

**ITEL
CORPORATION**

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I. C. C. (December 27, 1978)
FEE OPERATION BR.

RECORDATION NO. *9073-NF*

Filed 1425

Date *DEC 18 1978*

DEC 28 1978 - 12 00 PM

INTERSTATE COMMERCE COMMISSION
405 Wash.

Honorable H. G. Homme
Acting Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Sir:

Enclosed for recordation under the provisions of Section 11303 of Title 49 of the United States Code, are one original and six (6) executed counterparts of an Assignment Of Lease And Agreement dated as of December 20, 1978 *to the lease of July 21, 1977 recorded under ~~9073~~ Recordation No. 9073.*

The general description of the railroad equipment covered by the enclosures is as follows:

One hundred-fifty (150) 50'6", XM, 70-ton boxcars numbered NLG 5401-5550.

The names and addresses of the parties are:

Assignor under the Assignment of Lease and Agreement

Itel Corporation
One Embarcadero Center
San Francisco, Ca. 94111

Assignee under the Assignment of Lease and Agreement

Bankers Trust Company
One Bankers Trust Plaza
New York, N. Y.

Please return the original and five (5) copies of the Assignment of Lease and Agreement to Laurent Alpert, Esq., Cleary, Gottlieb, Steen & Hamilton, One State Street Plaza, New York, New York.

Enclosed is a check in the amount of \$10.00 covering the required recording fee.

Very truly yours,

P. M. Willard
P. M. Willard,
Counsel

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

Handwritten signature/initials on the left margin.

RECORDATION NO. 9073-F Filed 1425

DEC 28 1978 - 12 00 PM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of December 20, 1978 (hereinafter called this Assignment), by and between ITEL Corporation, a Delaware corporation (together with its successors being hereinafter called ITEL), acting through its Rail Division, and Bankers Trust Company, as Trustee (hereinafter called the Trustee).

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

WHEREAS, SSI Rail Corp., a Delaware corporation (hereinafter called "SSI") and North Louisiana and Gulf Railroad Company (hereinafter called the Lessee) have entered into a lease of Equipment (as defined in the Agreement) dated as of July 21, 1977 (such lease, together with any amendments or supplements thereto, whether made heretofore or hereafter, being hereinafter called the Lease), providing for the leasing by SSI to the Lessee of units of the Trust Equipment (as defined in the Agreement);

WHEREAS, SSI was duly merged into ITEL on December 30, 1977, and ITEL is the successor in interest to all of SSI's rights, title, obligations and interests in, to and under the Lease, as if ITEL had executed the Lease in lieu of SSI, and as if every reference in the Lease to SSI were a reference to ITEL.

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 under its guaranties endorsed on the Trust Certificates 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 purchase of the Trust Certificates by the holders thereof and the covenants herein contained, the parties hereto agree as follows:

1. ITEL hereby assigns, transfers and sets over unto the Trustee, as additional security for the payment and performance of ITEL's obligations under the Agreement and under its guaranties endorsed on the Trust Certificates, 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, including, without

limitation, all rights to receive and collect all rentals, proceeds and other sums payable to or receivable by ITEL under or pursuant to the provisions of the Lease to the extent that the same are payable in respect of the 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 or Default under the Agreement shall occur, it is understood that ITEL shall be entitled to collect and receive all such Payments and to make all waivers, to give all notices and consents, 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. 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, or in the name of ITEL or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which ITEL is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof. Whenever a Lease covers other equipment not included as part of the Trust Equipment and the amount of any payment due to ITEL under such Lease as car hire payments (including both straight and incentive per diem), mileage charges or other rental revenues is calculated on an aggregate basis for all equipment leased thereunder, for the purposes of this Assignment an amount equal to the Assigned Fraction (as hereinafter defined) of each such payment shall be deemed to be payable with respect to the Trust Equipment leased under such Lease. The term "Assigned Fraction" as used herein shall mean a fraction the numerator of which shall be the number of units of equipment comprising the Trust Equipment leased under such Lease and the denominator of which shall be the aggregate number of units of equipment (including the units of Trust Equipment) at the time leased under such Lease.

2. This Assignment is executed only as security for the obligations of ITEL under the Agreement and under its guaranties endorsed on the Trust Certificates 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 ITEL under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent

assignment, all obligations of ITEL to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, ITEL or persons other than the Trustee and the holders of Trust Certificates.

3. To protect the security afforded by this Assignment, ITEL agrees as follows:

(a) ITEL will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides is to be performed by ITEL.

(b) At ITEL's sole cost and expense, ITEL will appear in and defend every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of ITEL under the Lease.

(c) Should ITEL fail to make any payment or to do any act which this Assignment requires ITEL to make or do, then the Trustee, but without obligation so to do, after first making written demand upon ITEL and affording ITEL a reasonable period of time within which to make such payment or do such act, but without releasing ITEL 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 ITEL contained in the Lease; and in exercising any such powers, the Trustee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and ITEL will reimburse the Trustee for such costs, expenses and fees.

4. Upon the full discharge and satisfaction of all of ITEL's obligations under the Agreement, its guaranties endorsed on the Trust Certificates and this Assignment, all rights herein assigned to the Trustee shall 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, file and

record (and will refile and rerecord 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.

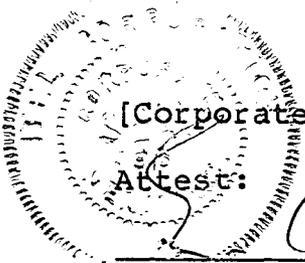
6. If an Event of Default shall occur and be continuing under the Agreement, the Trustee may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any 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 deemed to be a contract made in the State of New York and for all purposes shall be construed in accordance with and governed by the laws of the State of New York; provided, however, that the parties hereto shall be entitled to all rights conferred by §11303 of Title 49 of the United States Code; and provided further, however, that any remedies herein provided which shall be valid under the laws of the jurisdiction where proceedings for the enforcement of this Assignment shall be taken shall not be affected by any invalidity of this Assignment under the laws of the State of New York.

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.

ITEL CORPORATION

By: Lawrence P. Schneider
Vice President-Treasurer
Rail Division



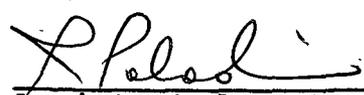
[Corporate Seal]

BANKERS TRUST COMPANY,
as Trustee

By: 
Assistant Vice President

[Corporate Seal]

Attest:


Assistant Secretary

