

ITEL RAIL

May , 1983

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

Dear Ms. Mergenovich:

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 Corporation for filing and recordation under Recordation No. 9538, which is the Equipment Lease Agreement between Itel Corporation, acting through its Rail Division, and NCNB Leasing Corporation dated June 20, 1978 and filed and recorded with the Interstate Commerce Commission on July 12, 1978 at 3:20 p.m., three counterparts of the following document:

Assignment and Amendment of Lease Agreements dated March 10, 1983 (the "Assignment") between NCNB Leasing Corporation, Itel Corporation acting through its Rail Division and Itel Rail Corporation.

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

1. NCNB Leasing Corporation
1 NCNB Plaza
Corner of Trade & Tyron Streets
Charlotte, North Carolina 28255
2. Itel Coporation, Rail Division
55 Francisco, 7th Floor
San Francisco, California 94133

The equipment covered by this Assignment is one hundred (100) 50'6" 70-ton XM boxcars numbered CCR 6050 through CCR 6149 (inclusive), fifty (50) 50'6" 70-ton XM boxcars numbered SRN 5350 through 5399 (inclusive) and fifty (50) 50'6" 70-ton XM boxcars numbers VSO 6300 through VSO 6349 (inclusive).

Please cross-index this filing under the following three recordation numbers, saying in each case "See Recordation No. 9538":

RECORDATION NO. 9538-13 Filed 1425

MAY 27 1983 - 12 25 PM

55 Francisco
San Francisco, California 94133
(415) 955-9090
Telex 34234
INTERSTATE COMMERCE COMMISSION

No. 3-151A048

Date... MAY 31 1983

Fee \$... 40.00

ICC Washington, D. C.

RECEIVED
MAY 31 12 31 PM '83
I.C.C. BR.
FEE OPERATION BR.

Ms. Agatha Mergenovich, Secretary
May , 1983
Page Two

1. Recordation No. 8838 - - Lease Agreement between SSI Rail Corporation and Corinth and Counce Railroad Company dated as of April 29, 1977 and filed on May 27, 1977 at 1:45 p.m.;
2. Recordation No. 9407 - - Lease Agreement between Itel Corporation and Sabine River and Northern Railroad Company dated as of December 23, 1977 and filed on May 26, 1978 at 2:30 p.m.; and
3. Recordation No. 9408 - - Lease Agreement between Itel Corporation and Valdosta Southern Railroad dated as of December 23, 1977 and filed on May 26, 1978 at 2:30 p.m.

Also enclosed is a check in the amount of \$40.00 for the required recording fee and cross-indexing fees.

Please stamp all counterparts of the enclosed Assignment with your official recording stamp. You will wish to retain one (1) counterpart of the document for your files; it is requested that the remaining two (2) counterparts be returned to me.

Sincerely,


Paul L. Loveday
Senior Counsel

PLL:dmm
Enclosures
cc: Linda Lawrence
Itel Corporation

ASSIGNMENT AND AMENDMENT OF LEASE AGREEMENTS

MAY 27 1983 - 12 35 PM

INTERSTATE COMMERCE COMMISSION

This Assignment and Amendment of Lease Agreements ("Agreement") is entered into as of this the 10th day of March, 1983 between NCNB LEASING CORPORATION (the "Lessor"), ITEL CORPORATION, a Delaware corporation acting through its Rail Division ("IteI"), and ITEL RAIL CORPORATION, a Delaware corporation (the "Assignee").

Section 1. Recitals of Fact.

A. SSI Rail Corp. ("SSI") and Lessor entered into an Equipment Lease Agreement dated as of July 18, 1977 (the "1977 Lease"). Pursuant to the 1977 Lease SSI leased from Lessor the railroad equipment described on Annex A, attached hereto as leased under the 1977 Lease. The 1977 Lease was filed and recorded with the Interstate Commerce Commission on July 20, 1977 at 3:30 p.m. and given Recordation Number 8338-A.

B. Pursuant to a Guaranty (the "Guaranty") dated July 18, 1977, IteI guaranteed the obligations of SSI under the 1977 Lease.

C. IteI merged SSI into itself pursuant to a Certificate of Ownership and Merger dated as of December 15, 1977. As a result of said merger, IteI, as the successor in interest to SSI, became the "Lessee" under the 1977 Lease.

