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A T T O R N E Y S

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September 12, 2000

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, DC 20423

RECORDATION NO. 21104-A FILED  
SEP 12 '00 2-24 PM  
TS  
SURFACE TRANSPORTATION BOARD

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is an Assignment, Assumption and Consent Agreement, a secondary document, dated as of June 15, 2000. The primary document to which this is connected is recorded under Recordation No. 21104. We request that one copy of this document be recorded under Recordation No. 21104-A.

The names and addresses of the parties to the Assignment, Assumption and Consent Agreement are:

Consenting Party:

LaSalle National Leasing Corporation  
One West Pennsylvania Avenue, Suite 1000  
Towson, MD 21204

Assignor:

Arizona & California Railroad Company Limited Partnership  
7525 SE 24th Street, Suite 350  
Mercer Island, WA 98040

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Assignee:

ParkSierra, Corp.  
221 Gateway Road West, Suite 401  
Napa, CA 94558

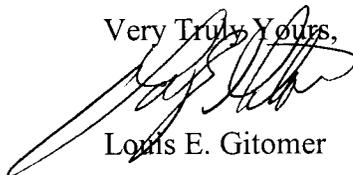
A description of the equipment covered by the Assignment, Assumption and Consent Agreement consists of four GP-10 diesel locomotives numbered PSAP 1001-1004, inclusive, one GP-35 diesel locomotive numbered ARZC 3503, and two Kershaw Ballast Regulators, serial numbers 46-418-98 and 46-419-98.

A fee of \$26.00 is enclosed. Please return one original to:

Louis E. Gitomer  
Of Counsel  
Ball Janik LLP  
Suite 225  
1455 F Street, N.W.  
Washington, DC 20005

A short summary of the document to appear in the index follows: Assignment, Assumption and Consent Agreement between LaSalle National Leasing Corporation, One West Pennsylvania Avenue, Suite 1000, Towson, MD 21204, Arizona & California Railroad Company Limited Partnership, 7525 SE 24th Street, Suite 350, Mercer Island, WA 98040, and ParkSierra, Corp., 221 Gateway Road West, Suite 401, Napa, CA 94558, covering four GP-10 diesel locomotives numbered PSAP 1001-1004, inclusive, one GP-35 diesel locomotive numbered ARZC 3503, and two Kershaw Ballast Regulators, serial numbers 46-418-98 and 46-419-98.

Very Truly Yours,



Louis E. Gitomer

Enclosures

**ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT**

This Assignment, Assumption and Consent Agreement (the "Assignment Agreement") is dated as of June 15, 2000 and is entered into by and among ParkSierra Corp., a California corporation, (the "Assignee"), Arizona & California Railroad Company Limited Partnership, an Arizona limited partnership, (the "Assignor") and LaSalle National Leasing Corporation (the "Consenting Party").

RECITALS

WHEREAS, Assignor and Consenting Party have heretofore entered into that certain Equipment Lease Agreement dated as of November 6, 1997 (the "Equipment Lease Agreement") and pursuant thereto Final Equipment Schedule Nos. 1 and B-1 dated December 31, 1997 and August 31, 1998, respectively (collectively, the "Equipment Schedules"). The Equipment Schedules, incorporating by reference the Equipment Lease Agreement, constitute separate instruments of lease and are hereinafter collectively referred to as the "Lease".

WHEREAS, Assignee is currently the general partner of Assignor; and

WHEREAS, Assignee and Assignor are parties to that certain Asset Contribution Agreement dated as of April 19, 2000 (the "Contribution Agreement"), pursuant to which Assignor has agreed to contribute all of its assets to Assignee in exchange for the issuance by Assignee of shares of Assignee's common stock (such transactions, the "Transactions"); and

WHEREAS, it is a condition to the obligation of the parties to the Contribution Agreement to consummate the Transactions that the Assignee and California Northern Railroad Company, L.P. (the "Other Partnership") consummate similar transactions contemplated by a certain asset contribution agreement between Assignee and the Other Partnership; and

WHEREAS, the Contribution Agreement contemplates that, after the closing of the Transactions, Assignor will distribute the shares of Assignee's common stock to its limited partners and will dissolve, wind up and liquidate (the "Dissolution"); and

WHEREAS, the Lease provides that Assignor may not assign or transfer its right, title, interest, or obligations under the Lease and the equipment described on the Equipment Schedules, as the Equipment Schedules may have been amended to date, (the "Equipment") without the prior written consent of Consenting Party; and

WHEREAS, the Assignor and Assignee have requested the consent of the Consenting Party to the Transactions and the Dissolution, and the Consenting Party has agreed to grant such consent subject to the terms and conditions set forth in this Assignment Agreement;

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

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RECORDATION NO. 21104-A FILED

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SURFACE TRANSPORTATION BOARD

1. Subject to satisfaction of the following conditions precedent, Consenting Party hereby consents to the assignment and assumption of the Lease, as set forth hereinbelow, effective as of the date of closing of the Transactions (the "Closing Date"), and agrees that, effective as of the Closing Date, Assignor shall be released from any and all obligations and liabilities under the Lease, regardless of when such obligations and liabilities arose. Consenting Party hereby consents to the Dissolution if the closing of the Transactions occurs. Assignee and Assignor agree to notify Consenting Party in writing promptly upon the closing of the Transactions. The conditions precedent to the effectiveness of such consent are as follows:

- (a) Each of the parties executes this Assignment Agreement.
- (b) Assignee causes to be provided to Consenting Party such evidence of authority of Assignee to accept the assignment and assumption contemplated herein, and of the incumbency of the officers of Assignee authorized to execute all documents in connection therewith, as reasonably may be required by Consenting Party.
- (c) Assignee executes and delivers to Consenting Party, to be recorded at Assignee's expense, such Uniform Commercial Code financing statements to be recorded for lease informational purposes as Consenting Party reasonably may require.
- (d) Assignee causes to be delivered to Consenting Party evidence of insurance with respect to the Equipment, reasonably satisfactory to Consenting Party and otherwise satisfying the requirements of Section 11 of the Lease.

2. Assignee hereby represents and warrants to Consenting Party as follows:

- (a) Assignee is a corporation duly organized, validly existing and in good standing under the laws of the State of California.
- (b) The execution, delivery and performance of this Assignment Agreement by Assignee, and, pursuant to the assignment and assumption hereunder, the performance of the Lease by Assignee: (1) have been duly authorized by all necessary corporate action on the part of Assignee; (2) do not require the approval of any stockholder, trustee or holder of any obligations of Assignee except such as have been duly obtained; and (3) do not and will not contravene any law, governmental rule, regulation or order now binding on Assignee, or the charter or by-laws of Assignee, or contravene any provisions of, or constitute a default under, or result in the creation of any lien or encumbrance upon the property of Assignee under any indenture, mortgage, contract or other agreement to which Assignee is a party or by which it or its property is bound.
- (c) This Assignment Agreement and (pursuant to the assignment and assumption hereunder) the Lease constitute legal, valid and binding obligations of Assignee enforceable against Assignee in accordance with the terms hereof and thereof.

- (d) There are no pending actions or proceedings to which Assignee is a party, and there are no other pending or threatened actions or proceedings of which Assignee has knowledge, before any court, arbiter or administrative agency, which either individually or in the aggregate would have a Material Adverse Effect. As used herein "Material Adverse Effect" shall mean (1) a materially adverse effect on the business, condition (financial or otherwise), operations, performance or properties of Assignee, or (2) a material impairment on the ability of Assignee to perform its obligations under or to remain in compliance with the Lease. Further, Assignee is not in default under any obligation for borrowed money, for the deferred purchase price of property, or under any lease agreement which, either individually or in the aggregate, would have the same such effect.
- (e) Assignee agrees to furnish to the Consenting Party, promptly after they become available, quarterly and annual financial statements of Assignee. Such financial statements shall be prepared in accordance with generally accepted accounting principles consistently applied, and shall fairly present Assignee's financial condition and the results of its operations as of the date of and for the period covered by such statements.
- (f) The chief place of business and chief executive office of Assignee is 221 Gateway Road West, Suite 401, Napa, California 94558; and Assignee does not conduct business under a trade, assumed or fictitious name except (i) Arizona & California Railroad, (ii) California Northern Railroad, and (iii) Puget Sound & Pacific Railroad.

