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

OCT 2 1996 3 04 PM

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

20006-2973

OF COUNSEL  
URBAN A. LESTER

(202) 393-2266

FAX (202) 393-2156

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RECEIVED  
SURFACE TRANSPORTATION  
BOARD

October 2, 1996

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 two (2) copies each of the following two secondary documents: an Assumption Agreement, dated as of July 31, 1996, and an Assignment and Assumption Agreement, dated as of September 27, 1996.

The enclosed documents relates to the Equipment Lease and other secondary documents previously filed with the Commission under Recordation Number 13207.

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

Assumption Agreement

Assignor: USL Capital Corporation (successor  
to United States Rail Services, Inc.)  
733 Front Street  
San Francisco, California 94111

Assignee: First Union Rail Corporation  
301 South College Street  
Charlotte, North Carolina 28288

*Counterpart - Kim [unclear]*

Mr. Vernon A. Williams  
October 2, 1996  
Page 2

Assignment and Assumption Agreement

Assignor: First Commercial Bank  
865 Howe Avenue  
Sacramento, California 95825

Assignee: The CIT Group/Equipment Financing, Inc.  
1211 Avenue of the Americas  
New York, New York 10036

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

fifty-nine (59) covered hopper railcars set forth on Exhibit A attached hereto

Also enclosed is a check in the amount of \$44.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

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

Very truly yours,



Robert W. Alvord

RWA/bg  
Enclosures

RECORDATION 13207-L FILED 1996  
OCT 2 1996 2 05 PM

**ASSIGNMENT AND ASSUMPTION AGREEMENT**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment") is made and entered into as of the 27th day of September, 1996, by and between First Commercial Bank, a California corporation having its principal place of business at 865 Howe Avenue, Sacramento, California 95825 ("Seller"), and The CIT Group/Equipment Financing, Inc., a New York corporation having a place of business at 1211 Avenue of the Americas, New York, New York 10036 ("Purchaser").

**RECITALS:**

A. Seller and United States Rail Services, Inc., a California corporation ("Original Lessee") have heretofore executed and delivered that certain Equipment Lease dated as of July 1, 1981, that certain Amendment to Participation Agreement and Lease dated as of October 1, 1981, and that certain Amendment to Equipment Lease dated as of March 1, 1986 (said Equipment Lease as so amended being herein called the "Lease") pursuant to which Seller leased to Original Lessee 60 100-ton 4750 cubic foot covered hopper cars manufactured by Thrall Car Manufacturing Corporation ("Vendor"), originally marked and numbered TC 794 to TC 853, both inclusive, which cars, following changes to the marks and numbers thereon (and the occurrence of an "Event of Loss" (as defined in the Lease) to one of such cars), are currently marked and numbered as set forth in Exhibit A hereto (said equipment being herein collectively called the "Equipment" or "Items of Equipment" and individually called an "Item of Equipment").

B. The Lease was recorded in the Office of the Secretary of the Interstate Commerce Commission on July 31, 1981 at 12:20 P.M. and was given Recordation No. 13207.

C. In connection with the Lease, Original Lessee entered into a Participation Agreement dated as of July 1, 1981 with the United States Leasing International, Inc., a California corporation ("Parent"), Seller and Chemical Business Credit Corp. ("CBCC") pursuant to which Seller acquired the Equipment from the Vendor by application of sums advanced by it and the proceeds of a loan from CBCC in the amount of \$1,732,103.76, evidenced by Seller's \$1,732,103.76 15% Non-Recourse Secured Note dated July 31, 1981 (the "Original Interim Note"), issued under and pursuant to said Participation Agreement. Pursuant to the Amendment to Participation Agreement and Lease referred to above, CBCC surrendered its Original Interim Note in exchange for a new 15% Non-Recourse Secured Note dated December 31, 1981 in the amount of \$1,641,867.81 (the "Interim Note"). Pursuant to said Participation Agreement, the Parent guaranteed certain obligations of the Original Lessee under the Lease, said Participation Agreement and certain other agreements entered into by



