1994 in the original principal amount of \$1,037,000.00, payable to the order of The First National Bank of Maryland, a certain Loan Agreement dated May 2, 1994 by and between The First National Bank of Maryland and Interail, Inc., a certain Security Agreement dated as of May 2, 1994 by Interail, Inc. in favor of The First National Bank of Maryland filed with the Interstate Commerce Commission on May 5, 1994 under Recordation No. 18801 and deposited in the Office of the Registrar General of Canada on May 5, 1994, an Assignment of Rights in Certain Agreements dated May 2, 1994 by Interail, Inc. in favor of The First National Bank of Maryland, and all documents securing such note or executed in connection therewith.

Promissory Note made by Interail, Inc., dated June 12, 1992 in the original principal amount of \$2,089,800.00, payable to the order of The First National Bank of Maryland, a certain Chattel Mortgage and Security Agreement dated June 12, 1992 by and between The First National Bank of Maryland and Interail, Inc., and all documents securing such note or executed in connection therewith.