D. IteI and Lessor entered into an Equipment Lease Agreement dated as of June 20, 1978 (the "1978 Lease"). Pursuant to the 1978 Lease IteI leased from Lessor the railroad equipment described on Annex A hereto as leased under the 1978 Lease. The 1978 Lease was filed and recorded with the Interstate Commerce Commission on July 12, 1978 at 3:20 p.m. and given Recordation Number 9538. Additional railroad equipment (described in Annex A as leased under the 1978 Lease Addendum) was added to the 1978 Lease pursuant to a schedule dated June 20, 1978 (the "1978 Lease Addendum") and filed with the Interstate Commerce Commission on July 26, 1978 at 3:25 p.m. under Recordation Number 9538-A.

E. On January 19, 1981, IteI filed a petition for reorganization pursuant to Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of California (the "Court"). A proof of claim (the "Proof of Claim") was filed with the Court on behalf of the Lessor.

F. Pursuant to the amended plan of Reorganization dated as of December 8, 1982, filed in said reorganization proceeding (the "Plan of Reorganization") IteI will transfer to the Assignee substantially all of the assets utilized by IteI's rail division. The Plan of Reorganization further provides that the Assignee will conduct all of IteI's current and future rail operations (except for the management and marketing of IteI's residual interests in rail-related assets) and will continue IteI's railroad equipment leasing business as it is now conducted. In connection with the continuation of IteI's railroad equipment leasing business, IteI is willing to assume its obligations under the 1977 Lease, the 1978 Lease and the 1978 Lease Addendum, and assign all of its rights and obligations thereunder to the Assignee; provided that the Lessor releases IteI from all obligations with respect thereto and agrees to look only to Assignee for the performance of such leases.

G. The parties hereto desire by this Amendment to amend and supplement certain provisions of the 1977 Lease, the 1978 Lease and the 1978 Lease Addendum and to provide for the assumption by the Assignee of the due and punctual performance and observance of all the terms, covenants and conditions of and the due and punctual payment of all amounts payable under the Lease in like manner as if the Assignee were named in the 1977 Lease in lieu of SSI (as predecessor in interest to Itel) and named in the 1978 Lease and the 1978 Lease Addendum in lieu of Itel.

Section 2. Effective Date.

This Agreement shall become effective upon the effective date of Itel's Plan of Reorganization.

Section 3. Assignment and Assumption.

A. Itel hereby assigns to the Assignee all of its right, title and interest in and to the 1977 Lease, the 1978 Lease and the 1978 Lease Addendum. The Lessor hereby consents to the foregoing assignment and agrees that Itel shall be relieved of all liabilities and obligations under the 1977 Lease, the 1978 Lease, the 1978 Lease Addendum and the Guaranty and that only the Assignee shall be henceforth liable thereunder.

B. The Assignee hereby assumes the due and punctual performance and observance of all the terms, covenants and agreements of and the due and punctual payment of all amounts payable under the 1977 Lease, the 1978 Lease and the 1978 Lease Addendum in like manner as if named in the 1977 Lease in lieu of SSI (as predecessor in interest to Itel) and as if named in the 1978 Lease and the 1978 Lease Addendum in lieu of Itel.

Section 4. Amendments to the Leases.

A. The 1977 Lease, the 1978 Lease and the 1978 Lease Addendum are hereby amended by restating in its entirety the definition therein of "Lessee" to mean Itel Rail Corporation, a Delaware corporation.

B. All notices under the 1977 Lease and the 1978 Lease (including the 1978 Lease Addendum) shall be given by the Lessor to Lessee under such Lease as follows:

"If to the Lessee:

Itel Rail Corporation
55 Francisco Street
San Francisco, California 94133.

Attention of Vice President of Finance."

Section 5. Release of Itel from the Guaranty.

The Lessor hereby releases Itel from all liability, past, present and future under the Guaranty.

JR
EAD

Section 6. Representations and Warranties of Itel and the Assignee.

Itel and the Assignee jointly and severally represent and warrant that:

(a) They have full power, authority and legal right to execute and deliver this Agreement and to perform and observe the terms and conditions hereof.

(b) The execution and delivery by them of this Agreement, the consummation of the transactions contemplated herein and the fulfillment of the terms hereof and thereof and the compliance by them with the terms and provisions hereof and thereof will not result in any violation of either of their corporate charters or by-laws or in any breach of any applicable law, or any regulation, order, injunction or decree of any court or governmental instrumentality or of any of the terms, conditions or provisions of, or constitute a default under, or with notice or lapse of time, or both, constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any of its property or assets pursuant to, any indenture, agreement or other instrument to which either is a party or by which either may be bound.

(c) No authorization or approval of any governmental agency or commission or public or quasi-public body or authority of the United States of America, any state thereof or the District of Columbia, or of any department or subdivision of any thereof, is necessary for the due execution and delivery by them of this Amendment or for the validity of this Agreement or for the validity or enforceability of the 1977 Lease, the 1978 Lease or the 1978 Lease Addendum as against the Assignee.

