RECORDATION NO. 9936-C Filed 1425

MAR 17 1980 - 3 15 PM

INTERSTATE COMMERCE COMMISSION

ITEL

file thread

Rail Division
Two Embarcadero Center
San Francisco, California 94111
(415) 955-9090
Telex 34234

RECEIVED
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I.C.C.
FEE OPERATION BR.

March 14, 1980

No. 0-077A135
Date MAR 17 1980
Fee $ 20.00
ICC Washington, D. C.

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

Re: Itel Corporation
Equipment Trust 1978 Series 3
Equipment Trust Agreement dated as of November 1, 1978
10% Trust Certificates due December 1, 1994

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, as an additional filing under Recordation No. 9936, three (3) executed counterparts of the following document:

Assignment of Lease and Agreement, dated as of October 19, 1979, between Itel Corporation and Citibank, N.A. as Trustee.

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

(1) Itel Corporation, Rail Division
Two Embarcadero Center, 24th Floor
San Francisco, California 94111

(2) Trustee:
Citibank, N.S.
Corporate Trust Department
Hanover Square, 14th Floor
New York, New York 10064

Please cross-index the above-referenced Assignment of Lease and Agreement with the following document which is filed under Recordation No. 9932:

Equipment Trust Agreement, dated as of November 1, 1978, between Citibank, N.A. as Trustee and Itel Corporation.

The equipment covered by the enclosed Assignment of Lease and Agreement is one hundred (100) flatcars (A.A.R. mechanical designation FC; 70-ton, flush-deck flatcars for trailer and container service; length 89' 4"), formerly, and until remarked, marked ERES 250000 through and including ERES 250099, to be remarked to COER 250000 to and including COER 250099.

Enclosed also is a check for $20.00 for the required recordation ($10.00) and cross-indexing ($10.00) fees.

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

Sincerely,

David V. Biesemeyer
Senior Counsel

DVB:jmz

encls.

RECORDATION NO. 9936-A Filed
MAR 10 1980 - 3 15 P
INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of and effective as of October 19, 1979 (hereunder called this Assignment), by and between **Itel Corporation**, a Delaware corporation (together with its successors and assigns, being hereinafter called Itel), and **Citibank, N.A.**, as Trustee, a national banking association, incorporated and existing under the laws of the United States of America (hereinafter called the Trustee).

WHEREAS, Itel has entered into an Equipment Trust Agreement dated as of November 1, 1978 (such Equipment Trust Agreement, together with any amendments or supplements thereto, being hereinafter called the Agreement);

WHEREAS, Itel and the Erie Western Railway Company (hereinafter called Erie Western) entered into a lease of Equipment (as defined in the Agreement) dated as of September 20, 1978 (such lease, together with any amendments or supplements thereto, being hereinafter called the Erie Western Lease), pursuant to Equipment Schedule No. 1 and Equipment Schedule No. 2 of which, each executed by Itel on November 28, 1978, Itel leased to Erie Western 100 of the units of the Trust Equipment (as defined in the Agreement), bearing road numbers ERES 250000 through and including ERES 250099;

WHEREAS, Itel assigned to the Trustee, as collateral security for the performance of Itel's obligations under the Agreement, all of Itel's interest under the Erie Western Lease as and only to the extent the Erie Western Lease related to the Trust Equipment bearing road numbers ERES 250000 through and including ERES 250099 (the two documents by which such assignment was effected, each entitled Assignment of Lease and Agreement, dated as of December 28, 1978 and May 29, 1979, respectively, are hereinafter called the Erie Western Lease Assignments);

WHEREAS, the Erie Western Lease has been terminated by Itel;

WHEREAS, Itel and American Rail Heritage, Ltd. d/b/a Crab Orchard & Egyptian Railroad (hereinafter called the Lessee) have entered into a lease, dated as of June 21, 1978 (such lease, together with any amendments or supplements thereto, being hereinafter called the Lease) pursuant to Equipment Schedule No. 7 of which, executed by Itel on October 19, 1979, Itel leased to the Lessee the above-referenced Trust Equipment, formerly leased by Itel to Erie Western, and pursuant to which Itel undertook to change by remarking the road numbers on said Trust Equipment from the above-referenced road numbers to COER 250000 to and including COER 250099;

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

WHEREAS, in order to continue to provide security for the obligations of Itel under the Agreement, Itel agrees to assign for security purposes its rights in, to and under the Lease to the Trustee as and only to the extent that the Lease relates to the 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 agree as follows:

