

ITEL
CORPORATION

No. 0-001150

Date DEC 28 1978

Fee \$ 10.00

ICC Washington, D. C.

Dec 28 12 03 PM '78

I. C. C.
FEE OF December 28, 1978

RECORDATION NO. 9778 Filed 1425 F

The Acting Secretary
Interstate Commerce Commission
Washington, D. C. 20423

DEC 28 1978 - 12 10 PM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT, relating to
Lease Agreement dated as of March 15, 1978, between
Itel Corporation, Rail Division and
The Texas Mexican
Railway Company
filed and recorded with the ICC on October 17, 1978
Recordation Number 9778

Dear Sir:

Enclosed herewith on behalf of Itel Corporation,
for filing pursuant to 49 U.S.C. § 11303, is an ASSIGNMENT
OF LEASE AND AGREEMENT dated as of December 28, 1978,
between:

ITEL CORPORATION
Two Embarcadero Center
San Francisco, California 94111

and

CITIBANK, N.A., as Trustee
111 Wall Street
New York, N. Y. 10043

The enclosed Assignment effects assignment of the Lease
Agreement referenced in the heading of this letter. The
railroad equipment covered by such Lease and the enclosed
Assignment is described as follows:

<u>No. of</u> <u>Units</u>	<u>Road</u> <u>Numbers</u>	<u>Description</u>	<u>A.A.R.</u> <u>Mechanical</u> <u>Designation</u>
150	TM 3150- 3299 Both inclusive	70-ton 50'6" Box car with 10' sliding doors and end-of-car cushioning	XM

ONE EMBARCADERO CENTER
SAN FRANCISCO
CALIFORNIA 94111
(415) 955-0000

Handwritten signature/initials on the left margin.

Five copies of the Assignment and an extra copy of this letter are enclosed, along with a check which includes the \$10 filing fee for this filing. Please stamp the four extra copies of the Assignment and the extra copy of this letter and return them to the delivering messenger who will wait.

Very truly yours,

Edward P. Schneider

Edward P. Schneider
Vice President--Treasurer
Itel Corporation, Rail Division

Encls.

ASSIGNMENT OF LEASE AND AGREEMENT dated as of December 28, 1978 (hereunder called this Assignment), by and between ITEL CORPORATION, a Delaware corporation (together with its successors and assigns, being hereinafter called ITEL), and CITIBANK, N.A., as Trustee, a national banking association, incorporated and existing under the laws of the United States of America (hereinafter called the Trustee).

RECORDATION NO. 2778
DEC 28 1978 - 12 10 PM
Filed 1978

WHEREAS ITEL has entered into an Equipment Trust Agreement dated as of November 1, 1978 (such Equipment Trust Agreement, together with any amendments or supplements thereto, being hereinafter called the Agreement);

WHEREAS ITEL and The Texas Mexican Railway Company (hereinafter called the Lessee) have entered into a lease of Equipment (as defined in the Agreement) dated as of March 15, 1978 (such lease, together with any amendments or supplements thereto, being hereinafter called the Lease), providing for the leasing by ITEL to the Lessee of units of the Trust Equipment (as defined in the Agreement);

WHEREAS the Lease may also cover the leasing to the Lessee of other equipment not included as part of the Trust Equipment; and

WHEREAS in order to provide security for the obligations of ITEL under the Agreement and as an inducement to the investors for which the Trustee is acting to purchase Trust Certificates (as defined in the Agreement), ITEL agrees to assign for security purposes its rights in, to and under the Lease to the Trustee as and only to the extent that the Lease relates to the Trust Equipment;

Now, THEREFORE, in consideration of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. ITEL hereby assigns, transfers and sets over unto the Trustee, as collateral security for the payment and performance of ITEL's obligations under the Agreement, all of ITEL's right, title and interest, powers, privileges and other benefits under the Lease as and only to the extent that the Lease relates to the Trust Equipment set forth in Annex A hereto, including, without limitation, all rights to receive and collect all rentals, profits and other sums payable to or receivable by ITEL from the Lessee under or pursuant to the provisions of the Lease to the extent that the same are payable in respect of such Trust Equipment, whether as rent, casualty payment, indemnity, liquidated damages or otherwise (such moneys being hereinafter called the Payments); *provided, however*, that until an Event of Default under the Agreement, or any event which, with notice or lapse of time or both, could constitute such an Event of Default, shall occur, it is understood that ITEL shall be entitled to collect and receive all such Payments and to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to apply all Payments to which ITEL is entitled to the payment of any and all of ITEL's obligations under the Agreement and to retain the balance, if any. In furtherance of the foregoing assignment, but subject to the foregoing provisions of this paragraph, ITEL hereby irrevocably authorizes and empowers the Trustee in its own name, or in the name of its nominee,

terminate, and all estate, right, title and interest of the Trustee in and to the Lease shall revert to ITEL.

5. ITEL will, from time to time, do and perform any other act and will execute, acknowledge, deliver and file, register, deposit and record (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Trustee in order to confirm or further assure, the interests of the Trustee hereunder.

6. If an Event of Default shall occur and be continuing under the Agreement, the Trustee may assign all or any of the rights assigned to it hereby or arising under the Lease, including without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Trustee hereunder. The Trustee will give written notice to ITEL and the Lessee of any such assignment.

7. This Assignment shall be governed by the laws of the State of New York, but the parties shall be entitled to all rights conferred by the laws of the United States permitting filing with the Interstate Commerce Commission.

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 and duly attested, all as of the date first above written.

I TEL CORPORATION

By *Laura P. Schneider*

[CORPORATE SEAL]

Attest:

[Signature]
AUTHORIZED OFFICER Secretary

CITIBANK, N.A., as Trustee

By *[Signature]*

Senior Trust Officer

[SEAL]

Attest:

[Signature]
Trust Officer

ANNEX A

<u>No. of Units</u>	<u>Road Numbers</u>	<u>Description</u>	<u>AAR Mechanical Designation</u>
150	TM 3150- 3299 Both inclusive	70-ton 50'6" Box Car with 10' sliding doors and end-of-car cushioning	XM