

# ITEL

1-062 A042  
No.  
Date **MAR 3 1981**  
Fee \$ **20.00**

**Rail Division** ICC Washington, D. C.  
Two Embarcadero Center  
San Francisco, California 94111  
(415) 955-9090  
Telex 34234

January 8, 1981

RECORDATION NO. 9924 Filed 142

Ms. Agatha Mergenovich, Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

MAR 3 1981 - 10:55 AM

INTERSTATE COMMERCE COMMISSION

Re: Assignment of Agreement made as of January 8, 1981 between Itel Corporation, Rail Division ("Itel") and Citibank, N.A.

Dear Ms. Mergenovich:

*Miss. See  
this as under  
9924  
sent it to me  
from the rest  
letter*

Pursuant to 49 U.S.C. Section 11303(a) and the Interstate Commerce Commission's rules and regulations thereunder, I enclose herewith on behalf of Itel, for filing and recordation, as an additional filing under Recordation No. 9924, four (4) counterparts of the following document:

1. Assignment of Agreement made as of January 8, 1981 by and between Itel and Citibank, N.A.

The names and addresses to the aforementioned document are:

1. Itel Corporation, Rail Division  
Two Embarcadero Center  
San Francisco, California 94111
2. Citibank, N.A.  
Corporate Trust Department  
7 Hanover Square  
New York, New York 10004  
Attn: John Byrnes, Sr. Trust Officer

→ Please cross-index the above-referenced Assignment of Agreement (the "Agreement") with the following document, which is filed under Recordation No. 9932:

1. Equipment Trust Agreement dated as of November 1, 1978 between Citibank, N.A. as Trustee and Itel.

*Completed E. Byrnes*

The equipment covered by the Agreement is three hundred (300) 100 ton General Boxcars (A.A.R. mechanical designation XM; 60' in length), marked WRWK 60001 through 60300.

Enclosed also is a check for \$20 covering the required recordation fees for the Agreement (\$10) and cross-indexing fee (\$10).

Please stamp all counterparts of the Agreement with your official recording stamp. You will wish to retain one (1) counterpart of the Agreement for your files; it is requested that the remaining three (3) counterparts be delivered to the bearer of this letter.

Sincerely,

  
Patricia Salas Pineda  
Counsel

PSP/vae  
Enclosures

cc: Michael Walsh, Esq.  
Weil, Gotshal and Manges  
767 Fifth Avenue  
New York, New York 10020

Phillip Jackson, Esq.  
Shearman & Sterling  
53 Wall Street  
New York, New York 10005

Margaret MacKenzie  
IteI Corporation

L-0077  
1/8/81

RECORDATION NO. 9924-11  
FILED 142

MAR 3 1981 - 11 55 AM

**ASSIGNMENT OF AGREEMENT**  
INTERSTATE COMMERCE COMMISSION

**ASSIGNMENT OF AGREEMENT**, dated as of January 8, 1981, (hereinafter called the "Assignment"), by and between **ITEL CORPORATION, RAIL DIVISION**, 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").

**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"); and

**WHEREAS**, Itel and Providence and Worcester Company, a Delaware corporation (hereinafter called "Lessee") have entered into a lease of Equipment (as defined in the Agreement) dated as of March 13, 1978 (such lease, together with any amendments or supplements thereto, being hereinafter called the "Lease") providing for the leasing by Itel to Lessee of certain units of the Trust Equipment (as defined in the Agreement); and

**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, Itel assigned to Trustee for security purposes all of Itel's rights, title and interest in, to and under the Lease as and only to the extent that the Lease relates to the Trust Equipment by means of an Assignment of Lease and Agreement, dated as of December 28, 1978; and

**WHEREAS**, by an assignment agreement dated as of April 24, 1980, and made effective as of May 31, 1980, Lessee assigned to Warwick Railway Company, a Rhode Island Corporation (hereinafter called "Assignee"), with the consent of Itel, all of Lessee's rights, title and interest in, to and under the Lease except for Lessee's rights in and to the investment tax credits associated with the Trust Equipment referenced on Schedule No. 1 to the Lease; and

**WHEREAS**, by an agreement dated September 12, 1980, (hereinafter called the "Agency Agreement") Itel and Assignee agreed, *inter alia*, that if in any calendar quarter beginning with the quarter ending December 31, 1980, Assignee does not achieve the minimum utilization requirements of paragraph 6 of the Lease with respect to certain units of the Trust Equipment currently bearing reporting marks WRWK 60001-60300 (hereinafter called the "Boxcars") and Assignee does not elect to exercise its right under paragraph 6C of the Lease to retain the Boxcars, then and in that event, Assignee will appoint Itel as its agent, with full power and authority and in the name of Itel (but on behalf of Assignee) to enter into one or more sublease agreements with third parties covering some or all of the Boxcars.

**WHEREAS**, under the Agency Agreement, as clarified by letter from Assignee to Itel, dated September 12, 1980, Itel shall receive all rentals generated by the Boxcars pursuant to any sublease agreement as a fee for acting as Assignee's agent; and

**WHEREAS**, the Agency Agreement operates to assign to Itel: (1) certain rights under the Lease which would otherwise accrue to and only to Assignee, including, inter alia, rentals reserved to the Assignee and (2) certain rights under the Lease which would otherwise ultimately accrue to Itel as lessor under the Lease, including, inter alia, rentals to be paid under the Lease; and in order to (a) more specifically identify the existing security for the obligations of Itel under the Agreement as previously assigned by means of the six documents described above and (b) provide further security for the obligations of Itel under the Agreement, Itel agrees to assign for security purposes its rights in, to and under the Agency Agreement, including, but not limited to, its rights to act as Assignee's agent and receive rentals generated by the Boxcars, to the Trustee as and only to the extent that the Agency Agreement 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:

- I. 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 Agency Agreement as and only to the extent that the Agency Agreement 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 Assignee under or pursuant to the provisions of the Agency Agreement to the extent that the same are payable in respect of such Trust Equipment, whether as rent, casualty payment, indemnity, liquidated damages, fees or otherwise (such monies 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 Agency Agreement, 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, but does not require, the Trustee in its own name, or in the name of its nominee or agent, 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 Agency Agreement and to enforce compliance by the Assignee with all the terms and provisions thereof. Whenever the Agency Agreement covers other equipment not included as part of the Trust Equipment and the amount of any payment due to Itel under such Agency Agreement 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 subject to the Agency Agreement, 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 such Trust Equipment subject to the Agency Agreement. The term "Assigned Fraction" as used herein shall mean a fraction the numerator of which shall be the number of units of equipment comprising such Trust Equipment leased under such Lease and the denominator of which shall be the aggregate number of units of equipment (including such 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, 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 Agency Agreement; it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of Itel to the Assignee shall be and remain enforceable by the Assignee, its successor and assigns, against, and only against Itel or persons other than the Trustee.
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 Agency Agreement 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 Agency Agreement.
  - (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 Agency 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 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 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 Agency Agreement 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 instru-

ments 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 Agency 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 ITEL and the Assignee 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.

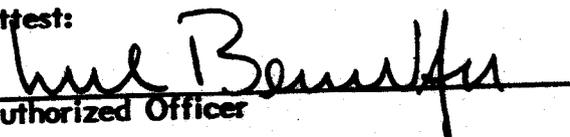
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective names, by officers thereunto duly authorized, and their respective seals to be affixed and duly attested, all as of the date first above written.

ITEL CORPORATION,  
RAIL DIVISION

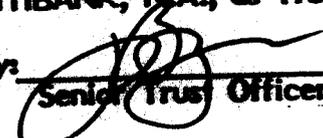
By: 

(Corporate Seal)

Attest:

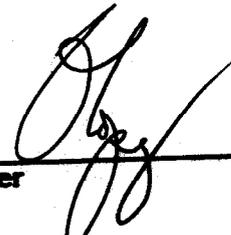
  
Authorized Officer

CITIBANK, N.A., as Trustee

By:   
Senior Trust Officer

(Seal)

Attest:

  
Trust Officer

ANNEX A

<u>No. of Units</u>	<u>Road Numbers</u>	<u>Description</u>	<u>AAR Mechanical Designation</u>
300	WRWK 60001- 60300	60', 100 Ton General Boxcars With 15" End-of- Cushioning	XM

STATE OF CALIFORNIA )  
 )  
COUNTY OF SAN FRANCISCO )

ss:

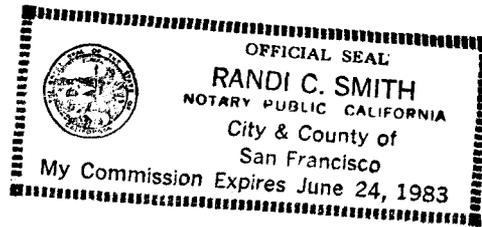
On this 8<sup>th</sup> day of JANUARY, 1980, before me personally appeared Edward M. O'Dea, to me personally known, who, being by me duly sworn, says that he is President, Rail Division of ITEL CORPORATION, that said instrument was signed on behalf of said corporation by authority of its By-laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Randi C. Smith*

Notary Public

(Notarial Seal)

My Commission Expires:



STATE OF NEW YORK )  
 )  
COUNTY OF NEW YORK )

ss:

On this 11<sup>th</sup> day of February, 1980 before me personally appeared J. Byrnes, to me personally known, who, being by me duly sworn, says that he is a Senior Trust Officer of CITIBANK, N.A., a national banking association, that said instrument was signed on behalf of said national banking association 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 national banking association.

*A. Douglas Hunter*

Notary Public

H. DOUGLAS HUNTER  
Notary Public, State of New York  
No. 91-4707095  
Qualified in New York County  
Term Expires March 30, 1981

(Notarial Seal)

My Commission Expires: