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RECORDATION NO. *9457-0* Filed & Recorded

JAN 3 1978 -4 30 PM

INTERSTATE COMMERCE COMMISSION

December 30, 1977

Dear Sir:

Pursuant to Section 20c of the Interstate Commerce Act and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Itel Corporation, Rail Division, and First Security State Bank, for filing and recordation five counterparts of the following document:

Amendment Agreement and Assumption dated as of December 15, 1977, between Itel Corporation, Rail Division, and First Security State Bank.

The names and addresses of the parties to the aforementioned document are as follows:

(1) Lessee:

Itel Corporation,
Rail Division,
Two Embarcadero Center,
San Francisco, California 94111.

(2) Trustee-Lessor

First Security State Bank,
Main Street at Broadway,
Salt Lake City, Utah 84111.

NO. *10*
Date *JAN 3 1978*
Fee \$ *10*

ICC Washington, D. C

Edward Stetter

The Amendment Agreement and Assumption amends certain provisions of six separate Leases of Railroad Equipment bearing Nos. 1, 2, 3, 4, 5 and 6, respectively, dated as of March 15, 1977, May 15, 1977, June 15, 1977, July 15, 1977, August 1, 1977, and August 15, 1977, respectively, each being between SSI Rail Corp. and the Trustee-Lessor, and provides for the assumption by the Lessee of the obligations of SSI Rail Corp. under said Leases of Railroad Equipment. The aforementioned Leases of Railroad Equipment were filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act on the dates, and received the recordation numbers, as are set forth in respect thereof under the captions for "Agreements" in Exhibit A attached hereto.

SSI Rail Corp. is being merged into the Lessee as of December 30, 1977.

The Amendment Agreement and Assumption also relates to certain Lease Assignments between the Trustee-Lessor and First Security Bank of Utah, National Association, which are more particularly described in Exhibit A attached hereto. The Amendment Agreement and Assumption also provides for the assumption by the Lessee of the obligations of SSI Rail Corp. under certain Subleases and Sublease Assignments which are more particularly described in said Exhibit A. The aforementioned Lease, Subleases and Sublease Assignments were filed on the dates, and received the recordation numbers, as are set forth in respect thereof in Exhibit A attached hereto.

Please file and record the Amendment Agreement and Assumption submitted with this letter and cross index said document under the names of the Lessee, the Trustee-Lessor, First Security Bank of Utah, National Association, SSI Rail Corp. and the railroad companies listed on Exhibit A attached hereto.

The equipment covered by the document hereby submitted for recordation consists of the following:

Seven hundred forty (740) 50'6" Boxcars, AAR Mechanical Designation XM, bearing Road Numbers PW 301-400, both inclusive, CPLT 7700-7749, both inclusive, AN 5000-5199, both inclusive, ADN 8000-8149, both inclusive, and CCR 6150-6389, both inclusive.

There is also enclosed a check for \$10 payable to the Interstate Commerce Commission representing the fee for recording the Amendment Agreement and Assumption pursuant to 49 CFR 1116.1.

Please stamp all five counterparts of the enclosed document and the three attached copies of this transmittal letter with your official recording stamp. You will wish to retain two copies of the instrument and the original of this transmittal letter for your files. It is requested that the four remaining counterparts of the document and the three copies of this transmittal letter be delivered to the bearer of this letter.

Very truly yours,



William R. Gausti

Office of the Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423

Encls.