3. Effective as of the Closing Date, Assignor hereby assigns, transfers and sets over to Assignee all of Assignor's right, title, interest, powers and privileges under the Lease and the Equipment.

4. Effective as of the Closing Date, Assignee accepts the foregoing assignment and agrees to assume, do, undertake and perform all obligations, duties, liabilities and undertakings of Assignor under the Lease.

5. Assignor agrees, at any time and from time to time after the Closing Date, at the request of Assignee, to do, execute, acknowledge or deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, assignments, conveyances or assurances as may be reasonably requested by Assignee, for the better transferring, assigning, conveying, granting, assuring, vesting and confirming to the Assignee, of Assignor's right, title, interest, powers and privileges under the Lease.

6. Notwithstanding any other provisions of this Assignment Agreement, if the closing of the Transactions does not occur, (i) this Assignment Agreement shall be null and void, and (ii) Assignor shall remain a party to, and responsible for its obligations under, the Lease.

7. This Assignment Agreement and the rights and obligations arising hereunder shall inure to the benefit of and be binding upon Assignee, Assignor and Consenting Party and their respective successors and assigns.

8. This Assignment Agreement shall be governed by and construed under the laws of the State whose laws govern the Lease, as set forth in the Lease, as applied to agreements among residents of such State entered into and to be performed entirely within such State.

9. This Assignment Agreement may be executed in multiple counterparts, all of which taken together shall constitute one and same instrument. Execution and delivery of this Assignment Agreement by facsimile transmission shall be deemed for all purposes to be due execution and delivery by the undersigned.

IN WITNESS WHEREOF, the parties have executed this Assignment, Assumption and Consent Agreement as of the date first above written.

ASSIGNOR:  
ARIZONA & CALIFORNIA RAILROAD  
COMPANY LIMITED PARTNERSHIP

ASSIGNEE:  
PARKSIERRA CORP.

By: PARKSIERRA CORP.  
Its: General Partner

By:   
David L. Parkinson  
President and CEO

By:   
David L. Parkinson  
President and CEO

LA SALLE NATIONAL LEASING CORPORATION

By:   
Name: THOMAS M. JASCHIK  
GROUP SENIOR VICE PRESIDENT  
Title: \_\_\_\_\_

STATE OF MARYLAND )  
 ) ss.  
COUNTY OF Baltimore )

On this 1st day of August, 2000 before me appeared Thomas M. Jaschke, the person who signed this instrument, who acknowledged that (s)he is the Group Sr. Vice President of LASALLE NATIONAL LEASING CORPORATION and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal] **REGINA M. MCMANUS**  
**NOTARY PUBLIC**  
**BALTIMORE COUNTY**

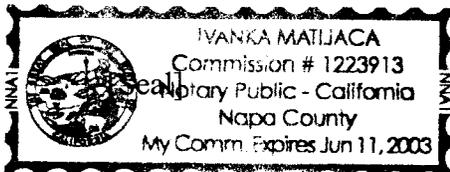
Regina M. McManus  
Notary Public

My commission expires:

October 29, 2000

STATE OF California )  
 ) ss.  
COUNTY OF Napa )

On this 30th day of August, 2000 before me appeared David L. Parkinson, the person who signed this instrument, who acknowledged that he is the President and CEO of ARIZONA & CALIFORNIA RAILROAD COMPANY LIMITED PARTNERSHIP and that, being duly authorized, he signed such instrument as a free act on behalf of said corporation.



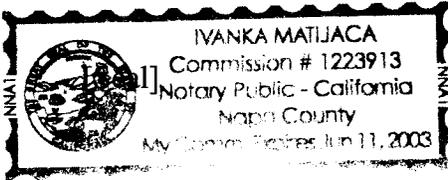
Ivanka Matijaca  
Notary Public

My commission expires:

June 11, 2003

STATE OF California )  
COUNTY OF Napa ) ss.

On this 30<sup>th</sup> day of August, 2000 before me appeared David L. Parkinson, the person who signed this instrument, who acknowledged that he is the President and CEO of PARKSIERRA CORP. and that, being duly authorized, he signed such instrument as a free act on behalf of said corporation.



