

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 enclosed herewith on behalf of Itel Corporation for filing and recordation under the Equipment Lease Agreement dated March 16, 1976 between SSI Rail Corporation and McDonnell Douglas Finance Corporation, which was filed and recorded with the Interstate Commerce Commission on March 26, 1976 at 2:00 p.m. and given Recordation No. 8246, three counterparts of the following document:

Assignment and Amendment of Lease Agreement dated February 7, 1983 (the "Assignment") between McDonnell Douglas Finance Corporation, Itel Corporation as successor in interest to SSI Rail Corporation, and Itel Rail Corporation.

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

1. McDonnell Douglas Finance Corporation
3855 Lakewood Blvd.
Long Beach, California 90846
2. Itel Corporation, Rail Division
55 Francisco, 7th Floor
San Francisco, California 94133

The equipment covered by this Assignment is fifty (50) 50'6" 70-ton XM boxcars numbered SRN 5100 through SRN 5149 (inclusive), forty (40) 50'6" 70-ton XM boxcars numbered VTR 4100 through VTR 4139 (inclusive) and ten (10) 50'6" 70-ton boxcars numbered ASAB 7090 through ASAB 7099 (inclusive).

Please cross-index this filing under the following three recordation numbers, saying in each case "See Recordation No. 8246:

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

No. **3-151A046**

Date **MAY 31 1983**

Fee \$ **10.00**

ICC Washington, D. C.

RECORDATION NO. **8246-K** Filed 1425

MAY 27 1983 - 2 55 PM

INTERSTATE COMMERCE COMMISSION

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I. C. C. OPERATION BR.

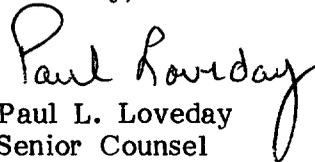
Ms. Agatha Mergenovich, Secretary
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Page Two

1. 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
2. Recordation No. 9279 - - Lease Agreement between SSI Rail Corporation and Vermont Railway Company dated as of December 10, 1975 and filed on March 13, 1978 at 2:20 p.m.;
3. Recordation No. 9703 - - Lease Agreement between Itel Corporation and the Atlanta and St. Andrews Bay Railway Company dated as of May 5, 1978 and filed on September 22, 1978 at 2:15 p.m.

Also enclosed is a check in the amount of \$40.00 for the required recording 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 by mail.

Sincerely,


Paul L. Loveday
Senior Counsel

PLL:dmm
Enclosures
cc: Linda Lawrence
Itel Corporation

Interstate Commerce Commission
Washington, D.C. 20423

5/31/83

OFFICE OF THE SECRETARY

Paul L. Loveday, Counsel
Itel Rail Division
55 Francisco
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 **5/31/83** at **12:35pm**, and assigned re-
recording number(s).

8246-K, 8272-G, 8355-G, 8770-F,

8870-B

9538-B

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

RECORDATION NO. 8246-K Filed 2428

ASSIGNMENT AND AMENDMENT OF LEASE AGREEMENT MAY 27 1983 12 52 PM

INTERSTATE COMMERCE COMMISSION

This Assignment and Amendment of Lease Agreement ("Agreement") is entered into as of this the 7th day of February, 1983 between McDONNELL DOUGLAS FINANCE CORPORATION (the "Lessor"), ITEL CORPORATION, a Delaware corporation ("Itel") as successor in interest to SSI Rail Corp. ("SSI"), and ITEL RAIL CORPORATION, a Delaware corporation (the "Assignee").

Section 1. Recitals of Fact.

A. SSI and Lessor entered into an Equipment Lease Agreement dated as of the 16th day of March, 1976, as amended pursuant to "Amendment No. 1 to the Lease Agreement also dated as of March 16, 1976 (such Equipment Lease, as amended, shall hereinafter be referred to as the "Lease"). Pursuant to the Lease SSI leased from Lessor the railroad equipment described on Annex A, attached hereto (the "Equipment"). As permitted by the Lease, SSI subleased the Equipment pursuant to certain subleases (the "Subleases") to various short-line railroads. The Lease was filed and recorded with the Interstate Commerce Commission on March 26, 1976 at 2:20 p.m. and given Recordation Number 9246-A.

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

C. On January 19, 1981, Itel 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.

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

E. The parties hereto desire by this Amendment to amend and supplement certain provisions of the Lease 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 therein in lieu of SSI (as predecessor in interest to Itel).