2. Seller does hereby assign, transfer, sell and convey unto Purchaser all of Purchaser's present and future right, title and interest in and to the Lease Transaction Documents, excluding, however, any claim, cause of action or other right to payment accruing in favor of or against Seller prior to the date hereof or payable by reason of any event, action or omission occurring prior to the date hereof, subject to any Liens (as defined in the Purchase Agreement) created by the Security Agreement or permitted pursuant to the Purchase Agreement. EXCEPT AS SPECIFICALLY SET FORTH HEREIN OR IN THE PURCHASE AGREEMENT, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER CONCERNING THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, THE SELECTION, QUALITY, OR CONDITION THEREOF, OR THEIR MERCHANTABILITY, THEIR SUITABILITY, THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THE OPERATION, PERFORMANCE OR MAINTENANCE THEREOF WHICH SHALL BE CONSIDERED FOR ALL PURPOSES "AS IS, WHERE IS, WITH ALL FAULTS" OR AS TO THE FINANCIAL CONDITION, RESULTS OF OPERATIONS OR BUSINESS OF LESSEE, THE TRANSACTIONS CONTEMPLATED HEREBY, THE ANTICIPATED OR EXPECTED RESULTS THEREOF TO PURCHASER, INCLUDING, WITHOUT LIMITATION, THE TAX CONSEQUENCES TO PURCHASER OF SUCH TRANSACTIONS UNDER FEDERAL, STATE, LOCAL OR FOREIGN LAWS, OR ANY OTHER MATTER WHATSOEVER AND SELLER SHALL NOT BE DEEMED TO HAVE MADE ANY SUCH REPRESENTATION OR WARRANTY BY VIRTUE OF HAVING SOLD THE EQUIPMENT PURSUANT TO PURCHASE AGREEMENT OR HAVING DONE OR FAILED TO DO ANY OTHER ACT. ANY PRIOR REPRESENTATION OR STATEMENTS, WHETHER ORAL OR WRITTEN, AS TO THE CONDITION OR FITNESS OF THE EQUIPMENT OR ITS CAPABILITY OR CAPACITY, ARE MERGED HEREIN AND ANY SUCH REPRESENTATIONS OR STATEMENTS NOT SPECIFICALLY INCLUDED IN THIS ASSIGNMENT ARE HEREBY WITHDRAWN BY SELLER, AND PURCHASER ACKNOWLEDGES THAT IT IS NOT RELYING ON THEM.

3. Purchaser hereby accepts from and after the date hereof the rights, title, and interest assigned under Section 1 hereof and assumes all of the duties and obligations of Seller under the Lease Transaction Documents arising or accruing on or after the date hereof. Purchaser, for the benefit of the parties to the Participation Agreement and Seller, confirms that (i) it has the requisite power and authority to enter into and carry out the transactions contemplated by the Lease Transaction Documents, and (ii) it shall be bound by all the terms of, and shall undertake all the obligations of Seller contained in, and shall be deemed a party to the Lease Transaction Documents, in each case solely from and after the date hereof.

4. Upon the effectiveness of this Assignment and thereafter, Seller shall be released and discharged from each duty and obligation set forth in, and any liability arising or occurring on or after the date hereof which does not relate back to a time prior to the effectiveness of this Assignment under, the Lease Transaction Documents and Purchaser shall be substituted in lieu of Seller as a party to each of the Lease Transaction Documents to which Seller is a party. Seller agrees to indemnify on an after tax basis and save and hold harmless Purchaser from and against any and all out of pocket loss, cost or other expense (other than consequential damages) incurred by Purchaser which arise out of (i) any failure by Seller to comply with the terms of the Lease Transaction Documents to which it is a party prior to the date hereof, or (ii) any liabilities or obligations of Seller required to be satisfied or performed by Seller prior to the date hereof. Purchaser agrees to indemnify on an after tax basis and save and hold harmless Seller from and against any and all out of pocket loss, cost or other



8. This Assignment may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Receipt by either party hereto by a telecopy of a counterpart hereof shall be effective as the delivery of an originally signed copy of such counterpart. This Assignment shall become effective as of the later of the dates set forth below under the signatures of the officers of the parties hereto on the execution page hereof.

9. 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

10. Assignor and Assignee agree that except as otherwise specifically stated herein, the provisions of this Agreement are for the sole benefit of Assignor, Assignee, Lessee and Lender, and their respective permitted successors and assigns, and are not for the benefit, directly or indirectly, of any other Person.

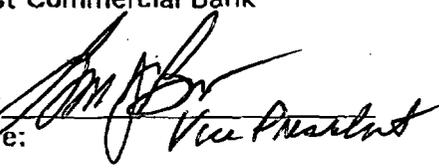
11. The rights and obligations of the parties hereto are subject to the terms and conditions of that certain Purchase Agreement dated as of September 17, 1996 between Assignor and Assignee (the "Purchase Agreement"). Capitalized terms used herein without definition shall have the meanings given them in the Purchase Agreement.

