CRAVATH, SWAINE & MOORE

ONE CHASE MANHATTAN PLAZA

NEW YORK, N.Y. 10005

212 HANOVER 2-3000

INTERNATIONAL TELEX: 620976
TELETYPE: 710-581-0338
TELEX: 125547

MAURICE T. MOORE
BRUCE BROMLEY
ROSWELL L. GILPATRIC
ALBERT R. CONNELLY
FRANK H. DETWEILER
GEORGE G. TYLER
CHARLES R. LINTON
WILLIAM B. MARSHALL
RALPH L. McAFEE
ROYALL VICTOR
ALLEN H. MERRILL
HENRY W. DeKOSMIAN
ALLEN F. MAULSBY
STEWARD R. BROSS, JR.
HENRY P. RIORDAN
JOHN R. HUPPER
SAMUEL C. BUTLER
WILLIAM J. SCHRENK, JR.
BENJAMIN F. CRANE
FRANCIS F. RANDOLPH, JR.
JOHN F. HUNT, JR.
GEORGE J. GILLESPIE, III
RICHARD S. SIMMONS
WAYNE E. CHAPMAN
THOMAS D. BARR

MELVIN L. BEDRICK
GEORGE T. LOWY
ROBERT ROSENMAN
JAMES H. DUFFY
ALAN J. HRUSKA
JOHN E. YOUNG
JAMES M. EDWARDS
DAVID G. ORMSBY
DAVID L. SCHWARTZ
RICHARD J. HIEGEL
FREDERICK A. O. SCHWARZ, JR.
CHRISTINE BESHAR
ROBERT S. RIFKIND
DAVID BOIES
DAVID O. BROWNWOOD
PAUL M. DODYK
RICHARD M. ALLEN
THOMAS R. BROME
ROBERT D. JOFFE
ROBERT F. MULLEN
ALLEN FINKELSON
RONALD S. ROLFE
JOSEPH R. SAHID
PAUL C. SAUNDERS
MARTIN L. SENZEL

CARLYLE E. MAW
L. R. BRESLIN, JR.
HAROLD R. MEDINA, JR.
COUNSEL

4, PLACE DE LA CONCORDE
75008 PARIS, FRANCE
TELEPHONE: 265-81-54
TELEX: 290530

TERMINAL HOUSE
52, GROSVENOR GARDENS
LONDON, SW1W OAU, ENGLAND
TELEPHONE: 01-730-5203
TELEX: 917840

CABLE ADDRESSES
CRAVATH, N.Y.
CRAVATH, PARIS
CRAVATH, LONDON S.W.1

RECORDATION NO. 8931 Filed & Recorded

AUG 9 1977 - 11 25 AM

INTERSTATE COMMERCE COMMISSION

7221A002

Date AUG 9 - 1977

Fee $ 10

ICC Washington, D. C.

August 8, 1977

Dear Sir:

Pursuant to Section 20c of the Interstate Commerce Act and the Commission's rules and regulations thereunder, as amended, I enclosed herewith on behalf of First Security State Bank for filing and recordation six copies of the following document:

File under C

Assignment of Lease and Agreement dated as of August 1, 1977, between First Security State Bank and First Security Bank of Utah, National Association.

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

(1) Lessor-Assignor:

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

(2) Assignee:

First Security Bank of Utah,
National Association,
Deseret Building,
79 South Main Street,
Salt Lake City, Utah 84111.

RECEIVED AUG 9 11 21 AM '77 I.C.C. FEE OPERATION BR.

Pursuant to the above-mentioned document, First Security State Bank is assigning to First Security Bank of Utah, National Association, certain of the rights of First Security State Bank under a Lease Agreement dated as of August 1, 1977, between SSI Rail Corp. and First Security

Certified true copy attached

State Bank, which is being filed and recorded with the Interstate Commerce Commission concurrently with the filing and recording of the enclosed Assignment of Lease and Agreement.

Please file and record the Assignment of Lease and Agreement submitted with this letter and cross-index said document to the aforementioned Lease Agreement and under the names of the parties thereto and the names of SSI Rail Corp., and The Corinth & Counce Railway Company.

The equipment covered by the aforementioned Assignment of Lease and Agreement consists of the following:

One hundred forth (140) 70-ton, 50'60" Boxcars, AAR Designation XM, bearing Road Numbers CCR 6150-CCR 6289 both inclusive.

There is also enclosed a check for $10 payable to the Interstate Commerce Commission, representing the fee for recording the instrument pursuant to 49 CFR 1116.1.

Please stamp all six copies 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 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. Giusti

William R. Giusti

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

Encls.

43

BY HAND

Recordation No. 8031-C Filed & Recorded

AUG 9 1977 - 11 22 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of August 1, 1977 (hereinafter called this Assignment), by and between FIRST SECURITY STATE BANK, not in its individual capacity but solely as Trustee (hereinafter, together with its successors and assigns, called the Owner-Trustee) under a Trust Agreement dated as of the date hereof, with ITT INDUSTRIAL CREDIT COMPANY (hereinafter called the Owner), and FIRST SECURITY BANK OF UTAH, National Association, not in its individual capacity but solely as Trustee (hereinafter, together with its successors and assigns, called the Trustee).

WHEREAS the Owner-Trustee and the Trustee have entered into an Equipment Trust Agreement dated as of the date hereof (hereinafter, together with any amendments and supplements thereto, being called the Security Document);

WHEREAS the Owner-Trustee and SSI Rail Corp. (hereinafter called the Lessee) have entered into a Lease of Railroad Equipment dated as of the date hereof (hereinafter, together with any amendments and supplements thereto, called the Lease), providing for the leasing by the Owner-Trustee to the Lessee of certain units of railroad equipment (hereinafter called the Units);

WHEREAS ITEL Corporation (hereinafter called the Guarantor) has entered into a Guaranty Agreement dated as of the date hereof (hereinafter called the Guaranty Agreement) with the Owner-Trustee, pursuant to which the Guarantor guarantees, inter alia, the observance, payment and performance of certain covenants, obligations and agreements of the Lessee under the Lease; and

WHEREAS, in order to provide security for the obligations of the Owner-Trustee under the Security Document and as an inducement to the Purchasers referred to in the Security Document (hereinafter called the Purchasers) to purchase the Equipment Trust Certificates to be issued pursuant to the Security Document (hereinafter called the Equipment Trust Certificates), the Owner-Trustee agrees to assign for security purposes its rights in, to and under the Lease and the Guaranty Agreement insofar as the Guaranty Agreement provides a guaranty of the observance, payment and performance of the

Lessee's covenants, obligations and agreements under the Lease;

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. Subject to the provisions of Paragraph 10 hereof, the Owner-Trustee hereby assigns, transfers and sets over unto the Trustee, as collateral security for the payment and performance of the Owner-Trustee's obligations under the Security Document, all the Owner-Trustee's right, title and interest, powers, privileges, and other benefits under the Lease and the Guaranty Agreement insofar as the Guaranty Agreement provides a guaranty of the observance, payment and performance of the Lessee's covenants, obligations and agreements under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Owner-Trustee from the Lessee or the Guarantor under or pursuant to the provisions of the Lease or the Guaranty Agreement, whether as rent, casualty payment, indemnity (except sums which by the express terms of the Lease are payable directly to the Owner or Owner-Trustee pursuant to § 6 and § 9 of the Lease), liquidated damages, or otherwise (such moneys being hereinafter called the Payments), and the right 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 do any and all other things whatsoever which the Owner-Trustee is or may become entitled to do under the Lease or the Guaranty Agreement. In furtherance of the foregoing assignment, the Owner-Trustee hereby irrevocably authorizes and empowers the Trustee in its own name, or in the name of its nominee, or in the name of the Owner-Trustee or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Owner-Trustee is or may become entitled under the Lease or the Guaranty Agreement, and to enforce compliance by the Lessee or the Guarantor with all the terms and provisions thereof.

The Trustee agrees to accept any Payments made by the Lessee or the Guarantor for the account of the Owner-Trustee pursuant to the Lease or the Guaranty Agreement. To the extent received, the Trustee will apply such Payments to satisfy the obligations of the Owner-Trustee under the Security Document due and payable on the date such Payments

were due and payable under the Lease or the Guaranty Agreement, and any balance held by the Trustee hereunder for the account of the Owner-Trustee shall be deemed to be held in trust for the Owner-Trustee and shall be paid immediately to and retained by the Owner-Trustee. If the Trustee shall not receive any rental payment under the first paragraph of § 3 of the Lease or any payment of Casualty Values under § 7 of the Lease when due, the Trustee shall promptly notify the Owner-Trustee by telegraphic communication at the address set forth in the Lease. Failure to so notify the Owner-Trustee shall not affect the rights and remedies of the Trustee hereunder or under the Security Document.

2. This Assignment is executed only as security for the obligtaions of the Owner-Trustee under the Security Document and, therefore, the execution and delivery of this Assignment shall not subject the Trustee to, or transfer, or pass, or in any way affect or modify the liability of the Owner-Trustee under the Lease or the Guaranty Agreement, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Owner-Trustee to the Lessee or the Guarantor shall be and remain enforceable by the Lessee or the Guarantor, its successors and assigns, against, and only against, the Owner-Trustee or persons other than the Trustee.