77A

BY HAND

Exhibit A

	<u>Date of Agreement</u>	<u>Date of Lease Assignment</u>	<u>Date of Filing of Agreement with ICC</u>	<u>ICC Recordation Number for Agreement</u>	<u>Date of Filing of Lease Assignment with ICC</u>	<u>ICC Recordation Number for Lease Assignment</u>
	Mar. 15, 77	Mar. 15, 77	May 11, 77	8822-B	May 11, 77	8822-C
	May 15, 77	May 15, 77	Jun. 10, 77	8852-B	Jun. 10, 77	8852-C
	June 15, 77	June 15, 77	Jul. 7, 77	8873-B	Jul. 7, 77	8873-C
	Jul. 15, 77	Jul. 15, 77	Jul. 27, 77	8905-B	Jul. 27, 77	8905-C
	Aug. 1, 77	Aug. 1, 77	Aug. 9, 77	8931-B	Aug. 9, 77	8931-C
	Aug. 15, 77	Aug. 15, 77	Aug. 17, 77	8940-B	Aug. 17, 77	8940-C
<u>Sublessee under Sublease</u>	<u>Date of Sublease</u>	<u>Date of Sublease Assignment</u>	<u>Date of Filing of Sublease with ICC</u>	<u>ICC Recordation Number for Sublease</u>	<u>Date of Filing of Sublease Assignment with ICC</u>	<u>ICC Recordation Number for Sublease Assignment</u>
Providence and Worcester Company	Jan. 14, 77	May 31, 77	Jan. 21, 77	8669	May 31, 77	8669-B
Camino, Placerville & Lake Tahoe Railroad	Feb. 9, 77	Jun. 29, 77	Apr. 27, 77	8798	Jul. 7, 77	8798-A
Apalachicola Northern Railroad Company	Jan. 25, 77	Jun. 30, 77	Apr. 27, 77	8796	Jul. 7, 77	8796-A
Ashley, Drew & Northern Railway Company	Mar. 29, 77	Jul. 29, 77	May 27, 77	8837	Jul. 28, 77	8837-C
Ashley, Drew & Northern Railway Company	Mar. 29, 77	Aug. 9, 77	May 27, 77	8837	Aug. 9, 77	8837-E
The Corinth & Counce Railroad Company	Apr. 29, 77	Aug. 31, 77	May 27, 77	8838	Aug. 31, 77	8838-B
The Corinth & Counce Railroad Company	Apr. 29, 77	Sept. 8, 77	May 27, 77	8838	Sept. 8, 77	8838-D

RECORDATION NO. *84570* filed & Recorded

JAN 3 1978 -4 PM

INLANDER STATE COMMERCE COMMISSION

Amendment Agreement and Assumption (hereinafter called this Amendment) dated as of December 15, 1977, between ITEL CORPORATION, a Delaware corporation (hereinafter called ITEL), acting through its Rail Division, and FIRST SECURITY STATE BANK, not in its individual capacity but solely as Owner-Trustee (hereinafter called the Owner-Trustee) under six separate Trust Agreements (hereinafter called collectively the Trust Agreements and severally the Trust Agreement) dated as of March 15, 1977, May 15, 1977, June 15, 1977, July 15, 1977, August 1, 1977, and August 15, 1977, with The Western Saving Fund Society of Philadelphia, Pacific Systems, Inc., The Budd Leasing Corp., Viking Yacht Company, ITT Industrial Credit Company and Dial Leasing Corporation, respectively (hereinafter called collectively the Owners and individually the Owner).

WHEREAS SSI Rail Corp. (hereinafter called SSI) and the Owner-Trustee have heretofore entered into six separate Leases of Railroad Equipment bearing Nos. 1, 2, 3, 4, 5 and 6, respectively (hereinafter called collectively the

Agreements and severally the Agreement), dated as of March 15, 1977, May 15, 1977, June 15, 1977, July 15, 1977, August 1, 1977, and August 15, 1977, respectively, pursuant to which SSI is leasing from the Owner-Trustee certain units of railroad equipment described in Schedule A of each Agreement (such equipment leased under the Agreements being hereinafter called collectively the Trust Equipment), and is obligated under each Agreement to pay to the Owner-Trustee certain rentals therefor and to perform and observe certain terms, covenants and conditions thereof;

WHEREAS SSI has entered into certain subleases, more particularly described in Exhibit A attached hereto (hereinafter called the Subleases), pursuant to which SSI is subleasing the units of Trust Equipment to certain short-line railroads;

WHEREAS SSI has entered into certain Assignments of Lease, more particularly described in Exhibit A attached hereto (hereinafter called the Sublease Assignments), pursuant to which SSI has given and assigned to the Owner-Trustee, as security for the obligations of SSI under the Agreements, a security interest in all rents, moneys and proceeds due or to become due with respect to the Trust Equipment under the Subleases;

WHEREAS First Security Bank of Utah, National

Association, as trustee (hereinafter called the Trustee), and the Owner-Trustee have heretofore entered into six separate Equipment Trust Agreements (hereinafter called collectively the Security Documents and severally the Security Document) dated as of March 15, 1977, May 15, 1977, June 15, 1977, July 15, 1977, August 1, 1977, and August 15, 1977, respectively, pursuant to which 9-1/2% Equipment Trust Certificates, 1977 Series 3, Secured by SSI Rail Corp. Leases Nos. 1, 2, 3, 4, 5 and 6, respectively, have been issued (such equipment trust certificates issued pursuant to the Security Documents being hereinafter called collectively the Trust Certificates);

WHEREAS, pursuant to six separate Participation Agreements (hereinafter called collectively the Participation Agreements and severally the Participation Agreement) dated as of March 15, 1977, May 15, 1977, June 15, 1977, July 15, 1977, August 1, 1977, and August 15, 1977, respectively, each being among SSI, ITEL, the respective Owner which entered into the Trust Agreement dated as of the date of such Participation Agreement, the Owner-Trustee and the purchasers listed in Exhibit A to the Participation Agreements (hereinafter called the Purchasers), the Purchasers severally have purchased Trust Certificates in the aggregate principal amount as provided in the Participation Agreements;

WHEREAS SSI has heretofore entered into a separate Indemnity Agreement with each of the Owners (hereinafter called collectively the Indemnity Agreements and severally the Indemnity Agreement) dated as of the date of the Trust Agreement executed by such Owner, pursuant to which SSI has agreed to indemnify such Owner under certain circumstances against the loss of certain tax benefits contemplated to accrue to such Owner by reason of its participation in the transactions contemplated by the Trust Agreement to which such Owner is a party;

WHEREAS ITEL has heretofore executed and delivered a Guaranty Agreement with respect to each Agreement and Indemnity Agreement (hereinafter called collectively the Guaranty Agreements and severally the Guaranty Agreement) dated as of the date of such Agreement and Indemnity Agreement;

WHEREAS the Owner-Trustee and the Trustee have heretofore entered into an Assignment of Lease and Agreement with respect to each Agreement and Guaranty Agreement (hereinafter called collectively the Lease Assignments and severally the Lease Assignment) dated as of the date of such Agreement and Guaranty Agreement, pursuant to which the Owner-Trustee has assigned to the Trustee such Agreement and such Guaranty Agreement (insofar as such Guaranty Agreement

provides a guaranty of the observance and performance of the covenants, obligations and agreements of the lessee under such Agreement), and SSI and ITEL have consented to each Lease Assignment pursuant to a Consent and Agreement (hereinafter called collectively the Consents and severally the Consent);

WHEREAS SSI and ITEL have heretofore entered into a Covenant Agreement (hereinafter called the Covenant Agreement) dated as of March 15, 1977, pursuant to which SSI and ITEL make certain covenants and agreements for the benefit of the Trustee and the holders from time to time of the outstanding Trust Certificates;

WHEREAS ITEL intends to merge SSI into itself pursuant to a Certificate of Ownership and Merger dated as of December 15, 1977 (hereinafter called the Plan);

WHEREAS certain restrictions contained in Sections 3.09 and 4.01 of the Covenant Agreement have been waived by the Purchasers so as to permit SSI to be merged into ITEL, subject to the execution and delivery (a) by ITEL and the Owner-Trustee of this Amendment, (b) by the Trustee and the Owner-Trustee of an Amendment Agreement (hereinafter called the Security Document Amendment) dated as of the date hereof, pursuant to which certain provisions of each of the Security Documents are amended and supplemented and (c) by

