

ITEL

April 29, 1988

RECORDATION NO. 14909A FILED 1988
MAY 13 1988 - 11 15 AM
INTERSTATE COMMERCE COMMISSION

Istel Rail Corporation
55 Francisco Street
San Francisco, California 94133
(415) 984-4000

Date: 5/13/88
Fee: 13
ICC Washington, D.C.

Hon. Noretta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

Re: Amendment No. 1 dated as of April 14, 1988, to the Sublease Agreement dated as of January 10, 1986, between Istel Rail Corporation and SouthRail Corporation, as successor in interest to Gulf & Mississippi Railroad Corporation

Dear Ms. McGee:

On behalf of Istel Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$13 recordation fee.

Please record this Amendment under the Sublease Agreement dated as of January 10, 1986, between Istel Rail Corporation and SouthRail Corporation, as successor in interest to Gulf & Mississippi Railroad Corporation, which was filed with the ICC on February 25, 1986, under Recordation No. 14909.

The parties to the aforementioned instrument are listed below:

Istel Rail Corporation (Sublessor)
55 Francisco Street
San Francisco, California 94133

SouthRail Corporation (Sublessee)
111 E. Capitol Avenue
Jackson, Mississippi 39201

This Amendment covers forty (40) boxcars bearing reporting marks GMSR 40401-40440.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

patricia schumacker

Patricia Schumacker
Legal Department

PS:

MAY 13 1988 - 11 15 AM

Amendment No. 1

INTERSTATE COMMERCE COMMISSION

THIS AMENDMENT No. 1 ("Amendment") to that certain Sublease Agreement (the "Sublease") made as of January 10, 1986 between ITEL Rail Corporation ("Sublessor") and Gulf & Mississippi Railroad Corporation ("GMSR") is made as of this 14th day of April, 1988 between Lessor and SouthRail Corporation ("Sublessee"), as successor in interest to GMSR.

R E C I T A L S :

- A. Sublessor, acting as agent for Warwick Railroad Company ("WRC"), and GMSR entered into the Sublease pursuant to which forty (40) boxcars bearing the reporting marks GMSR 40401-40440 (the "Cars") were leased by Sublessor to GMSR. The parties have not agreed to add to the Sublease the fifty-seven (57) boxcars described on Equipment Schedule No. 2 to the Sublease.
- B. Effective as of March 17, 1987, WRC's interest in the Cars terminated and thereafter Sublessor has been and continues to act on its own behalf.
- C. Effective as of April 14, 1988, GMSR assigned all of its rights and obligations under the Agreement, as sublessee, to Sublessee.
- D. Sublessor and Sublessee desire to amend certain provisions of the Sublease, concurrent with GMSR's assignment of its rights and obligations under the Sublease to Sublessee.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties hereto agree to amend the Sublease as follows:

- 1. All terms defined in the Sublease shall have their defined meanings when used in this Amendment.
- 2. Effective as of March 17, 1987, Recital A is deleted from the Sublease.
- 3. This Amendment shall be effective as of April 14, 1988.
- 4. A new Subsection 7.A.(vi) is added to the Sublease as follows:
 - (vi) "Eligible Lines" is defined as the railroad lines owned and operated as of April 1, 1988 by GMSR and sold to Sublessee. Per Diem Revenues and Mileage Revenues shall be due for the use and handling of the Cars on all lines other than the Eligible Lines. If, at any time during the Sublease, Sublessee operates lines other than the Eligible Lines, then Sublessee shall supply Sublessor with records which distinguish the movement of each Car on the Eligible Lines from the movement of any Car on any other lines operated by Sublessee."

ASSIGNED TO FIRST SECURITY BANK
 OF UTAH, N.A., TRUSTEE, UNDER
 A LEASE ASSIGNMENT.

THIS INSTRUMENT IS SUBJECT TO A SECURITY INTEREST IN
 FAVOR OF HELLER FINANCIAL, INC. UNDER THE HELLER
 FINANCIAL, INC. LOAN AND SECURITY AGREEMENT WITH ITEL
 RAIL CORPORATION DATED AS OF SEPTEMBER 30, 1986.

5. Except as expressly modified by this Amendment, all terms and provisions of the Sublease shall remain in full force and effect.
6. This Amendment may be executed by the parties hereto in any number of counterparts and all said counterparts taken together shall be deemed to constitute one and the same instrument.

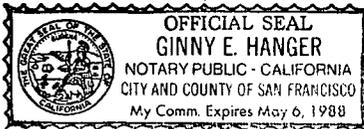
ITEL RAIL CORPORATION

SOUTHRAIL CORPORATION

By: <u><i>[Signature]</i></u>	By: <u><i>Mark M. Lewis</i></u>
Title: <u><i>President</i></u>	Title: <u><i>General Counsel</i></u>
Date: <u><i>April 20, 1988</i></u>	Date: <u><i>April 14, 1988</i></u>

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

On this 20th day of April, 1988, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of ITEL Rail Corporation, that the foregoing Amendment was signed 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.



Ginny E. Hanger
Notary Public

STATE OF New York)
) ss:
COUNTY OF New York)

On this 14th day of April, 1988, before me personally appeared Mark M. Levin to me personally known, who being by me duly sworn says that such person is Gen. Counsel of SouthRail Corporation, that the foregoing Amendment was signed 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.

Carmen Maria Acosta
Notary Public
CARMEN MARIA ACOSTA
Notary Public, State of New York
NO. 03-4638047
Qualified in Bronx County
Certificate filed in New York County
Commission Expires August 31, 1988