

5-190A020

12271 Filed 1425 # 14727-4

**ITEL**

May 3, 1985

No. \_\_\_\_\_  
Date JUL 09 1985  
Fee \$ 30.00  
ICC Washington, D.C.

JUL 9 1985 - 9 22 AM

INTERSTATE COMMERCE COMMISSION  
**IteI Rail Corporation**

55 Francisco  
San Francisco, California 94133  
(415) 984-4000  
Telex 34234

Honorable James H. Bayne, Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Mr. Bayne:

On behalf of IteI Rail Corporation, I submit for filing and recording, under 49 U.S.C. §11303(a) and the regulations promulgated thereunder, the enclosed four executed counterparts of each of the following documents:

*New Number*

1. Sublease Agreement dated March 26, 1985 between East Camden and Highland Railroad Company and Hartford and Slocomb Railroad Company.
2. Assignment of March 26, 1985 Sublease between East Camden and Highland Railroad Company and Hartford and Slocomb Railroad Company to IteI Rail.

*- A*

All of the above-listed documents relate to arrangements to allow one of the parties to enter into a sublease agreement with a third party as to a certain number of boxcars subject to the related Lease Agreement dated as of April 26, 1978 between IteI Rail Corporation, successor in interest to IteI Corporation, Rail Division and East Camden and Highland Railroad Company, which was recorded with the I.C.C. on October 11, 1978. The Sublease should be cross-referenced to Recordation No. 9756. *Cross only*

*Counterpart of H. H. H. H. H.*

The names and addresses of the parties to the aforementioned Sublease are:

1. East Camden and Highland Railroad Company (Sublessor)  
Building 142, East Camden Industrial Park  
Each Camden, Arkansas 71701
2. Hartford and Slocomb Railroad Company  
P.O. Box 2243  
Dothan, Alabama 36301

The names and addresses of the parties mentioned in the related Assignment of March 26, 1985 Sublease between East Camden and Highland Railroad and Hartford and Slocomb Railroad Company to IteI Rail (under paragraph 2) are:

1. East Camden and Highland Railroad Company (Assignor)  
Building 142, East Camden Industrial Park  
East Camden, Arkansas 71701

ICC OFFICE OF THE SECRETARY  
JUL 9 9 06 AM '85  
MOTOR OPERATING UNIT

Mr. Bayne  
May 3, 1985  
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2. Itel Rail Corporation (Assignee)  
55 Francisco Street  
San Francisco, CA 94133

The equipment covered by these documents is one hundred (100) XM, 50'6", 70-ton, plate C, cushion underframe, nailable steel floors bearing reporting marks HS 70101-70200.

Enclosed is a check for \$30.00 to cover the required filing fees for the enclosed documents.

A short summary of the document to appear in the Index as follows:

"100 boxcars numbered HS 70101-70200"

Once the filing has been made, please return to the bearer the stamped counterparts of the documents not required for filing purposes, together with the fee receipt and the letter from the I.C.C. acknowledging the filings.

Very truly yours,



Denise M. Bottarini  
Legal Assistant

/vdy/183  
encl

cc: Robert Clark  
J. Michael Kelly  
Virginia Hanger

**Interstate Commerce Commission**  
Washington, D.C. 20423

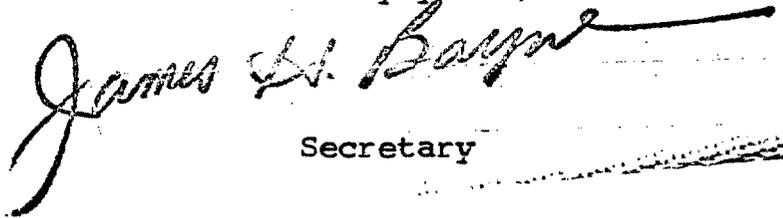
**OFFICE OF THE SECRETARY**

Denise M. Bottarini  
Ite! Rail Corporation  
55 Francisco  
San Francisco, CA. 94133

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on July 9, 1985 at 9:10 AM and assigned re-  
recording number(s). 14727 and 14727-A

Sincerely yours,

  
Secretary

Enclosure(s)

JUL 9 1985 - 9 10 AM

INTERSTATE COMMERCE COMMISSION

04/11/85  
Sublease Assignment  
Relating to Supplement #20

**ASSIGNMENT OF MARCH 26, 1985  
SUBLEASE BETWEEN EAST CAMDEN AND HIGHLAND RAILROAD COMPANY  
AND HARTFORD AND SLOCUMB RAILROAD COMPANY TO ITEL RAIL**

**ASSIGNMENT OF SUBLEASE AND AGREEMENT** dated as of April 4, 1985 (hereunder called this "Assignment"), by and between **EAST CAMDEN AND HIGHLAND RAILROAD COMPANY**, an Arkansas corporation ("EACH"), and **ITEL RAIL CORPORATION**, a Delaware corporation ("IteI Rail").