ITEL of an Amended and Restated Covenant Agreement (hereinafter called the Amended Covenant Agreement) dated as of the date hereof, pursuant to which ITEL amends and restates the Covenant Agreement in its entirety (the time as of which (i) the merger of SSI into ITEL shall have become effective pursuant to the Plan and (ii) this Amendment, the Security Document Amendment and the Amended Covenant Agreement shall have been executed and delivered by the appropriate parties being hereinafter called the Effective Time of Merger);

WHEREAS the parties hereto desire by this Amendment to amend and supplement certain provisions of each of the Agreements and to provide for the assumption by ITEL of the due and punctual performance and observance of all the terms, covenants and conditions of and the due and punctual payment of all amounts payable under each of (a) the Participation Agreements, (b) the Agreements as amended and supplemented as provided in this Amendment, (c) the Indemnity Agreements, (d) the Consents, (e) the Subleases and (f) the Sublease Assignments (such agreements and instruments being hereinafter called collectively the Operative Agreements) in like manner as if ITEL were named therein in lieu of SSI;

WHEREAS all requirements of law and of the Certificate of Incorporation and By-laws of ITEL and of the

Operative Agreements and the Security Documents have been complied with and all things necessary to make this Amendment a valid and binding agreement have been done and performed; and

WHEREAS each Agreement was filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act, and each Sublease and Sublease Assignment was similarly filed and recorded, all on the dates, and with the recordation numbers, as are set forth in respect thereof in Exhibit A attached hereto;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration the receipt of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. This Amendment shall not become effective until, and shall be effective forthwith upon, the Effective Time of Merger.

2. ITEL hereby assumes from and after the Effective Time of Merger the due and punctual performance and observance of all of the terms, covenants and agreements of and the due and punctual payment of all amounts payable under the Operative Agreements in like manner as if named therein in lieu of SSI.

3. Each Agreement is hereby amended by restating in their entireties the definitions therein of (a) "Lessee" to mean ITEL Corporation, a Delaware corporation, as successor in interest to SSI Rail Corp. under such Agreement, and its successor or successors complying with the provisions of § 12 of such Agreement and Section 2.04 of the Covenant Agreement, and (b) "Covenant Agreement" to mean the Amended and Restated Covenant Agreement dated as of December 15, 1977, executed by the Lessee and delivered by the Lessee to the Trustee. All references in each of the Agreements to "Security Document" shall be deemed to include all amendments thereto, including the Security Document Amendment.

4. § 10 of each Agreement is hereby amended by restating the first paragraph thereof in its entirety to read as follows:

"§ 10. Default. If, during the continuance of this Lease, one or more of the following events (each such event being herein sometimes called an Event of Default) shall occur:

"A. payment of any part of the rental provided in § 3 hereof or payment in respect of any Casualty Occurrence pursuant to § 7 hereof shall not be made by or on behalf of the Lessee, and such failure to make payment shall continue for five days after such payment is due; or

"B. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein, in the Participation Agreement, the Covenant Agreement, the Consent or any Sublease

Assignment, and such default shall continue, or provision satisfactory to the Owner-Trustee and the Trustee for compliance with such covenant, condition or agreement as to which the Lessee shall be in default shall not be made, for 30 days after written notice from the Owner-Trustee or the Trustee to the Lessee specifying the default and demanding that the same be remedied; or

"C. the Lessee shall institute proceedings to be adjudicated a bankrupt or insolvent or shall consent to the institution of bankruptcy or insolvency proceedings against it or shall file a petition or answer or consent seeking reorganization or relief under the Bankruptcy Act or any other Federal or state law relating to bankruptcy or insolvency or shall consent to the filing of any such petition or shall consent to the appointment of a receiver or shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due, or action shall be taken by the Lessee in furtherance of any of the aforesaid purposes; or

"D. an Event of Default set forth in Article Five of the Security Document shall have occurred arising out of any default by the Lessee in performing any of its obligations hereunder or under the Participation Agreement; or

"E. any material representation or warranty made by SSI Rail Corp. or the Lessee herein or in the Participation Agreement, the Indemnity Agreement or the Covenant Agreement or in any document or certificate furnished the Owner-Trustee, the Owner, the Trustee or the holder of any Trust Certificate by SSI Rail Corp. or the Lessee in connection herewith or therewith or pursuant hereto or thereto shall be incorrect as of the date as of which made in any material respect; or

"F. the Lessee or any Subsidiary (as defined in the Covenant Agreement) shall default in the payment of any Indebtedness (as defined in the Covenant Agreement except that, for purposes hereof, there shall be included in the computation of Indebtedness any indebtedness of an Unrestricted Subsidiary (as defined in the Covenant Agreement) similar to the indebtedness included in the com-

putation of Indebtedness under the Covenant Agreement) or any rentals or other obligations payable under any agreement described in Section 2.02(f) of the Covenant Agreement (or any similar agreement in the case of an Unrestricted Subsidiary) (other than Indebtedness, rentals or other obligations payable under this Lease) beyond any period of grace provided with respect thereto, or shall default in the performance of any other agreement, term or condition contained in any agreement under which any such obligation is created, and (i) the effect of such default, if it occurs prior to the stated maturity or scheduled date for the payment thereof, is to cause, or to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, (a) Indebtedness, such rentals or other obligations to become due prior to the stated maturity or scheduled date for the payment thereof or (b) such agreement to be terminated; (ii) the aggregate principal amount of (a) Indebtedness, rentals and other obligations with respect to the payment of which ITEL or any Subsidiary is so in default and (b) Indebtedness, rentals and other obligations which are or may then be so accelerated exceeds 10% of the aggregate principal amount of all Consolidated Funded Debt (as defined in the Covenant Agreement) at the time outstanding and (iii) such default is not cured within 30 days after such event would, but for this clause (iii), constitute an Event of Default hereunder; or

"G. a decree or order shall have been entered by a court of competent jurisdiction adjudging the Lessee a bankrupt or insolvent or approving as properly filed a petition seeking reorganization or arrangement of the Lessee under the Bankruptcy Act, or any other Federal or state law relating to bankruptcy or insolvency, or appointing a receiver or decreeing or ordering the winding up or liquidation of the affairs of the Lessee (and such decree or order shall not have been discharged, stayed or otherwise rendered ineffective within 60 days after such entry);

then, in any such case, the Owner-Trustee, at its option, may,

"(a) proceed by appropriate court action or actions either at law or in equity, to enforce per-

formance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

"(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Owner-Trustee may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be located, without judicial process if this can be done without breach of the peace, and take possession of all or any of the Units and subleases covering the Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the Lessee or any sublessees of the Units, or their respective successors or assigns (the rights and interests of all sublessees of the Units being subordinate and junior to the rights of the Owner-Trustee and its successors or assigns), to use the Units for any purposes whatever and without any duty to account to the Lessee for such action or inaction or for any proceeds arising therefrom; but the Owner-Trustee shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Owner-Trustee, in its sole discretion, shall specify: (x) a sum with respect to each Unit which represents the excess of (1) the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over (2) the then present value of the rentals which the Owner-Trustee reasonably estimates to be obtainable for the Unit during such period, such present

value to be computed in each case on the basis of a 6.05% per annum discount, compounded quarterly from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, together with any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Owner-Trustee shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of the rental; or (y) an amount with respect to each Unit equal to the excess, if any, of the Casualty Value thereof as of the rental payment date on or next preceding the date of termination over the amount the Owner reasonably estimates to be the sales value (after deduction of all estimated expenses of such sale) of such Unit at such time; provided, however, that in the event the Owner-Trustee shall have sold any Unit, the Owner-Trustee, in lieu of collecting any amounts payable to the Owner-Trustee by the Lessee pursuant to the preceding clause (x) or (y) of this part (b) with respect to such Unit, may, if it shall so elect, demand that the Lessee pay the Owner-Trustee and the Lessee shall pay to the Owner-Trustee on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit, as of the rental payment date on or next preceding the date of termination, over the net proceeds of such sale; or

"(c) direct sublessees of the Units to make all rental payments and to pay all other amounts and render all performances due to the Lessee under any subleases covering the Units to the Owner-Trustee and its successors or assigns hereunder, which direction shall be joined in by the Lessee.