1. Itel hereby assigns, transfers and sets over unto the Trustee, as collateral security for the payment and performance of Itel's obligations under the Agreement, all of Itel's right, title and interest, powers, privileges and other benefits under the Lease as and only to the extent that the Lease relates to the Trust Equipment set forth in Annex A hereto, including, without limitation, all rights to receive and collect all rentals, profits and other sums payable to or receivable by Itel from the Lessee under or pursuant to the provisions of the Lease to the extent that the same are payable in respect of such Trust Equipment, whether as rent, casualty payment, indemnity, liquidated damages or otherwise (such moneys being hereinafter called the Payments); **PROVIDED, HOWEVER,** that until an Event of Default under the Agreement, or any event which, with notice or lapse of time or both, could constitute such an Event of Default, shall occur, it is understood that Itel shall be entitled to collect and receive all such 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 is entitled to the payment of any and all of Itel's obligations under the Agreement and to retain the balance, if any. In furtherance of the foregoing assignment, but subject to the foregoing provisions of this paragraph, Itel hereby irrevocably authorizes and empowers the Trustee in its own name, or in the name of its nominee, or in the name of Itel or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which Itel is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof. Whenever a Lease covers other equipment not included as part of the Trust Equipment and the amount of any payment due to Itel under such Lease 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 leased 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 Trust Equipment leased under such Lease. 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 Trust Equipment leased under such Lease and the denominator of which shall be the aggregate number of units of equipment (including such units of Trust Equipment) at the time leased under such Lease.

2. This Assignment is executed only as security for the obligations of Itel under the Agreement and, therefore, the execution and delivery of this Assignment shall not subject the Trustee to, or transfer, or pass, or in any way affect or modify, the liability of Itel under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of Itel to the Lessee shall be and remain enforceable by the Lessee, its successor and assigns, against, and only against Itel or persons other than the Trustee.

3. To protect the security afforded by this Assignment, Itel agrees as follows:

   (a) Itel will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides is to be performed by Itel.

(b) At Itel's sole cost and expense, Itel 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 Itel under the Lease.

(c) Should Itel fail to make any payment or to do any act which this Assignment requires Itel to make or do, then the Trustee, but without obligation so to do, after first making written demand upon Itel and affording Itel a reasonable period of time within which to make such payment or do such act, but without releasing Itel from any obligation hereunder, may make or do the same in such manner and to such extent as the Trustee 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 the Trustee, and also the right to perform and discharge each and every obligation, covenant and agreement of Itel contained in the Lease; and in exercising any such powers, the Trustee may pay necessary costs and expense, employ counsel and incur and pay reasonable attorneys' fees, and Itel will reimburse the Trustee for such costs, expenses and fees.

4. Upon the full discharge and satisfaction of all of Itel's obligations under the Agreement and this Assignment, all rights herein assigned to the Trustee shall terminate, and all estate, right, title and interest of the Trustee in and to the Lease shall revert to Itel.

5. Itel will, from time to time, do and perform any other act and will execute, acknowledge, 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 the Trustee in order to confirm or further assure, the interests of the Trustee hereunder.

6. If an Event of Default shall occur and be continuing under the Agreement, the Trustee may assign all or any of the rights assigned to it hereby or arising under the Lease, 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 the Trustee hereunder. The Trustee will give written notice to Itel and the Lessee 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 CORPORATION

By _____
President, Rail Division

Attest:

_____
Secretary

CITIBANK, N.A., as Trustee

By _____
Senior Trust Officer

Attest:

_____
Trust Officer

ANNEX A

No. of Units	Road Numbers	Description	AAR Mechanical Designation
100	COER 250000-250099	70-Ton Flush Deck Flat Cars for Trailer and Container Service	FC

STATE OF ~~NEW YORK~~ California)
) ss:
COUNTY OF ~~NEW YORK~~ San Francisco

On this 5th day of March, before me personally appeared CARL N. TAYLOR, to me personally known, who, being by me duly sworn, says that he is PRESIDENT, of **ITEL CORPORATION**, that said instrument was signed on behalf of said corporation by authority of its By-laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

OFFICIAL SEAL
RANDI C. SMITH
NOTARY PUBLIC CALIFORNIA
City & County of
San Francisco
My Commission Expires June 24, 1983

Randi C. Smith
Notary Public

(Notarial Seal)

My Commission expires:
June 24, 1983

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

On this 10th day of March, 1980, before me personally appeared J. Byrnes, to me personally known, who, being by me duly sworn, says that he is a Senior Trust Officer of **CITIBANK, N.A.**, a national banking association, that said instrument was signed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Alice H. Shaw
Notary Public

ALICE H. SHAW
Notary Public, State of New York
No. 24—4646216
Qualified in Kings County
Cert. filed in New York County
Term Expires March 30, 1981

(Notarial Seal)

My Commission expires: