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June 26, 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 of each of the following documents: a Rail Equipment Lease, dated June 6, 1996, a primary document as defined in the Board's Rules for the Recordation of Documents, and an Assignment of Lease, dated June 24, 1996, a secondary document related thereto:

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

Rail Equipment Lease

Lessor: TPS Leasing Company, LLC
1700 Commerce Street (Suite 710)
Dallas, Texas 75201

Lessee: Steelton and Highspire Railroad Company
1170 Eighth Avenue
Bethlehem, Pennsylvania 18018

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Handwritten notes:
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Gibb to Williams

Mr Vernon A Williams
June 26, 1996
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Assignment of Lease

Assignor: TPS Leasing Company, LLC
1700 Commerce Street (Suite 710)
Dallas, Texas 75201

Assignee: Transamerica Business Credit Corporation
13760 Noel Road
Dallas, Texas 75240

A description of the railroad equipment covered by the enclosed documents is set forth in Schedule A to the Rail Equipment Lease

Also enclosed is a check in the amount of \$42.00 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

ASSIGNMENT OF LEASE

20150 ^A

JUN 26 1996

To: Transamerica Business Credit Corporation

Re: Rail Equipment Lease No. 05/1204/01L June 6, 1996 and Equipment Schedule A thereto (the "Lease") between Steelton and Highspire Railroad Company, as lessee (the "Lessee"), and undersigned (the "Assignor"), having aggregate unpaid rentals of \$1,886,400.00.

For value received, the Assignor hereby sells, assigns, transfers and sets over to Transamerica Business Credit Corporation, its successors and assigns (the "Assignee"), all of the Assignor's right, title and interest in and to the Lease and all riders, schedules, amendments, addenda, instruments, guaranties and agreements related thereto (collectively, the "Lease Documents"), including, without limitation, all rental payments due and to become due thereunder and all of the Assignor's rights and remedies under the Lease Documents, including the right to take, in the Assignor's name or otherwise, any and all proceedings (whether legal, equitable or otherwise) that the Assignor might otherwise take but for this assignment. The aggregate purchase price paid to the Assignor for all of its rights, title and interest in and to the Lease Documents is \$1,229,672.79.

As security for all amounts due to the Assignee (as assignee of the Assignor) under and in connection with the Lease Documents, and all other present and future indebtedness or obligations of the Assignor to the Assignee of every kind and nature whatsoever, the Assignor hereby grants to the Assignee a security interest in all property covered by and described in the Lease and all proceeds thereof. Title to all such property shall remain in the Assignor and , by virtue of the execution and delivery of this Assignment of Lease, is not transferred to the Assignee for any purpose. The Assignor acknowledges that it is a party to an Acknowledgment & Consent to Assignment of Lease ("the Acknowledgment"), dated June 21, 1996. Pursuant to the Acknowledgment the Cars as defined in the Lease will undergo certain modifications. The modifications will result in an amendment to the Cars' serial numbers as follows:

<u>Prior to Modifications</u>	<u>Post Modifications</u>
KNDX636000	SH200
KNDX636006	SH201
KNDX636007	SH202
KNDX636008	SH203
KNDX636010	SH204
KNDX636019	SH205
KNDX636021	SH206
KNDX636023	SH207
KNDX636026	SH208
KNDX636027	SH209
KNDX636033	SH210
KNDX636053	SH211
KNDX636057	SH212
KNDX636060	SH213

<u>Prior to Modifications</u>	<u>Post Modifications</u>
KNDX636061	SH214
KNDX636067	SH215
KNDX636068	SH216
KNDX636069	SH217
KNDX636074	SH218
KNDX636078	SH219
KNDX636080	SH220
KNDX636081	SH221
KNDX636095	SH222
KNDX636096	SH223
KNDX636103	SH224
KNDX636108	SH225
KNDX636115	SH226
KNDX636116	SH227
KNDX636123	SH228
KNDX636125	SH229
KNDX636129	SH230
KNDX636130	SH231
KNDX636134	SH232
KNDX636142	SH233
KNDX636146	SH234
KNDX636152	SH235
KNDX636160	SH236
KNDX636161	SH237
KNDX636175	SH238
KNDX636177	SH239
KNDX636178	SH240
KNDX636193	SH241
KNDX636201	SH242
KNDX636202	SH243
KNDX636203	SH244
KNDX636209	SH245
KNDX636211	SH246
KNDX636214	SH247
KNDX636222	SH248
KNDX636229	SH249