12. Assignor hereby authorizes the recordation of this Assignment with the Surface Transportation Board and such other agencies as Assignee deems appropriate, and Assignor hereby agrees to execute such further documentation as Assignee may reasonably request in order to carry out the purpose of this Assignment.

**IN WITNESS WHEREOF**, the undersigned pursuant to due corporate authority, has caused this instrument to be duly executed in its corporate name by its officer thereunto duly authorized, all as of the date written below.

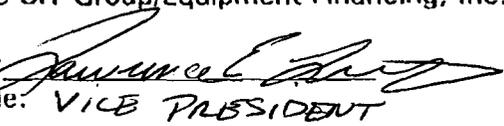
Dated as of: September 27, 1996

First Commercial Bank

By: 

Title: Vice President

The CIT Group/Equipment Financing, Inc.

By: 

Title: VICE PRESIDENT



# EXHIBIT A

	old mark/no		new mark/no		Lessee
1	PCN	5104	RUSX	484060	Benson Quinn
2	PCN	5109	RUSX	484061	Benson Quinn
3	PCN	5115	RUSX	484064	Benson Quinn
4	PCN	5140	RUSX	484070	Benson Quinn
5	PCN	5141			Point Comfort & Northern
6	PCN	5149			Point Comfort & Northern
7	PCN	5162			Point Comfort & Northern
8	PCN	5163	RUSX	484078	Benson Quinn
9	PCN	5164			Point Comfort & Northern
10	PCN	5165			Point Comfort & Northern
11	PCN	5166	RUSX	484079	Benson Quinn
12	PCN	5167			Point Comfort & Northern
13	PCN	5169	RUSX	484081	Benson Quinn
14	PCN	5170	RUSX	484082	Benson Quinn
15	PCN	5182	RUSX	484091	Benson Quinn
16	PCN	5202			Point Comfort & Northern
17	PCN	5203	RUSX	484094	Benson Quinn
18	PCN	5204			Point Comfort & Northern
19	PCN	5205			Point Comfort & Northern
20	PCN	5206			Point Comfort & Northern
21	PCN	5207			Point Comfort & Northern
22	PCN	5208			Point Comfort & Northern
23	PCN	5209			Point Comfort & Northern
24	PCN	5210			Point Comfort & Northern
25	PCN	5211			Point Comfort & Northern
26	PCN	5212			Point Comfort & Northern
27	PCN	5213			Point Comfort & Northern
28	PCN	5214			Point Comfort & Northern
29	PCN	5215			Point Comfort & Northern
30	PCN	5216			Point Comfort & Northern
31	PCN	5217			Point Comfort & Northern
32	PCN	5220			Point Comfort & Northern
33	PCN	5221	RUSX	484095	Benson Quinn
34	PCN	5222	RUSX	484096	Benson Quinn
35	PCN	5225			Point Comfort & Northern
36	PCN	5226			Point Comfort & Northern
37	PCN	5228			Point Comfort & Northern
38	PCN	5230			Point Comfort & Northern
39	PCN	5231			Point Comfort & Northern
40	PCN	5233			Point Comfort & Northern
41	RUSX	5105			Aluminum Company of America
42	RUSX	5108			Aluminum Company of America
43	RUSX	5108			Aluminum Company of America
44	RUSX	5126			Union Pacific Railroad
45	RUSX	5127			Aluminum Company of America
46	RUSX	5128	destroyed		
47	RUSX	5129			Union Pacific Railroad

**EXHIBIT A**

48	RUSX	5130			Aluminum Company of America
49	RUSX	5131			Louis Dreyfus Corporation
50	RUSX	5132			Union Pacific Railroad
51	RUSX	5133			Louis Dreyfus Corporation
52	RUSX	5134			Louis Dreyfus Corporation
53	RUSX	5135			Louis Dreyfus Corporation
54	RUSX	5136			Union Pacific Railroad
55	AN	9010	RUSX	5219	Burlington Northern Railroad
56	AN	9011	RUSX	5250	Burlington Northern Railroad
57	BXN	5168	RUSX	484080	Benson Quinn
58	BXN	5219	PCN	5219	Point Comfort & Northern
59	BXN	5223	RUSX	484087	Benson Quinn
60	BXN	5224	PCN	5224	Point Comfort & Northern