In addition, the Lessee shall be liable, except as otherwise provided above, for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies and for all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Owner's or the Owner-Trustee's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Unit."

5. § 19 of each Agreement is hereby amended by

restating in its entirety the address for delivery of notices to the Lessee as follows:

"if to the Lessee, Itel Corporation, Itel Rail Division, Two Embarcadero Center, San Francisco, California 94111, attention of President."

6. Each Guaranty Agreement and all references thereto in the Agreements shall cease to be of any force or effect from and after the Effective Time of Merger.

7. ITEL represents and warrants as follows:

(a) ITEL has full power, authority and legal right to execute and deliver this Amendment and the Amended Covenant Agreement and to perform and observe the terms and conditions hereof and thereof and of the Operative Agreements as herein contemplated.

(b) The execution and delivery by it of this Amendment and the Amended Covenant Agreement, the consummation of the transactions contemplated herein and therein and in the Operative Agreements and the fulfillment of the terms hereof and thereof and the compliance by it with the terms and provisions hereof and thereof will not result in any violation of its corporate charter or by-laws or in any breach of any applicable law, or any regulation, order, injunction or decree of any court or governmental instrumentality or of any of the terms, conditions or provisions of, or constitute a default under, or with notice or lapse of

time, or both, constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any of its property or assets pursuant to, any indenture, agreement or other instrument to which it is party or by which it may be bound.

(c) No authorization or approval of any governmental agency or commission or public or quasi-public body or authority of the United States of America, any state thereof or the District of Columbia, or of any department or subdivision of any thereof, is necessary for the due execution and delivery by it of this Amendment and the Amended Covenant Agreement or for the validity of this Amendment and the Amended Covenant Agreement or for the validity or enforceability of any of the Operative Agreements as against ITEL.

8. ITEL shall deliver or cause to be delivered to the Trustee and the Owner-Trustee an opinion of Messrs. Brobeck, Phleger & Harrison, special counsel for ITEL, in form and scope satisfactory to Messrs. Cravath, Swaine & Moore, special counsel for the Trustee and the Purchasers, addressed to the Trustee, the Purchasers and the Owner-Trustee, and dated as of the Effective Time of Merger, to the effect that:

(a) ITEL is duly organized, validly existing and in good standing under the laws of the state of its incorporation.

(b) This Amendment and the Amended Covenant Agreement have been duly authorized, executed and delivered by ITEL and constitute valid and binding obligations of ITEL.

(c) The obligations of SSI under the Operative Agreements have been duly assumed by ITEL and constitute valid and binding obligations of ITEL enforceable in accordance with the terms of the Operative Agreements (subject, as the enforcement of remedies, to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally from time to time in effect).

(d) No authorization or approval of any governmental agency or commission or public or quasi-public body or authority of the United States of America, any state thereof or the District of Columbia, or of any department or subdivision of any thereof, is necessary for the due execution and delivery by ITEL of this Amendment and the Amended Covenant Agreement or for the validity of this Amendment and the Amended Covenant Agreement or for the validity or enforceability

of any of the Operative Agreements as against ITEL or for any other action on the part of ITEL contemplated by the Operative Agreements, the Amended Covenant Agreement or this Amendment.

(e) All action required by law or by the Plan to be taken by ITEL at or prior to the merger of SSI into ITEL, and all action required by law or the Operative Agreements to be taken in connection with the execution and delivery of this Amendment and the Amended Covenant Agreement, has been duly and validly taken. No other approvals, consents or waivers in respect thereof are known to such counsel to be required.

(f) ITEL is entitled to the full benefit of each Sublease in like manner as if ITEL were named therein in lieu of SSI.

In rendering the foregoing opinion, counsel may assume the due execution and delivery of this Amendment by the Owner-Trustee.

9. The Owner-Trustee represents and warrants that it has full power and legal right to carry on its business as now conducted, and is duly authorized and empowered to execute and deliver this Amendment and the Security Document Amendment, and to perform and observe the terms and conditions hereof and thereof and of the Operative Agreements and the Security Documents as amended

by the Security Document Amendment as herein and therein contemplated.