3. To protect the security afforded by this Assignment, the Owner-Trustee agrees as follows:

(a) The Owner-Trustee will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease or the Guaranty Agreement provides are to be performed by the Owner-Trustee; without the written consent of the Trustee, the Owner-Trustee will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder or the Guarantor under the Guaranty Agreement, of or from the obligations, covenants, conditions and agreements to be performed by the Lessee or the Guarantor which are intended to satisfy the obligations of the Owner-Trustee under the Security Document, including, without limitation, the obligation to make the payments in the manner and at the time and place specified therein or enter into any agreement so amending, modifying or terminating the Lease or the Guaranty Agreement, and the Owner-Trustee agrees that any such amendment, modification or termination thereof without such consent shall be void.

(b) Should the Owner-Trustee fail to make any payment or to do any act which this Assignment requires the Owner-Trustee to make or do, then the Trustee, but without obligation so to do, after first making written demand upon the Owner-Trustee and affording the Owner-Trustee a reasonable period of time within which to make such payment or do such act, but without releasing the Owner-Trustee from any obligation hereunder, may make or do the same in such manner and to such extent as the Trustee may deem necessary to protect the security provided hereby, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Trustee, and also the right to perform and discharge each and every obligation, covenant and agreement of the Owner-Trustee contained in the Lease and the Guaranty Agreement; and in exercising any such powers, the Trustee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and the Owner-Trustee will reimburse the Trustee for such costs, expenses and fees; provided, however, that the obligations of the Owner-Trustee to make reimbursements under this Paragraph 3 are subject to the last paragraph of Section 4.04 of the Security Document.

4. Subject to the provisions of Paragraph 10 hereof, the Owner-Trustee does hereby constitute the Trustee the Owner-Trustee's true and lawful attorney, irrevocably, with full power (in the name of the Owner-Trustee, or otherwise), to demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease or the Guaranty Agreement, to which the Owner-Trustee is or may become entitled, to enforce compliance by the Lessee and the Guarantor with all the terms and provisions of the Lease and the Guaranty Agreement, respectively, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Trustee may deem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all the Owner-Trustee's obligations under the Security Document, this Assignment and all rights herein assigned to the Trustee shall terminate, and all estate, right, title and interest of the Trustee in and to the Lease and the Guaranty Agreement shall revert to the Owner-Trustee without further act or deed, but the Trustee shall execute and deliver such documents as the Owner-Trustee may reasonably request in order to confirm, or make clear upon public records, such termination and/or reversion.

6. The Owner-Trustee will, from time to time, do and perform any other act and will execute, acknowledge, and deliver 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.

7. The Trustee may assign all or any of the rights assigned to it hereby or arising under the Lease or the Guaranty Agreement, 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 the Owner-Trustee, the Lessee and the Guarantor of any such assignment.

8. This Assignment shall be governed by the laws of the State of Utah, but the parties hereto shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

9. The Owner-Trustee shall cause copies of all notices received in connection with the Lease and the Guaranty Agreement and all Payments to be promptly delivered or made to the Trustee at its address set forth in Section 9.05 of the Security Document, or at such other address as the Trustee shall designate.

10. The Trustee hereby agrees with the Owner-Trustee that, so long as no Event of Default, or any event which with lapse of time or notice or both would constitute such an Event of Default, under the Security Document has occurred and is then continuing, the Trustee will not exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits assigned and transferred by the Owner-Trustee to the Trustee by this Assignment, except the right to receive and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease and the Security Document, the Owner-Trustee may, so long as no Event of Default under the Security Document has occurred and is then continuing, exercise or enforce, or seek to exercise or enforce, its rights, powers, privileges, and remedies arising out of subparagraph (a) of the first paragraph of § 10 of the Lease; provided, however, the Owner-Trustee shall not, without the prior written consent of the Trustee, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of subparagraph (b) of said § 10.

11. No recourse shall be had in respect of any obligation due under this Assignment, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the Owner-Trustee, the Trustee, any holder of the Equipment Trust Certificates or the Owner, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors, officers, as such, or beneficiaries being forever released as a condition of and as consideration for the execution of this Assignment.

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

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

by

Authorized Officer

[SEAL]

Attest:

Authorized Officer

FIRST SECURITY BANK OF UTAH,
National Association, not in
its individual capacity but
solely as Trustee,

by

Authorized Officer

[SEAL]

Attest:

Authorized Officer

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

On this 5th day of Aug 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 Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

Susan A. Harward
Notary Public

[NOTARIAL SEAL]

My Commission Expires ~~11-18-79~~

My commission expires June 6, 1981

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

On this 5th day of Aug 1977, before me personally appeared ROBERT S. CLARK to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY BANK OF UTAH, National Association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association and that said instrument was signed and sealed on behalf of said national banking association by authority of its By-laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Susan A. Harward
Notary Public

[NOTARIAL SEAL]

My Commission Expires

My commission expires June 6, 1981

CONSENT AND AGREEMENT

SSI Rail Corp., a Delaware corporation (hereinafter called the Lessee) and ITEL Corporation, a Delaware corporation (hereinafter called the Guarantor), each hereby (a) acknowledges receipt of a copy of the foregoing Assignment of Lease and Agreement (hereinafter called the Assignment) and (b) consents to all the terms and conditions of the Assignment.

