RECORDATION NO 16540 B FILED 1425
SEP 29 1989 -1 15 PM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO 16540 A FILED 1425
SEP 29 1989 -1 15 PM
INTERSTATE COMMERCE COMMISSION

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RECORDATION NO 16540 C FILED 1425
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INTERSTATE COMMERCE COMMISSION

ICC TRANSMITTAL LETTER

September 29, 1989

9-272A023

Honorable Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Re: 1) Equipment Lease Agreement New Number
2) Lease Supplement No. 1 - A
3) Security Agreement and Trust Indenture - B
4) Security Agreement and Trust Indenture - C
Supplement No. 1

Dear Ms. McGee:

On behalf of Itel Rail Corporation, the above instruments, in four (4) counterparts each, are hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the $60 recordation fee.

Please record the Equipment Lease Agreement (the "Equipment Lease Agreement") dated as of September 15, 1989, relating to Itel Rail Trust No. 89-3, not previously recorded, under a new recordation number.

The parties to the Equipment Lease Agreement are listed below:

First Security Bank of Utah, N.A.,
as Owner Trustee under
Itel Rail Trust No. 89-3
(Lessor)
79 South Main Street
Salt Lake City, Utah 84111

Itel Rail Corporation (Lessee)
55 Francisco Street
San Francisco, California 94133

The Equipment Lease Agreement sets forth the terms upon which the Lessor will lease to Lessee certain railroad rolling stock to be identified in lease supplements thereto, and Lease Supplement No. 1 (as defined below) recorded herewith covers such railroad rolling stock now leased.

The Equipment Lease Agreement Supplement No. 1 ("Lease Supplement No. 1") dated as of September 29, 1989 should be recorded as -A of the same recordation number as the Equipment Lease Agreement.

The parties to the Lease Supplement No. 1 are the same as in the Equipment Lease Agreement, and the Lease Supplement No. 1, among other things, identifies the railroad rolling stock covered by the Equipment Lease Agreement.

The Security Agreement and Trust Indenture (the "Security Agreement and Trust Indenture") dated as of September 15, 1989 should be recorded as -B of the same recordation number as the Equipment Lease Agreement.

The parties to the Security Agreement and Trust Indenture are as follows:

First Security Bank of Utah, N.A.,
as Owner Trustee under
Itel Rail Trust No. 89-3 (Owner Trustee)
/"Assignor"
79 South Main Street
Salt Lake City, Utah 84111

Continental Bank, National Association,
as Identure Trustee (Indenture Trustee)
/"Assignee"
231 South LaSalle Street, 7th Floor
Chicago, Illinois 60697

The Security Agreement and Trust Indenture provides for a grant by the Owner Trustee to the Inden-

ture Trustee of a security interest in the railroad rolling stock described in any Indenture Supplement thereto, and for an assignment by the Owner Trustee to the Indenture Trustee of the rights of the Owner Trustee under the Equipment Lease Agreement.

The Security Agreement and Trust Indenture Supplement No. 1 ("Indenture Supplement No. 1") dated as of September ~~15,~~ 29, 1989 should be recorded as -C of the same recordation number as the Equipment Lease Agreement.

The parties to the Indenture Supplement No. 1 are the same as in the Security Agreement and Trust Indenture.

The Indenture Supplement No. 1 lists and describes the railroad rolling stock subject to Lease Supplement No. 1, which Lease Supplement No. 1 has been assigned by the Owner Trustee/Assignor to the Indenture Trustee/Assignee pursuant to the Security Agreement and Trust Indenture.

The railroad rolling stock covered by the documents, as listed above, is identified in the schedules to the Lease Supplement No. 1, a copy of which schedule is attached to this letter.

A short summary of the documents to appear in the ICC Index is as follows:

"Covers 114 center beam flat cars."

Once the filings have been made, please return to the undersigned the stamped counterparts of the Equipment Lease Agreement, Lease Supplement No. 1, the Security Agreement and Trust Indenture and the Indenture Supplement No. 1 not required for filing purposes, together with the ICC fee receipt and the letter from the ICC acknowledging the filings.

Very truly yours,

New Railcars

Number of Units	Size of Equipment	Manufacturer	Reporting Marks	Equipment Cost Per Unit	Total
Equipment Type E					
114	73 Foot 100 Ton Center Beam Flat Car	Thrall Car Manufacturing Company	PLCX 047650-047763	48,600.00	US$5,540,400
Total Equipment Cost of New Railcars.....					US$5,540,400

16540
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Exhibit A to
Equipment Lease Agreement

LEASE SUPPLEMENT NO. 1

LEASE SUPPLEMENT NO. 1 dated September 29, 1989 (this "Lease Supplement") between FIRST SECURITY BANK OF UTAH, N.A., a national banking association, in its individual capacity as expressly provided herein and otherwise solely as Owner Trustee (the "Lessor") under Itel Rail Trust No. 89-3, and ITEL RAIL CORPORATION, a Delaware corporation (the "Lessee");

W I T N E S S E T H:

The Lessor and the Lessee have heretofore entered into that certain Equipment Lease Agreement dated as of September 15, 1989 (the "Lease"). The capitalized terms used herein have the meanings specified in the Lease.

The Lease provides for the execution and delivery of a Lease Supplement substantially in the form hereof.

