

RECORDATION NO. 8219 Filed & Recorded C

ITEL SEP 30 1986 2- 5 0 PM

September 25, 1986

INTERSTATE COMMERCE COMMISSION

Itel Rail Corporation

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

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

Re: Third Amendment dated as of March 15, 1986, to Equipment Lease Agreement dated as of February 18, 1976, as amended, between Leasco of Washington, Inc., successor in interest to Seattle-First National Bank, as Lessor, and Itel Rail Corporation, successor in interest to Itel Corporation, Rail Division, and to SSI Rail Corp., as Lessee

Dear Ms. McGee:

On behalf of Itel Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 USC §11303(a), along with a check in the amount of \$10 covering the recordation fee.

Please record this Amendment under the Lease Agreement dated February 18, 1976 between SSI Rail Corporation and Seattle-First National Bank, which was filed with the ICC on February 23, 1976 and given Recordation No. 8219.

The names and addresses of the parties to the aforementioned Amendment are listed below:

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

Leasco of Washington, Inc. (Lessor)
P.O. Box 3977
Seattle, Washington 98124

This instrument amends certain of the terms of the lease agreement, deletes Exhibit A and replaces it with Exhibit A-1 attached thereto.

Once filed, please return to the bearer the stamped counterparts not required for filing purposes together with the fee receipt and a letter from the ICC acknowledging this filing.

Very truly yours,
Josie Villaflores
Josie Villaflores
Legal Assistant

6-273A614
No. _____
Date SEP 29 1986
Fee \$ 10.00
ICC Washington, D.C.

JV:ps
Enclosure

cc: Howard L. Chabner
Robert C. Kiehle
Sandra Dial

This is under 8219 but don't know next letter

Clarence... William... Deal

100 OFFICE OF
ST. GEORGE, ARK
SEP 30 2 40 PM '86
REGISTOR OPERATING UNIT

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

9/30/86

Josie Villaflores
Legal Assistant

Itel Rail Corp.
55 Francisco St.
San Francisco, Calif. 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 9/30/86 at 2:50pm, and assigned re-
recording number(s).

10033-H, 8233-E & 8219-C

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

8219 -

**THIRD AMENDMENT ("THIRD AMENDMENT"),
DATED AS OF MARCH 15, 1986,
TO EQUIPMENT LEASE AGREEMENT
DATED AS OF FEBRUARY 18, 1976, AS AMENDED,
BETWEEN LEASCO OF WASHINGTON, INC.,
SUCCESSOR IN INTEREST TO
SEATTLE-FIRST NATIONAL BANK, AS LESSOR ("LESSOR"),
AND ITEL RAIL CORPORATION,
SUCCESSOR IN INTEREST TO
ITEL CORPORATION, RAIL DIVISION,
AND TO SSI RAIL CORP, AS LESSEE ("LESSEE")**

RECORDATION NO. 8219 C
Filed & Recorded

SEP 30 1986 2-50 PM

INTERSTATE COMMERCE COMMISSION

R E C I T A L S

- A. Seattle-First National Bank and SSI Rail Corp. entered into an Equipment Lease Agreement dated as of February 18, 1976, pursuant to which one hundred (100) boxcars described therein were delivered and accepted;
- B. Seattle-First National Bank and Itel Corporation entered into a Guaranty (the "Guaranty") dated as of February 18, 1976, wherein Itel Corporation guaranteed and became surety for the payment and all other performance of SSI Rail Corp. under, among other things, the Equipment Lease Agreement;
- C. The First Amendment ("First Amendment") to the Equipment Lease Agreement was made as of April 6, 1976;
- D. The Second Amendment ("Second Amendment") to the Equipment Lease Agreement was made as of September 15, 1982;
- E. SSI Rail Corp. was merged into Itel Corporation on December 22, 1977 and, thereby, Itel Corporation became the sole obligor under the Equipment Lease Agreement and the Guaranty ceased to have any force or effect;
- F. Itel Corporation was Debtor and Debtor in Possession in the case under Chapter 11 of the Bankruptcy Code known as In re Itel Corporation, Debtor, Case No. 3-81-00111, in the United States Bankruptcy Court, Northern District of California (the "Bankruptcy Court");

G. The Bankruptcy Court approved Itel Corporation's Amended Plan of Reorganization (the "Amended Plan") which provided, among other things, that all the rights, obligations and liabilities of the Rail Division of Itel Corporation were transferred to and assumed by Lessee, a wholly-owned subsidiary of Itel Corporation;