The Assignor represents, warrants and covenants that: (i) the Assignor is the owner of the property covered by the Lease free from all liens and encumbrances except the Lease and the lien granted in favor of the Assignee hereunder; (ii) the aggregate unpaid rentals under the Lease set

forth above is true and correct; (iii) the Lease Documents, the original copies of which have been delivered to the Assignee, are true, correct and complete and include all amendments, addendums, schedules and riders, are the only documents executed by the Assignor and the Lessee with respect to such property, are enforceable against the parties thereto and represent legal, valid and binding obligations of the parties thereto in accordance with their terms, and all signatures, names, addresses, amounts and other statements and facts contained therein are true and correct; (iv) the Lease Documents (including their form and substance and the computation of all charges therein) and the transactions contemplated thereby conform to all applicable laws, rules, regulations, ordinances and orders; (v) the property covered by the Lease was delivered to the Lessee in satisfactory condition and was accepted by the Lessee; (vi) each Lease Document is not and will not at any time be subject to any defense, claim, counterclaim or setoff and the Assignor will comply with all its obligations under the Lease Documents; (vii) the Lease constitutes a valid reservation of unencumbered title to or a perfected first priority security interest in the property covered thereby, effective against all persons, and any filing, recordation or any other action or procedure permitted or required by law to perfect such security interest has been accomplished; and (viii) all down payments received by the Assignor have been made in cash except down payments represented by equipment trade-ins. In addition, the Assignor shall indemnify and hold the Assignee harmless from any liability, loss, damage or expense, including attorneys' fees, incurred by the Assignee as a result of the Assignor's breach of any agreement, covenant, representation or warranty contained herein or in any of the Lease Documents or otherwise arising out of or in connection with this Assignment (other than as a result of the financial inability of the Lessee to pay rent and other amounts under the Lease). In the event that the Assignee reasonably determines that (a) the Assignor has or may have breached any of the terms hereof or any of its agreements, covenants, representations or warranties in any of the Lease Documents or (b) that the Lessee has failed to pay or perform any of its obligations under any of the Lease Documents for any reason other than the Lessee's financial inability to pay, the Assignor will, upon the Assignee's demand, promptly repurchase the Lease and the other rights assigned hereby for an amount in cash in immediately available funds equal to the aggregate amount of unpaid rent and other amounts due under the Lease, including accrued interest and finance charges, plus any expenses of collection, repossession, transportation and storage incurred by the Assignee, less any customary refund by the Assignee of unearned charges.

The Assignor agrees that the Assignee may, in the Assignor's name or otherwise, endorse all remittances received. The Assignor waives notice of acceptance hereof and of presentment, demand, protest and notice of non-payment or protest as to the Lease and all other leases now or hereafter signed, accepted, endorsed or assigned to the Assignee. The Assignor waives all exemptions and homestead laws and any other demands and notices required by law, and the Assignor waives all setoffs, deductions and counterclaims. The Assignee may at any time, without the consent of the Assignor, without notice to the Assignor and without affecting or impairing any obligation of the Assignor hereunder, do any of the following:

(a) renew, extend (including extensions beyond the original term of the Lease), modify, amend, exchange, release or discharge any obligation of the Lessee or any other person obligated under the Lease or under any accompanying guaranty (collectively, the "Lease Obligations") or modify, release or discharge any collateral security therefor;

(b) agree to the substitution of a lessee;

(c) accept partial payments of the Lease Obligations;

(d) accept new or additional documents, instruments or agreements relating to or in substitution of the Lease Obligations;

(e) settle, release (by operation of law or otherwise), compound, compromise, collect or liquidate any of the Lease Obligations and the security therefor in any manner;

(f) consent to the transfer or return of the property covered by the Lease and take and hold additional security or guaranties for any or all of the Lease Obligations; or

(g) bid and purchase at any sale of the Lease or the property covered by the Lease and apply any security or proceeds and direct the order and manner of sale.

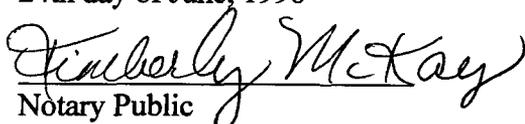
The Assignor shall have no authority to, and will not, without the Assignee's prior written consent, accept payments of rents or of option payments, and will not repossess or consent to the return of the property covered by any of the Lease Documents or modify the terms thereof. The Assignee's knowledge at any time of any breach of or non-compliance with any of the foregoing shall not constitute a consent or waiver by the Assignee.

This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois, except as expressly provided otherwise in the Uniform Commercial Code as in effect in such State, without giving effect to principles of conflicts of law.

Dated: June 24, 1996

TPS Leasing Company, LLC
By: 
Name: Thomas T. Toland
Title: President

Sworn to before me this
24th day of June, 1996


Notary Public