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, the Lessor and the Lessee hereby agree as follows:

1. The Lessee hereby acknowledges and confirms that it has inspected and approved the following Units and on the date hereof the following Units have been unconditionally accepted by the Lessee under and subject to the Lease:

Deleted by -F

New Railcars

Number of Units	Size of Equipment	Manufacturer	Reporting Marks	Equipment Cost Per Unit	Total
Equipment Type E					
114	73 Foot 100 Ton Center Beam Flat Car	Thrall Car Manufacturing Company	PLCX 047650-047763	48,600.00	US$5,540,400

Total Equipment Cost of New Railcars.....US$5,540,400

The Lessee certifies, solely as between the Lessee and the Lessor, that the foregoing Units are in good order and condition, and conform to the specifications applicable thereto, and that the Lessee has no knowledge of any defect in any of the foregoing Units with respect to design, manufacture or condition or in any other respect.

2. The Delivery Date of the Units covered by this Lease Supplement is the date set forth in the opening paragraph hereof.

3. The Total Equipment Cost for the Units covered by this Lease Supplement is US$[ ]. $540,400.00

4. The Coupon Rate shall be 10.31% per annum.

5. the Lessee hereby acknowledges, but solely as between the Lessee and the Lessor, that (a) each Unit covered by this Lease-Supplement is acceptable to and accepted by the Lessee under the Lease, and (b) as of the applicable Delivery Date for each Unit covered hereby, such Unit is in good order and condition and conforms to the specifications applicable thereto and is suitable for use in interchange service in accordance with the Interchange Rules and suitable for use by Class 1 line-haul railroads.

6. Notwithstanding Paragraph 5 hereof, the execution and delivery of this Lease Supplement by the Lessee shall not constitute a waiver, clearance, decrease or other release of any of the warranties, liabilities or other obligations of any of Manufacturers thereof with respect to the Units covered by this Lease Supplement.

7. Lessee certifies that all subleases of the Units covered by this Lease Supplement conform to the terms of Section 19.4 of the Lease.

8. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Lease Supplement may refer to the "Lease Agreement dated as of September 15, 1989", the "Lease dated as of September 15, 1989" or the "Equipment Lease Agreement dated as of September 15, 1989," or may identify the Lease in any other respect without making specific reference to this Lease Supplement, but nevertheless all such references shall be deemed to in-

clude this Lease Supplement, unless the context shall otherwise require.

9. This Lease Supplement shall be construed in connection with and as part of the Lease, and all terms, conditions and covenants contained in the Lease shall be and remain in full force and effect.

10. This Lease Supplement may be executed in any number of counterparts, each executed counterpart constituting an original but all together one and the same instrument.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease Supplement to be duly executed and delivered on the day and year first above written.

Lessor: FIRST SECURITY BANK OF UTAH, N.A., not in its individual capacity but solely as Owner Trustee under Itel Rail Trust No. 89-3

By: Dorian Light Shaw
Name: DORIAN LIGHT SHAW
Title: ASSISTANT VICE PRESIDENT

Lessee: ITEL RAIL CORPORATION

By: _____
Name: Robert C. Kiehnle
Title: Vice President-Finance

The right, title and interest of the Lessor under this Lease Supplement and the Lease referred to herein and certain of the Rent due and to become due hereunder and thereunder have been assigned as collateral security to and are subject to a security interest in favor of Continental Bank, National Association, as Indenture Trustee under a Security Agreement and Trust Indenture dated as of September 15, 1989 between said Indenture Trustee, as secured party, and the Lessor, as debtor. Information concerning such security interest may be obtained from the Indenture Trustee at its address set forth in Section 22.1 of said Lease.

STATE OF UTAH)
) SS:
COUNTY OF SALT LAKE)

On this ____ day of September, 1989, before me personally appeared DORIAN LIGHT SHAW, to me personally known, who being duly sworn, says that he is a ASSISTANT VICE PRESIDENT of FIRST SECURITY BANK OF UTAH, N.A., that said instrument was signed on September __, 1989 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.

Notary Public

[NOTARIAL SEAL]

NOTARY PUBLIC
ROBERT ALLEN LINDSAY
STATE OF UTAH

My Commission Expires:
My Commission Expires July 1, 1991

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease Supplement to be duly executed and delivered on the day and year first above written.

Lessor: FIRST SECURITY BANK OF UTAH, N.A., not in its individual capacity but solely as Owner Trustee under Itel Rail Trust No. 89-3

By: _____
Name:
Title:

Lessee: ITEL RAIL CORPORATION

By: Robert Kiehnle
Name: Robert C. Kiehnle
Title: Vice President-Finance

The right, title and interest of the Lessor under this Lease Supplement and the Lease referred to herein and certain of the Rent due and to become due hereunder and thereunder have been assigned as collateral security to and are subject to a security interest in favor of Continental Bank, National Association, as Indenture Trustee under a Security Agreement and Trust Indenture dated as of September 15, 1989 between said Indenture Trustee, as secured party, and the Lessor, as debtor. Information concerning such security interest may be obtained from the Indenture Trustee at its address set forth in Section 22.1 of said Lease.

STATE OF CALIFORNIA)
) SS:
CITY AND COUNTY OF SAN FRANCISCO)

On this 25th day of September, 1989, before me personally appeared **ROBERT C. KIEHNLE**, to me personally known, who being duly sworn, says that he is **Vice President - Finance** of **ITEL RAIL CORPORATION**, that said instrument was signed on September 25, 1989 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.

Patricia Schumacker

My Commission Expires:

February 4, 1991

Receipt of the original counterpart of the foregoing Lease Supplement is hereby acknowledged this _____ day of September, 1989.

Indenture Trustee: CONTINENTAL BANK,
NATIONAL ASSOCIATION
as Indenture Trustee

By: _____
Name: Robert S. Clark
Title: Vice President