H. Pursuant to the Amended Plan and an order of the Bankruptcy Court, the Equipment Lease Agreement, as amended by the First Amendment and Second Amendment, was assumed by Itel Corporation and assigned to Lessee, effective as of September 19, 1983;

I. The interest of Seattle-First National Bank in and to the Equipment Lease Agreement, as heretofore amended, and in the leased boxcars has been assigned to Leasco of Washington, Inc. effective as of September 30, 1983;

J. Lessor and Lessee have agreed to further amend and supplement the Equipment Lease Agreement (as amended to date and as amended herein, the "Lease") upon the terms and conditions set forth herein;

NOW, WHEREFOR, in consideration of the premises and the mutual covenants hereinafter set forth, Lessor and Lessee hereby agree as follows:

1. All capitalized terms used herein, if not defined herein, shall have the meanings assigned to them in the Lease. All section or exhibit designations used herein shall refer to the respective section or exhibit in the Lease, unless otherwise stated herein.
2. Section 4.2 is hereby amended to read in full as follows: "The Full Term of this Lease shall commence on the day next succeeding the termination date of the Interim Term and shall terminate on December 15, 1993, unless earlier terminated pursuant to this Lease."
3. Section 6.1(b) is hereby amended as follows:
 - (i) by deleting the words "over sixty quarterly periods in fifty-nine unequal installments as follows:" and inserting in lieu thereof ", by wire transfer, in installments as follows:"

(ii) by deleting the paragraphs beginning "March 16, 1986," "June 15, 1986," and "September 16, 1986 and each December 16, March 16, June 16 and September 16 thereafter through and including March 16, 1991" and by deleting the corresponding paragraphs labeled "amount" opposite each such date and inserting in lieu thereof:

"The parties agree that there are 98 Boxcars deemed to be subject to the Lease as of March 15, 1986. Total remaining scheduled Rent, not including Additional Rental (if any), shall be (a) on March 15, 1986 and June 15, 1986, 1.4654361% of Lessor's Cost of each Boxcar subject to the Lease, receipt of which payments is hereby acknowledged; (b) on September 15, 1986, 1.9038845% of Lessor's Cost of each Boxcar subject to the Lease; and (c) on the fifteenth day of each month from October 15, 1986, through and including December 15, 1993, 0.6346282% of Lessor's Cost of each Boxcar subject to the Lease. Payments are to be made by wire transfer as instructed from time to time by Lessor."

4. Exhibit A to the Lease is hereby deleted and replaced with Exhibit A-1 attached hereto and incorporated herein, and all references in the Lease to Exhibit A (including but not limited to the references in Section 13) shall be deemed to refer to "Exhibit A-1."

5. This Third Amendment shall be effective only upon the completion, on or before December 31, 1986, of a restructuring transaction (the "ETC Exchange Transaction") with respect to all or a substantial part of the secured debt of Itel Rail that is governed by the Consolidated, Amended, and Restated Equipment Trust Agreement ("ETA") dated as of January 1, 1982, between First Security Bank of Utah, N.A., as Trustee, Itel Corporation and Itel Rail Corporation that results in a reduction or elimination of Lessee's obligations under the ETA; provided, however, that the waiver contained in Section 6 hereinbelow shall be effective upon the execution of this Third Amendment. If the ETC Exchange Transaction has not been completed by December 31, 1986, the waiver contained

in Section 6 hereinbelow shall be null and void as of January 15, 1987, and Lessee shall have until January 15, 1987 to cure any Defaults or Events of Default that might otherwise exist under the Lease. If the ETC Exchange Transaction has been completed by December 31, 1986, this Third Amendment shall be effective as of March 15, 1986.

6. Lessor hereby waives any Defaults or Events of Default that might otherwise exist under the Lease due to Lessee's payment of sums due Lessor according to this Third Amendment rather than according to the Lease without giving effect to this Third Amendment, from March 15, 1986, through and including January 15, 1987; provided, however, that if required payments are not made when due under this Third Amendment, Lessor may recover all amounts due under the Lease without regard to this Third Amendment.
7. Lessee agrees to pay attorneys fees and costs reasonably incurred by Lessor in connection with its review and execution of this Third Amendment in an amount not to exceed ONE THOUSAND DOLLARS (\$1,000).

LEASCO OF WASHINGTON, INC.

ITEL RAIL CORPORATION

By Mario L. Emerson

Title ASSISTANT VICE-PRESIDENT

Date 9/23/86

By [Signature]

Title President

Date 9/19/86

EQUIPMENT LEASE AGREEMENT
DATED AS OF FEBRUARY 18, 1976, AS AMENDED,
BETWEEN LEASCO OF WASHINGTON, INC.,
SUCCESSOR IN INTEREST TO
SEATTLE-FIRST NATIONAL BANK, AS LESSOR ("LESSOR"),
AND ITEL RAIL CORPORATION,
SUCCESSOR IN INTEREST TO
ITEL CORPORATION, RAIL DIVISION,
AND TO SSI RAIL CORP, AS LESSEE ("LESSEE")

Exhibit A-1

STIPULATED LOSS VALUES
EXPRESSED AS A PERCENTAGE OF EQUIPMENT COST

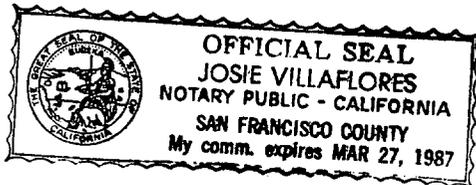
<u>PERIOD</u>	<u>SLV</u>
6/82	103.657
9/82	102.705
12/82	101.738
3/83	97.053
6/83	96.055
9/83	95.036
12/83	94.003
3/84	89.253
6/84	88.192
9/84	87.114
12/84	86.026
3/85	83.794
6/85	82.684
9/85	81.560
12/85	80.427
3/86	79.285
6/86	77.982
9/86	76.669
10/86	74.593
11/86	73.982
12/86	73.370
1/87	72.756
2/87	72.142
3/87	71.527
4/87	70.910
5/87	70.293
6/87	69.676
7/87	69.057
8/87	68.438
9/87	67.818
10/87	67.197
11/87	66.576
12/87	65.954
1/88	65.331
2/88	64.708
3/88	64.084

<u>PERIOD</u>	<u>SLV</u>
4/88	63.459
5/88	62.835
6/88	62.210
7/88	61.586
8/88	60.961
9/88	60.335
10/88	59.710
11/88	59.084
12/88	58.457
1/89	57.831
2/89	57.203
3/89	56.575
4/89	55.947
5/89	55.320
6/89	54.692
7/89	54.065
8/89	53.437
9/89	52.808
10/89	52.180
11/89	51.551
12/89	50.922
1/90	50.293
2/90	49.663
3/90	49.033
4/90	48.402
5/90	47.772
6/90	47.141
7/90	46.512
8/90	45.882
9/90	45.251
10/90	44.621
11/90	43.990
12/90	43.358
1/91	42.727
2/91	42.095
3/91	41.462
4/91	40.829
5/91	40.197
6/91	39.565
7/91	38.933
8/91	38.301
9/91	37.669
10/91	37.036
11/91	36.404
12/91	35.770
1/92	35.137
2/92	34.504
3/92	33.870
4/92	33.235
5/92	32.602
6/92	31.968
7/92	31.335
8/92	30.702

<u>PERIOD</u>	<u>SLV</u>
9/92	30.068
10/92	29.434
11/92	28.800
12/92	28.166
1/93	27.532
2/93	26.897
3/93	26.262
4/93	25.627
5/93	24.993
6/93	24.358
7/93	23.724
8/93	23.090
9/93	22.455
10/93	21.821
11/93	21.187
12/93	20.552
Thereafter	20.000

STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO) s.s.

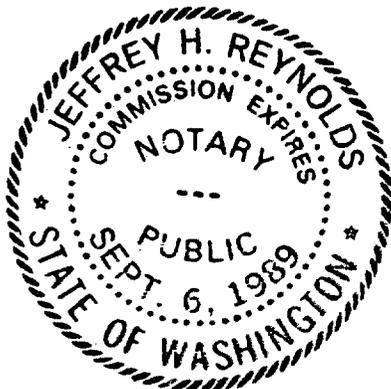
On the 10th day of SEPTEMBER, 1986 before me personally came Desmond P. Hayes to me known, who, being by me duly sworn, did depose and say that he is the President of Itel Rail Corporation, one of the parties described in and which executed the above instrument; that the execution of the above instrument was duly authorized by the board of directors of Itel Rail Corporation; and that he signed his name thereto pursuant to like authority.



Josie Villaflores
Notary Public

STATE OF Washington)
)
COUNTY OF Pierce) s.s.

On the 23rd day of September, 1986 before me personally came MARIE L. EMERSON to me known, who, being by me duly sworn, did depose and say that she is the ASSISTANT VICE-PRESIDENT of LEASCO OF WASHINGTON, INC., one of the parties described in and which executed the above instrument; that the execution of the above instrument was duly authorized by the board of directors of LEASCO OF WASHINGTON, INC.; and that she signed her name thereto pursuant to like authority.



Jeffrey H. Reynolds
Notary Public