Ivanka Matijaca  
Notary Public

My commission expires:

June 11, 2003

# LASALLE NATIONAL LEASING CORPORATION

## SCHEDULE OF EQUIPMENT

Lessee: ARIZONA & CALIFORNIA RAILROAD COMPANY, LIMITED PARTNERSHIP

Approved By: \_\_\_\_\_  
 (Lessee to initial each page)

Attached to Bill of Sale dated \_\_\_\_\_ Equipment located at:  
 December \_\_\_\_\_, 19 \_\_\_\_\_ 97 501 N. 2nd Street  
 and/or \_\_\_\_\_ Street No.

Equipment Schedule No. 1 Elma Grays Harbor WA 98541  
 City County State Zip

Manufacturer and/or Vendor Name & Invoice No.	Description
	1 - General Motors Electro-Motive Division (EMD) Model GP10 Diesel Locomotives Road Number: MSRC1058(to be renumbered to PSAP1001)
	1 - General Motors Electro-Motive Division (EMD) Model GP10 Diesel Locomotives Road Number: MSRC1075 (to be renumbered to PSAP1002)
	1 - General Motors Electro-Motive Division (EMD) Model GP10 Diesel Locomotives Road Number: MSRC1008 (to be renumbered to PSAP1003)
	1 - General Motors Electro-Motive Division (EMD) Model GP10 Diesel Locomotives Road Numbers: MSRC1055 (to be renumbered to PSAP1004)

# LASALLE NATIONAL LEASING CORPORATION

## SCHEDULE OF EQUIPMENT

Lessee: ARIZONA & CALIFORNIA RAILROAD COMPANY, LIMITED PARTNERSHIP

Approved By: \_\_\_\_\_  
(Lessee to initial each page)

Attached to Bill of Sale dated \_\_\_\_\_ Equipment located at:  
December \_\_\_\_\_, 19 \_\_\_\_\_ 97 1301 California Avenue  
and/or \_\_\_\_\_ Street No.

Equipment Schedule No. 1 Parker LaPaz AZ 85344  
City County State Zip

Manufacturer and/or Vendor Name & Invoice No.	Description
	1 - General Motors Electro-motive Division (EMD) Model GP35 Diesel Locomotive Road Number: SP6356 (to be renumbered ARZC3503)

# LASALLE NATIONAL LEASING CORPORATION

## SCHEDULE OF EQUIPMENT

Lessee: ARIZONA & CALIFORNIA RAILROAD COMPANY LIMITED PARTNERSHIP

Approved By: \_\_\_\_\_  
(Lessee to initial each page)

Attached to Bill of Sale dated \_\_\_\_\_ 19 \_\_\_\_\_  
and/or \_\_\_\_\_  
Equipment located at:  
Oak & East Street  
Street No. \_\_\_\_\_

Equipment Schedule No. B-1      Woodland      Yolo      CA      95695  
City      County      State      Zip

Manufacturer and/or Vendor Name & Invoice No.	Description
Kershaw Manufacturing Co, Inc. P.O. Box 244100 Montgomery, Alabama 36124  Invoice No. 218725	1 Kershaw Ballast Regulator Model 46-2 Serial Number 46-418-98

# LASALLE NATIONAL LEASING CORPORATION

## SCHEDULE OF EQUIPMENT

Lessee: ARIZONA & CALIFORNIA RAILROAD COMPANY LIMITED PARTNERSHIP

Approved By: \_\_\_\_\_  
(Lessee to initial each page)

Attached to Bill of Sale dated \_\_\_\_\_ 19 \_\_\_\_\_  
and/or \_\_\_\_\_  
Equipment located at:  
1301 California Avenue  
Street No.

Equipment Schedule No. B-1      Parker      LaPaz      AZ      85344  
City      County      State      Zip

Manufacturer and/or Vendor Name & Invoice No.	Description
Kershaw Manufacturing Co, Inc. P.O. Box 244100 Montgomery, Alabama 36124  Invoice No. 218852	1 Kershaw Ballast Regulator Model 46-2 Serial Number 46-419-98