(d) Itel, the Assignee and the Lessor acknowledge that as of March 1, 1983: (i) under the 1977 Lease there remain to be paid 38 quarterly payments of rent of \$79,360.56 each; (ii) under the 1978 Lease there remain to be paid 42 quarterly installments of rent of \$43,512.02 each; (iii) under the 1978 Lease Addendum there remain to be paid 42 quarterly payments of rent of \$44,643.60 each.

Section 7. Representations and Warranties of the Lessor.

The Lessor represents and warrants that it has full power and legal right to carry on its business as now conducted, and is duly authorized and empowered to execute and deliver this Agreement and to perform and observe the terms and conditions hereof and thereof as herein contemplated.

Section 8. Filings.

The Assignee shall, promptly after the execution and delivery of this Agreement, cause the same to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 49 U.S.C. 11303 as an amendment to the 1977 Lease, as an amendment to the 1978 Lease and as an amendment to the 1978 Lease Addendum.

Section 9. Events of Default.

By the execution of this Agreement, the Lessor hereby waives all Events of Default which may have occurred prior to the effective date of this Agreement; provided that such waiver shall in no event constitute a waiver of Events of Default arising after the effective date of this Agreement.

Section 10. Miscellaneous.

This Agreement shall be governed by and construed in accordance with the laws of the State of California; provided that the parties shall be entitled to all rights conferred under any applicable Federal statute, rule or regulation.

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 hereto and duly attested, all as of the date first above written.

ITEL CORPORATION, acting through
its Rail Division

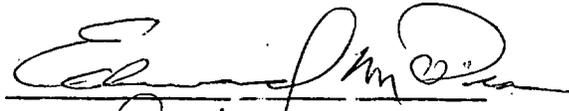
By 
Title President

[Corporate Seal]

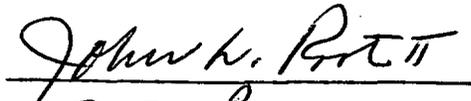
Attest:

Assistant Secretary

ITEL RAIL CORPORATION

By 
Title President

NCNB LEASING CORPORATION

By 
Title Vice Pres.

[Corporate Seal]

Attest:


Assistant Secretary

STATE OF CALIFORNIA)
) SS:
County of SAN FRANCISCO)

On this 29th day of MARCH, in the year 1983, before the undersigned, a Notary Public in and for the State of California, personally appeared EDWARD M. O'DEA, known to me (or proved to me on the basis of satisfactory evidence) to be PRESIDENT of Itel Corporation, acting through its Rail Division and known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal.

My Commission Expires:

Randi C. Smith
Notary Public for the State of California

[NOTARY SEAL]



STATE OF CALIFORNIA)
) SS:
County of SAN FRANCISCO)

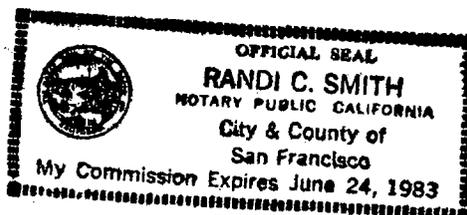
On this 29th day of MARCH, in the year 1983, before the undersigned, a Notary Public in and for the State of California, personally appeared EDWARD M. O'DEA, known to me (or proved to me on the basis of satisfactory evidence) to be PRESIDENT of Itel Rail Corporation, and known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal.

My Commission Expires:

Randi C. Smith
Notary Public for the State of California

[NOTARY SEAL]



State of North Carolina)
) ss:
County of Rockledge)

On this 16th day of March, in the year 1983, before the undersigned, a Notary Public in and for the State of North Carolina, personally appeared John L. Raat, II, known to me (or proved to me on the basis of satisfactory evidence) to be Vice President of NCNB Leasing Corporation, and known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal.

My Commission Expires:

July 5, 1987

Larocca G. Caldwell
Notary Public for the State of North Carolina

[NOTARY SEAL]

Annex A

Railroad Equipment Leased under the 1977 Lease:

100 Pullman Standard XM Boxcars,
70 ton, 50 ft. 6 in.
Numbers CCR 6050 through 6149 (inclusive)

Railroad Equipment Leased under the 1978 Lease:

50 FMC Corporation XM Boxcars,
70 ton, 50 ft. 6 in.
Numbers SRN 5350 through 5399 (inclusive)

Railroad Equipment Leased under the 1978 Lease Addendum:

50 FMC Corporation XM Boxcars,
70 ton, 50 ft. 6 in.
Numbers VSO 6300 through 6349 (inclusive)