As an inducement to the purchasers and subsequent holders of equipment trust certificates (hereinafter called the Trust Certificates) to be issued pursuant to the Equipment Trust Agreement (hereinafter called the Security Document), dated as of the date hereof, between First Security State Bank, as trustee (hereinafter called the Owner-Trustee), and First Security Bank of Utah, National Association, as trustee (hereinafter called the Trustee) (a copy of which Security Document has been delivered to the undersigned), pursuant to which the Owner-Trustee is partially financing the purchase of the units of railroad equipment (hereinafter called the Units) being leased by the Owner-Trustee to the Lessee pursuant to a Lease of Railroad Equipment (hereinafter called the Lease), dated as of the date hereof, between the Lessee and the Owner-Trustee, the obligations of the Lessee under which are being guaranteed by the Guarantor pursuant to a Guaranty Agreement (hereinafter called the Guaranty Agreement), dated as of the date hereof, between the Guarantor and the Owner-Trustee, and in consideration of other good and valuable consideration, the Lessee hereby agrees in respect of the Lease and the Guarantor hereby agrees in respect of the Guaranty Agreement:

(1) subject to the terms and conditions of the Assignment, to pay all rentals, casualty payments, liquidated damages, indemnities and other moneys provided for in the Lease or the Guaranty Agreement, as the case may be (which moneys are hereinafter called the Payments) due and to become due to the Owner-Trustee under the Lease or the Guaranty Agreement, as the case may be, in respect of the Units leased under the Lease, directly to the Trustee to be applied as provided in the Security Document, to its address at 79 South Main Street, Salt Lake City, Utah 84111, attention of Trust Department, Corporate Trust Division (or to such other address as may be furnished in writing to the undersigned by the Trustee);

(2) subject to the terms and conditions of the Assignment, that the Trustee shall be entitled to the benefits of, and to receive and enforce performance of, all of the covenants to be performed by the Lessee under the Lease and by the Guarantor under the Guaranty Agreement, as though the Trustee were named therein as the Owner-Trustee;

(3) that the Trustee shall not, by virtue of the Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease, the Guaranty Agreement or otherwise; and

(4) that the Lease or the Guaranty Agreement, as the case may be, shall not, without the prior written consent of the Trustee, be amended, terminated or modified, or any action be taken or omitted by the Lessee or the Guarantor, as the case may be, the taking or omission of which might result in any alteration or impairment of the obligations of the Lessee under the Lease or of the Guarantor under the Guaranty Agreement which are intended to satisfy the obligations of the Owner-Trustee under the Security Document, the obligations of the Owner-Trustee under the Assignment or the obligations of the Lessee or the Guarantor, as the case may be, under this Consent and Agreement or of any of the rights created by any thereof.

The Lessee further agrees (i) to execute, deliver and/or furnish all notices, certificates, communications, instruments, agreements, legal opinions and other documents and papers required to be executed, delivered and/or furnished by it (or its counsel) pursuant to the provisions of the Security Document and (ii) to do all such acts and execute and deliver all such further assurances required to be done and/or executed and delivered by it pursuant to the provisions of any thereof.

This Consent and Agreement, when accepted by the Trustee by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the State of

California and, for all purposes, shall be construed in accordance with the laws of said State.

Dated as of August 1, 1977

SSI RAIL CORP.,

by

Vice President

[Corporate Seal]

Attest:

Secretary

ITEL CORPORATION,

by

Vice President

[Corporate Seal]

Attest:

Asst. Secretary

Accepted:

FIRST SECURITY BANK OF UTAH, National Association, not in its individual capacity but solely as Trustee,

by

Authorized Officer

[Seal]

Attest:

Authorized Officer

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

On this 5th day of August 1977, before me personally appeared Donald H. Gleason, to me personally known, who, being by me duly sworn, says that he is a Vice President of SSI RAIL CORP., that the seal 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.

Terry L. Russell
Notary Public

[NOTARIAL SEAL]

My Commission Expires

OFFICIAL SEAL
TERRY L. RUSSELL
Notary Public - California
San Francisco County
My Commission Expires May 10, 1980

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

On this 5th day of August 1977, before me personally appeared Thomas S. Jan to me personally known, who, being by me duly sworn, says that he is a Vice President of ITEL CORPORATION, that the seal 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.

Terry L. Russell
Notary Public

[NOTARIAL SEAL]

My Commission Expires

OFFICIAL SEAL
TERRY L. RUSSELL
Notary Public - California
San Francisco County
My Commission Expires May 10, 1980