Section 2. Effective Date.

This Agreement shall become effective upon entry by the Court of an order confirming the 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 Lease. The Lessor hereby consents to the foregoing assignment and agrees that Itel shall be relieved of all liabilities and obligations under the Lease 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 Lease in like manner as if named therein in lieu of SSI (as predecessor in interest to Itel).

Section 4. Amendments to the Lease.

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

B. Section 24 of the Lease is hereby amended by restating the address for notices required or permitted to 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. Termination of Guarantees.

It is agreed by the parties hereto that all guarantees by Itel of the obligations of SSI under the Lease are terminated and hence null and void.

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 Lease as against the Assignee.

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.

Section 9 Events of Default.

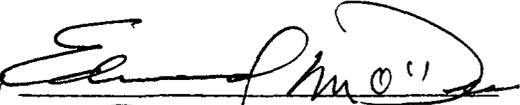
By the execution of this Agreement, the Lessor hereby waives all Events of Default which may have occurred prior to the effective date of this Agreement; provided that such waiver shall in no event constitute a waiver of Events of Default arising after the effective date of this Agreement.

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, RAIL DIVISION

By 

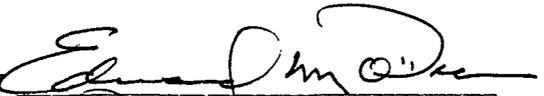
Title President

[Corporate Seal]

Attest:

Assistant Secretary

ITEL RAIL CORPORATION

By 

Title President

[Corporate Seal]

Attest:

Assistant Secretary

McDONNELL DOUGLAS FINANCE CORPORATION

By 

Title Vice Pres.

[Corporate Seal]

Attest:


Assistant Secretary

Schedule of Annexes to
Assignment and Amendment of Lease Agreement

A - Description of Leased Railroad Equipment

<u>AAR Mech. Design</u>	<u>Description</u>	<u>Numbers</u>	<u>Door Width</u>	<u>No. of Cars</u>
XM	70-ton 50'6" Single Sheath Boxcars with Nailable Steel Floor, Single 10' Sliding Door and FreightMaster 10" End-of-Car Cushioning, Type "ME"	SRN 5100 - SRN 5149	10'	50
XM	70-ton 50'6" Single Sheath Boxcars with Nailable Steel Floor, Single 10' Sliding Door and FreightMaster 10" End-of-Car Cushioning, Type "ME"	VTR 4100 - VTR 4139	10'	40
XM	70-ton 50'6" Single Sheath Boxcars with Nailable Steel Floor, Single 10' Sliding Door and FreightMaster 10" End-of-Car Cushioning, Type "ME"	ASAB 7090 - ASAB 7099	10'	10

STATE OF CALIFORNIA)
) ss:
County of SAN FRANCISCO

On this 11th 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, 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.

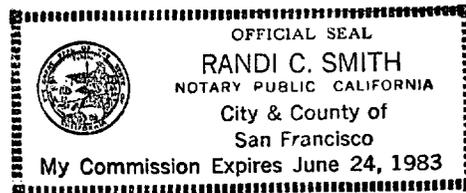
WITNESS my hand and official seal.

My Commission Expires:

6-24-83

Randi C. Smith
Notary Public for the State of California

[NOTARY SEAL]



STATE OF CALIFORNIA)
) ss:
County of SAN FRANCISCO

On this 11th 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.

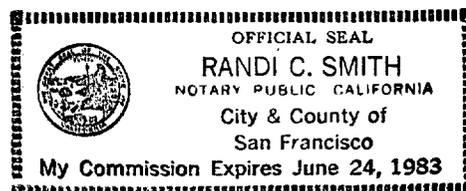
WITNESS my hand and official seal.

My Commission Expires:

6-24-83

Randi C. Smith
Notary Public for the State of California

[NOTARY SEAL]



STATE OF CALIFORNIA)
) ss:
County of Los Angeles)

On this 4th day of February, in the year 1983, before the undersigned, a Notary Public in and for the State of California, personally appeared D. V. BLACK, known to me (or proved to me on the basis of satisfactory evidence) to be Vice President of McDonnell Douglas Finance 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:

April 1, 1986

Joanne B. Smith
Notary Public for the State of California

[NOTARY SEAL]