10. The Owner-Trustee shall deliver or cause to be delivered to ITEL and the Trustee an opinion of Messrs. Ray, Quinney and Nebeker, special counsel for the Owner-Trustee, in form and scope satisfactory to Messrs. Brobeck, Phleger & Harrison, special counsel for ITEL, and to Messrs. Cravath, Swaine & Moore, special counsel for the Trustee and the Purchasers, addressed to ITEL and the Trustee, and dated as of the Effective Time of Merger, to the effect that:

(a) This Amendment and the Security Document Amendment have been duly authorized, executed and delivered by the Owner-Trustee and constitute valid and binding obligations of the Owner-Trustee.

(b) No authorization or approval from (i) any governmental or public body or authority of the State of Utah or (ii) any governmental or public body or authority of the United States of America governing the banking or trust powers of the Owner-Trustee is, to the knowledge of said counsel, necessary for the execution, delivery and performance by the Owner-Trustee of this Amendment and the Security Document Amendment or for the performance by the Owner-Trustee of the Operative Agreements to which it

is a party and the Security Documents as amended by the Security Document Amendment.

11. ITEL shall, promptly after the execution and delivery of this Amendment and the Security Document Amendment, cause the same to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act.

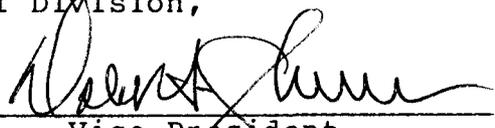
ITEL shall furnish to the Trustee and the Owner-Trustee promptly after such filing and recording evidence thereof and an opinion of counsel of ITEL with respect thereto satisfactory to the Trustee and the Owner-Trustee.

12. The provisions of this Amendment, and all the rights and obligations of the parties hereunder, shall be governed by the laws of the State of Utah.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective names, by officers thereunto duly authorized, and their respective seals to be affixed hereto and duly attested, all as of the date first above written.

ITEL CORPORATION, acting through
its Rail Division,

by



Vice President,
Rail Division

[Corporate Seal]

Attest:



Assistant Secretary

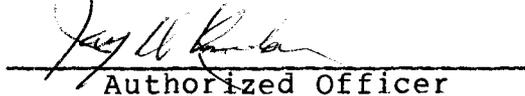
FIRST SECURITY STATE BANK,
not in its individual capacity
but solely as Owner-Trustee,

by


Authorized Officer

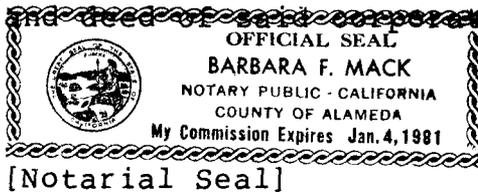
[Seal]

Attest:


Authorized Officer

STATE OF CALIFORNIA,)
) ss.:
COUNTY OF SAN FRANCISCO,)

On this *29th* day of *December*, 1977,
before me personally appeared *Ronald H. Fleas*, to me
personally known, who, being by me duly sworn, says that he
is a Vice President of ITEL CORPORATION, Rail Division, that
one of the seals affixed to the foregoing instrument is the
corporate seal of said corporation and that said instrument
was signed and sealed 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 acting through its Rail Division.



Barbara F. Mack
Notary Public

My Commission expires

STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this *28th* day of *December*, 1977,
before me personally appeared *Fred L. Murphy*, to me
personally known, who, being by me duly sworn, says that he
is an Authorized Officer of FIRST SECURITY STATE BANK, that
one of the seals affixed to the foregoing instrument is the
seal of said bank and that said instrument was signed and
sealed on behalf of said bank by authority of its By-Laws
and he acknowledged that the execution of the foregoing
instrument was the free act and deed of said bank.

Tenna A. Oustawski
Notary Public

[Notarial Seal]

My Commission expires

My Commission Expires November 15, 1981