

RECORDATION NO. **11715** Filed 1425

**ITEL**

APR 23 1980 - 8 05 PM

**Rail Division**

INTERSTATE COMMERCE COMMISSION

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

April 8, 1980

Ms. Agatha Mergenovich, Secretary  
Interstate Commerce Commission  
Washington, DC 20423

No. **0-114A073**

Date **APR 23 1980**

Fee \$ **20.00**

**ICC Washington, D. C.**

RECEIVED  
APR 23 3 01 PM '80  
I.C.C.  
OPERATION BR.

Re: **Itel Corporation**  
**Equipment Trust 1977 Series 3**  
**Equipment Trust Agreement dated as of March 15, 1977**  
**9 1/2% Equipment Trust Certificates due July 31, 1992**

-B

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. \_\_\_\_\_, three (3) executed counterparts of the following document:

**Sublease Assignment and Agreement**, made as of January 28, 1980, between Itel Corporation and First Security State Bank, as Owner-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) First Security State Bank  
Main Street at Broadway  
Salt Lake City, Utah 84111  
Attention: Trust Department, Corporate Trust Division

*cross index* →

Please cross-index the above-referenced Sublease Assignment and Agreement with the following document, which is filed under Recordation No. 8822-A:

**Equipment Trust Agreement**, dated as of March 15, 1977, between First Security Bank of Utah, N.A., as Trustee, and First Security State Bank, as Owner-Trustee.

*C. Orentlicher - G. H. Harris*

Ms. Agatha Mergenovich, Secretary  
Interstate Commerce Commission  
Re: Sublease Assignment  
April 8, 1980  
Page two

The equipment covered by the enclosed Sublease Assignment and Agreement is one hundred (100) boxcars (A.A.R. mechanical designation XM; 50' general purpose boxcars with 10" end-of-car cushioning), formerly, and until remarked, marked PW301 through and including PW400, to be remarked to AHW301 through and including AHW400. ✓

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 document 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:cp  
encls.

cc: Robert S. Clark, Esq.  
Edmund Manwell, Esq.  
Michael Walsh, Esq.  
Steven C. Wight

**SUBLEASE ASSIGNMENT and AGREEMENT**  
dated as of January 28, 1980 (hereinafter called  
this Assignment), by and between **ITEL  
CORPORATION, RAIL DIVISION**, successor in  
interest to SSI Rail Corp., a Delaware  
corporation (hereinafter, together with its  
successors and assigns, called Itel Rail) and  
**FIRST SECURITY STATE BANK**, not in its  
individual capacity but solely as Owner-Trustee  
(hereinafter called the Owner-Trustee).

11715 <sup>B</sup>  
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INTERSTATE COMMERCE COMMISSION

**WHEREAS**, Itel Rail has entered into a Lease of Railroad Equipment dated as of March 15, 1977 (hereinafter, together with any amendments and supplements thereto, called the Agreement);

**WHEREAS**, Itel Rail and Ahnapée and Western Railway Company (hereinafter called the Lessee) have entered into a Sublease (as defined in the Agreement) dated as of January 28, 1980, (hereinafter, together with any amendments and supplements thereto, called the Lease), providing for the leasing by Itel Rail to the Lessee of certain Units (as defined in the Agreement);

**WHEREAS**, the Lease may also cover the leasing to the Lessee of equipment other than Units; and

**WHEREAS**, in order to provide security for the obligations of Itel Rail under the Agreement, Itel Rail agrees to assign for security purposes its rights in, to and under the Lease to the Owner-Trustee as and only to the extent that the Lease relates to Units;

**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 Rail hereby assigns, transfers and sets over unto the Owner-Trustee, as collateral security for the payment and performance of Itel Rail's obligations under the Agreement, all of Itel Rail's right, title and interest, powers, privileges and other benefits under the Lease as and only to the extent that the Lease relates to Units, including, without limitation, all rights to receive and collect all rentals, profits and other sums payable to or receivable by Itel Rail from the Lessee under or pursuant to the provisions of the Lease to the extent that the same are payable in respect of Units, 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 Rail 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 Rail is entitled to the payment of any and all of Itel Rail's obligations under the Agreement. In furtherance of the foregoing assignment, but subject to the foregoing provisions of this paragraph, Itel Rail

hereby irrevocably authorizes and empowers the Owner-Trustee in its own name, or in the name of its nominee, or in the name of Itel Rail or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which Itel Rail 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 Units and the amount of any payment due to Itel Rail 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 the Units 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 leased under such Lease and the denominator of which shall be the aggregate number of units of equipment (including the Units) at the time leased under such Lease.

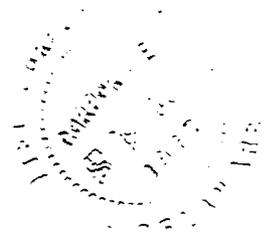
2. This Assignment is executed only as security for the obligations of Itel Rail under the Agreement and, therefore, the execution and delivery of this Assignment shall not subject the Owner-Trustee to, or transfer, or pass, or in any way affect or modify, the liability of Itel Rail under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of Itel Rail to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against Itel Rail or persons other than the Owner-Trustee.
3. To protect the security afforded by this Assignment, Itel Rail agrees as follows:
  - (a) Itel Rail will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides is to be performed by Itel Rail.
  - (b) At Itel Rail's sole cost and expense, Itel Rail 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 Rail under the Lease.
  - (c) Should Itel Rail fail to make any payment or to do any act which this Assignment requires Itel Rail to make or do, then the Owner-Trustee, but without obligation so to do, after first making written demand upon Itel Rail and affording Itel Rail a reasonable period of time within which to make such payment or do such act, but without releasing Itel Rail from any obligation hereunder, may make or do the same in such manner and to such extent as the Owner-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 Owner-Trustee, and also the right to perform and discharge each and every obligation, covenant and agreement of Itel Rail contained in the Lease; and in exercising any such powers, the Owner-Trustee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and Itel Rail will reimburse the Owner-Trustee for such costs, expenses and fees.

4. Upon the full discharge and satisfaction of all of Itel Rail's obligations under the Agreement and this Assignment, all rights herein assigned to the Owner-Trustee shall terminate, and all estate, right, title and interest of the Owner-Trustee in and to the Lease shall revert to Itel Rail.
5. Itel Rail 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 Owner-Trustee in order to confirm or further assure, the interests of the Owner-Trustee hereunder.
6. The Owner-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 Owner-Trustee hereunder. Itel Rail hereby acknowledges notice of the fact that the Owner-Trustee concurrently with the execution of this Assignment is assigning its rights and interests hereunder to First Security Bank of Utah, National Association (hereinafter called the Trustee), as security for the obligations of the Owner-Trustee under an Equipment Trust Agreement dated as of March 15, 1977, between the Trustee and the Owner-Trustee.
7. This Assignment shall be governed by the laws of the State of Utah, but the parties shall be entitled to all rights conferred by Section 11303 of the Interstate Commerce Act.

**IN WITNESS WHEREOF**, the parties hereto have caused this instrument to be executed in their respective names, by officers thereunto duly authorized and duly attested, all as of the date first above written.

**ITEL CORPORATION,  
RAIL DIVISION**

By: Carl M. Taylor  
President



ATTEST:

H. H. Howards  
Secretary

**FIRST SECURITY STATE BANK**  
not in its individual capacity but  
solely as Owner-Trustee

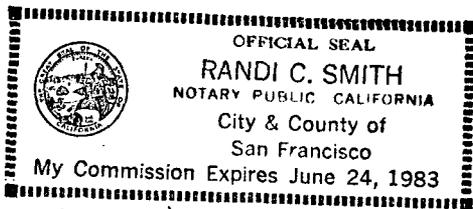
By: Julius B. Fisher  
Authorized Officer

ATTEST:

[Signature]  
Authorized Officer

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

On this 5<sup>th</sup> day of March, 1980, before me personally appeared Carl R. Taylor, by me duly sworn, says that he is a President of ITEL Corporation, Rail Division, and 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.



(Notarial Seal)

My Commission Expires:  
June 24, 1983

STATE OF UTAH )  
 ) ss:  
COUNTY OF SALT LAKE )

On this 7<sup>th</sup> day of April, 1980, before me personally appeared Franklin B. Gierken to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of First Security State Bank, and that said instrument was signed on behalf of said bank 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 bank.

James M. Paul  
Notary Public

(Notarial Seal)

My Commission Expires:  
9-8-82