**WHEREAS**, IteI Rail has entered into a Consolidated, Amended, and Restated Equipment Trust Agreement, dated January 1, 1982, (the "ETC Modification Agreement"), and pursuant to the ETC Modification Agreement, IteI Rail has certain obligations with respect to the IteI Corporation, IteI Rail Corporation 9-1/4% Amended Equipment Trust Certificates, 1978 Series 2, due 1993 as set forth in Schedule 2E of the ETC Modification Agreement (the "Amended 1978 Series 2 Trust Certificates"); and

**WHEREAS**, IteI Rail is the successor in interest to IteI Corporation, Rail Division, pursuant to IteI Corporation's Amended Plan of Reorganization which became effective on September 19, 1983; and

**WHEREAS**, IteI Rail and EACH have entered into a Lease (as defined in the ETC Modification Agreement) of Equipment (as defined in the ETC Modification Agreement) dated as of April 26, 1978, (such Lease, together with any amendments or supplements thereto, called the "Lease") providing for the leasing by IteI Rail to EACH of certain units of the Trust Equipment (as defined in the ETC Modification Agreement); and

**WHEREAS**, the Lease may also cover the leasing to EACH of other Equipment not included as part of the Trust Equipment; and

**WHEREAS**, in order to provide security for the obligations of IteI Rail under the ETC Modification Agreement, IteI Rail assigned for security purposes its rights to and under the Lease, as amended, to First Security Bank of Utah, National Association, as trustee ("Trustee") as and only to the extent that the Lease relates to the Trust Equipment by means of an Assignment (as defined in the ETC Modification Agreement) dated as of November 15, 1978; and

**WHEREAS**, EACH has entered into a Sublease (as defined in the ETC Modification Agreement) with the **HARTFORD AND SLOCUMB RAILROAD COMPANY** (hereinafter called the "Sublessee") dated as of March 26, 1985 (such Sublease together with any amendments and supplements thereto called the "Sublease") providing for the subleasing by EACH to the Sublessee of certain units of the Trust Equipment (the "Subleased Trust Equipment"); and

**WHEREAS**, in order to provide security for the obligations of EACH under the Lease, EACH agrees to assign to IteI Rail for security purposes

only EACH's rights in, to and under the Sublease as and only to the extent that the Sublease relates to the Subleased 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 hereby agree as follows:

1. EACH hereby assigns, transfers, and sets over unto Itel Rail, as collateral security for the payment and performance of EACH's obligations under the Lease, with respect to the 1978 Series 2 Trust Certificates, all of EACH's rights, title and interest, powers, privileges and other benefits under the Sublease as and only to the extent that the Sublease relates to the Subleased Trust Equipment set forth in Annex A hereto, including, without limitations, all rights to receive and collect all rentals, profits and other sums payable to or receivable by EACH from the Sublessee under or pursuant to the provisions of the Sublease, whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such monies being hereinafter called the "Payments"); provided, however, that until a Default (as defined in the Lease) or an Event of Default (as defined in the Lease) shall occur, it is understood that EACH shall be entitled to collect and receive all the 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 Sublease, and to apply all Payments to which EACH is entitled hereunder to the payment of any and all of EACH's obligations under the Lease and to retain the balance, if any. Also provided, however, that after the occurrence of a Default or an Event of Default, both as defined in the Lease, and until a Default (as defined in the ETC Modification Agreement) or an Event of Default (as defined in the ETC Modification Agreement) shall occur, it is understood that Itel Rail shall be entitled to collect and receive all 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 Rail is entitled hereunder to the payment of any and all of Itel Rail's obligations under the ETC Modification Agreement and to retain the balance, if any. In furtherance of the foregoing assignment, but subject to the foregoing provisions of this paragraph, EACH hereby irrevocably authorizes and empowers Itel Rail in its own name, in the name of its nominee or in the name of EACH or as its attorney, to ask, demand, sue for, collect and receive any and all the Payments to which EACH is or may become entitled under the Sublease, and to enforce compliance by the Sublessee with all the terms and provisions thereof. Whenever a Sublease covers other Equipment not included as part of the Subleased Trust Equipment and the amount of any payment due to EACH under such Sublease 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 subleased 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 such Subleased Trust Equipment subleased under such Sublease. 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

Subleased Trust Equipment subleased under such Sublease and the denominator of which shall be the aggregate number of units of Equipment (including such units of Subleased Trust Equipment) at the time subleased under such Sublease.

2. This Assignment is executed only as security for the obligations of EACH pursuant to the Lease and to Paragraphs 8 and 14 of the Sublease with respect to the Amended 1978 Series 2 Trust Certificates under the Lease and, therefore, the execution and delivery of this Assignment shall not subject Itel Rail to, or transfer or pass, or in any way affect or modify, the liability of EACH under the Sublease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of EACH to the Sublessee shall be and remain enforceable by the Sublessee, its successor and assigns, against, and only against EACH or persons other than Itel Rail, the Trustee or any holder of Amended 1978 Series 2 Trust Certificates.
3. To protect the security afforded by this Assignment, EACH agrees as follows:
  - (a) EACH will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Sublease provides is to be performed by EACH; and
  - (b) At EACH's sole cost and expense, EACH 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 EACH.
  - (c) Should EACH fail to make any payment or to do any act which this Assignment requires EACH to make or do, then Itel Rail may, but without obligation so to do, first making written demand upon EACH and affording EACH a reasonable period of time within which to make such payment or do such act, but without releasing EACH from any obligation hereunder, make or do the same in such manner and to such extent as Itel Rail 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 Itel Rail, and also the right to perform and discharge each and every obligation, covenant and agreement of EACH contained in the Sublease, and in exercising any such powers, Itel Rail may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorney's fees and EACH will reimburse Itel Rail for such costs, expenses and fees.
4. Upon the full discharge and satisfaction of all of EACH's obligations under the Lease and this Assignment, all rights herein assigned to Itel Rail shall terminate and all estate, right, title and interest of Itel Rail in and to the Sublease shall revert to EACH.
5. EACH will, from time to time, do and perform any other act and will execute, acknowledge and 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 Itel Rail in order to confirm or further assure the interests of Itel Rail hereunder.

6. Itel Rail may assign all or any of the rights assigned to it hereby or arising under the Sublease, 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 Itel Rail hereunder. Itel Rail will give written notice to EACH and the Sublessee 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 RAIL CORPORATION

(Seal)

Attest:

Controller

By:

DP Hayes

EAST CAMDEN & HIGHLAND RAILROAD CO

(Seal)

Attest:

SECRETARY AUDITOR & ASST. TREASURER

By:

Don E. Gent

ANNEX A

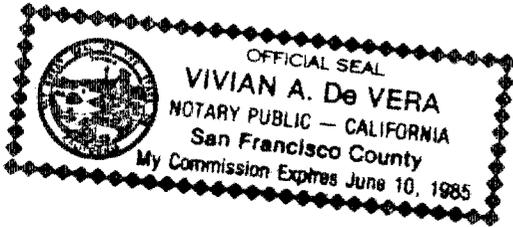
<u>No. of Units</u>	<u>Reporting Marks</u>	<u>Subleased Trust Equipment Description</u>	<u>AAR Mechanical Designation</u>
100	HS 70101-70200	50' 6", 70-ton, Plate C, cushion underframe, nailable steel floors	XM

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

On this 3rd day of May, 1985, before me personally appeared Desmond Dwyer, to me personally known, who being by me duly sworn says that such person is Desmond Dwyer of IteI Rail Corporation, that the foregoing document was signed and sealed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Luisan De Vera

Notary Public



STATE OF ARKANSAS )  
 ) ss:  
COUNTY OF OUACHITA )

On this 17th day of APRIL, 1985, before me personally appeared DON E. GHENT, to me personally known, who being by me duly sworn says that such person is PRESIDENT of EAST CAMDEN & HIGHLAND RAILROAD COMPANY, that the foregoing INSTRUMENT was signed and sealed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

My Commission Expires Nov. 29, 1992

Sarah G. Derrick  
Notary Public

