

5-102A089

ITEL

APR 12 1985

Istel Rail Corporation

55 Francisco
San Francisco, California 94133
(415) 984-4000
Telex 34234

10.00

Washington, D.C.

RECORDATION NO. 8676-H Filed 147

February 19, 1985

APR 12 1985 -2 45 PM

INTERSTATE COMMERCE COMMISSION

Mr. James H. Bayne, Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Bayne:

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 Istel Rail Corporation for filing and recordation under the Lease Agreement dated as of January 12, 1977 between SSI Rail Corporation, as predecessor in interest to Istel Rail Corporation, and Toledo, Peoria and Western Railroad Company, as predecessor in interest to the Atchison, Topeka and Santa Fe Railway Company, which was filed with the I.C.C. on January 24, 1977 and given I.C.C. Recordation No. 8676, four counterparts of the following document:

*this under
8676-H*

Assignment of Storage Agreement dated as of October 29, 1984 and effective as of November 12, 1984 between Atchison, Topeka and Santa Fe Railway Company and Istel Rail Corporation to the Trustee.

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

1. Istel Rail Corporation (Assignor)
55 Francisco, 5th Floor
San Francisco, California 94133
2. First Security Bank of Utah, N.A. (Assignee)
Corporate Trust Division
79 South Main Street
Salt Lake City, Utah 84125

The equipment covered by this Assignment is forty-nine (49) A.A.R. mechanical designation XM, 50'6" 70-ton, steel, plate C boxcars bearing reporting marks 70101 through and including 70150.

Also enclosed is a check in the amount of \$10.00 for the required recording fee.

Copy - 6/10/77

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Mr. James H. Bayne, Secretary
February 19, 1985
Page Two

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 three (3) counterparts be returned to the bearer of this document.

Sincerely,



Denise M. Bottarini
Legal Assistant

DMB/vdv/111

cc: Robert S. Clark, Esq.
Senior Trust Officer
First Security Bank of Utah, N.A.
Corporate Trust Division
79 South Main Street
Salt Lake City, Utah 84125

Sam Kemp
Itel Rail Corporation.

02/13/84

RECORDATION NO. 8676-A
Filed 1425

APR 12 1985 - 2 45 PM
INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF STORAGE AGREEMENT DATED
AS OF OCTOBER 29, 1984 AND EFFECTIVE AS OF
NOVEMBER 12, 1984
BETWEEN ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY
AND ITEL RAIL CORPORATION TO THE TRUSTEE

ASSIGNMENT OF STORAGE AGREEMENT effective as of November 12, 1984 (hereunder called this "Assignment"), by and between ITEL RAIL CORPORATION, a Delaware corporation ("Rail") and FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, a national banking association, incorporated and existing under the laws of the United States of America (the "Trustee").

WHEREAS, Rail has entered into a Consolidated, Amended, and Restated Equipment Trust Agreement, dated January 1, 1982, among First Security Bank of Utah, N.A., Itel Corporation and Itel Rail Corporation (the "ETC Modification Agreement"), and pursuant to the ETC Modification Agreement, Rail has certain obligations with respect to the Itel Corporation, Itel Rail Corporation 9 1/2% Amended Equipment Trust Certificates, 1977 Series 2, due 1992 as set forth in Schedule 2 C of the ETC Modification Agreement (the "Amended 1977 Series 2 Trust Certificates"); and

WHEREAS, Rail is the successor in interest to Itel Corporation, Rail Division pursuant to the ETC Modification Agreement which is part of Itel Corporation's Amended Plan of Reorganization which became effective on September 19, 1983; and

WHEREAS, Rail and the Toledo, Peoria & Western Railroad Company (hereinafter called the "Lessee") have entered into a Lease (as defined in the ETC Modification Agreement) of Equipment (as defined in the ETC Modification Agreement) dated as of January 12, 1977 (such lease together with any amendments and supplements thereto called the "Lease"), providing for the leasing by Rail to the Lessee of certain units of the Trust Equipment (as defined in the ETC Modification Agreement); and

WHEREAS, the Atchison, Topeka & Santa Fe Railway Company ("ATSF") is the successor in interest under the Lease; and

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

WHEREAS, Rail and the ATSF have entered into a Storage Agreement ("Storage Agreement") dated as of October 29, 1984 and effective as of November 12, 1984, attached as Exhibit 1, mutually agreeing to terminate the Lease and to replace the Lease with the Storage Agreement, and

WHEREAS, in order to provide security for the obligations of Rail under the ETC Modification Agreement, Rail agrees to assign for security purposes its rights, to and under the Storage Agreement, to the Trustee as and only to the extent that the Storage Agreement 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 hereby agree as follows:

1. Rail hereby assigns, transfers, and sets over unto the Trustee, as collateral security for the payment and performance of Rail's obligations under the ETC Modification Agreement with respect to the Amended 1977 Series 2 Trust Certificates, all of Rail's rights, title, and interest, powers, privileges, and other benefits under the Storage Agreement as and only to the extent that the Storage Agreement relates to the Trust Equipment set forth in Annex A hereto, including, without limitation, all rights to receive and collect all sums payable to or receivable by Rail from the ATSF under or pursuant to the provisions of the Storage Agreement 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 a Default (as defined in the ETC Modification Agreement) or an Event of Default (as defined in the ETC Modification Agreement) shall occur, it is understood that Rail shall be entitled to collect and receive all the 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 Storage Agreement, and to apply all Payments to which Rail is entitled to the payment of any and all of Rail's obligations under the ETC Modification Agreement and to retain the balance, if any. In furtherance of the foregoing assignment, but subject to the foregoing provisions of this paragraph, Rail hereby irrevocably authorizes and empowers the Trustee in its own name, in the name of its nominee or in the name of Rail or as its attorney, to ask, demand, sue for, collect, and receive any and all the Payments to which Rail is or may become entitled under the Storage Agreement, and to enforce compliance by ATSF with all the terms and provisions thereof.
2. This Assignment is executed only as security for the obligations of Rail with respect to the Amended 1977 Series 2 Trust Certificates under the ETC Modification 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 Rail under the Storage Agreement, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of Rail to ATSF shall be and remain enforceable by ATSF, its successor and assigns, against, and only against Rail or persons other than the Trustee or any holder of Amended 1977 Series 2 Trust Certificates.
3. To protect the security afforded by this Assignment, Rail agrees as follows:
 - (a) Rail will faithfully abide by, perform and discharge each and every obligation, covenant, and agreement which the Storage Agreement provides is to be performed by Rail;

- (b) At Rail's sole cost and expense, 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 Rail under the Storage Agreement; and
 - (c) Should Rail fail to make any payment or to do any act which this Assignment requires Rail to make or do, then the Trustee may, but without obligation so to do, after first making written demand upon Rail and affording Rail a reasonable period of time within which to make such payment or do such act, but without releasing Rail from any obligation hereunder, 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 Rail contained in the Storage Agreement and in exercising any such powers, the Trustee may pay necessary costs and expenses, employ counsel, and incur and pay reasonable attorneys' fees, and Rail will reimburse the Trustee for such costs, expenses, and fees.
4. Upon the full discharge and satisfaction of all of Rail's obligations under the ETC Modification 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 Storage Agreement shall revert to Rail.
 5. Rail will, from time to time, do and perform any other act and will execute, acknowledge, and 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 any Event of Default shall occur and be continuing under the ETC Modification Agreement, the Trustee may assign all or any of the rights assigned to it hereby or arising under the Storage Agreement, 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 Rail and ATSF 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 RAIL CORPORATION

By: *[Signature]*

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION

By: *[Signature]*
Authorized Officer

(Seal)

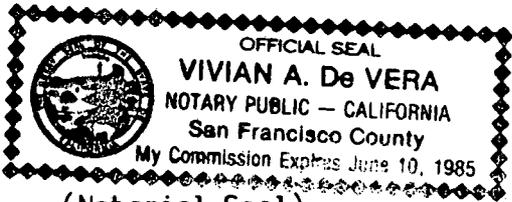
Attest: *Howard S. Chelmer*
Assistant Secretary

(Seal)

Attest: *A. Clayton*
Authorized Officer

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

On this 15th day of February, 1985, before me personally appeared Resmond Stanger, to me personally known, who being by me duly sworn, says that such person is President of Itel Rail Corporation, that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and that such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



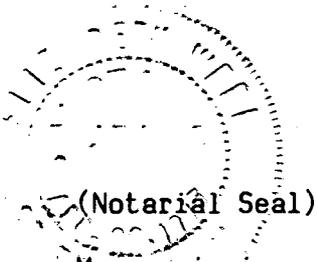
(Notarial Seal)

Vivian A. De Vera
Notary Public

My commission expires: June 10, 1985

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

On this 11 day of April, 1985, before me personally appeared F.H. Clayton, to me personally known, who being by me duly sworn, says that such person is an authorized officer of First Security Bank of Utah, N.A., a national banking association, that the foregoing instrument was signed and sealed on behalf of said national banking association by authority of its board of directors and that such person acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.



(Notarial Seal)

Elizabeth M. Webb
Notary Public

My commission expires: April 30, 1985



Itel Corporation

111 W. Jackson Boulevard
14th Floor
Chicago, Illinois 60604
(312) 663-9783

October 29, 1984

Mr. D. G. McInnes
General Superintendent of Transportation
Toledo, Peoria & Western Railroad Company
c/o Atchison, Topeka and Santa Fe Railway Company
80 East Jackson Boulevard
Chicago, Illinois 60601

Re: Lease Agreement (the "Agreement") dated as of January 12, 1977, between SSI Rail Corp., and Toledo, Peoria and Western Railroad Company ("TPW")

Dear Mr. McInnes:

Itel Rail Corporation, as successor in interest to SSI Rail Corp. ("Itel Rail"), and the Atchison, Topeka and Santa Fe Railway Company, as successor in interest to TPW ("Santa Fe"), mutually agree to terminate the above-referenced Agreement effective upon the date of final execution by Santa Fe of this letter and replace the Agreement with this storage agreement (the "Storage Agreement") between Itel Rail and Santa Fe with respect to the boxcars bearing reporting marks TPW 70101-70150 (the "Car(s)"), with terms and conditions as follows:

1. The Storage Agreement for each Car which is currently located on the railroad line of Santa Fe shall commence upon final execution by Santa Fe of this Storage Agreement. For each Car which is not currently located on Santa Fe, this Storage Agreement shall commence upon the date of Santa Fe's earliest opportunity to place such Car into storage on its line after receipt of such Car in interchange. The Agreement shall remain in effect for those Cars which are not currently located on Santa Fe's line, until such time that the Storage Agreement commences with respect to those Cars. This Storage Agreement shall remain in force and effect for all Cars for a period of seven (7) years, two (2) months, or until January 1, 1992 (the "Term").
2. Itel Rail and Santa Fe understand that each Car shall retain its current reporting marks for the duration of the Term. Santa Fe warrants that it will not use the reporting marks TPW 70101-70150 on any other equipment.

3. Each Car shall be stored at a location on Santa Fe's railroad line. Santa Fe shall notify Itel Rail by telex of the storage location of each Car upon final execution of this Storage Agreement. During the Term, if Santa Fe desires to relocate any Car to a different location on its railroad lines, Santa Fe shall notify Itel Rail of the following, with respect to each Car: the new location; the reporting marks; and the date such Car was relocated. Santa Fe shall, at all times while this Storage Agreement is in effect, self-insure the Cars against property and public liability to the extent such self-insurance is consistent with prudent industry practice and in accordance with Santa Fe's self-insurance program.
4. Santa Fe shall not load or utilize any Car during the Term of this Storage Agreement. Itel Rail has the right to inspect any Car at any time upon not less than five (5) days written notice to Santa Fe. If Santa Fe loads and moves any Car without properly notifying Itel Rail pursuant to Paragraph 3 hereof, Santa Fe shall pay Itel Rail twenty-five dollars (\$25.00) per Car loaded and moved for each day ("Penalty") commencing upon the latter of either: a) the commencement date of the Term or b) the date on which the Car was last inspected by Itel Rail and continuing through and including the date on which such Car is returned to a storage location. In either case, Itel Rail shall present an invoice to Santa Fe, and such Penalty shall become payable thirty (30) days after receipt by Santa Fe of such invoice.
5. (a) As soon after the effective date of this agreement as practical, representatives of Santa Fe and Itel Rail shall conduct a joint inspection of the Cars, recording in writing the physical and mechanical condition of each Car and any defects which would prevent the Car from being interchanged under the Interchange Rules of the Association of American Railroads Operations and Maintenance Department, Mechanical Division. In the event the parties are unable to agree concerning the physical or mechanical condition of any Car or Cars, the parties shall arrange for inspection of the subject equipment by a neutral car inspector and adopt that inspector's findings. The expense of the neutral inspection shall be borne equally by the parties.

(b) Santa Fe shall be responsible for the condition of each Car, as handling carrier, as outlined in the Interchange Rules and shall store the Cars in a manner that will permit the Cars to remain in the same condition as they were when inspected; provided, however, that Santa Fe shall have no responsibility for damage or deterioration caused by weather conditions, including rain, snow, ice, moisture, humidity or condensation.

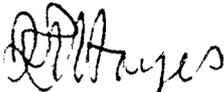
(c) In the event Itel Rail inspects any Car and determines that such car has sustained damage from a cause other than weather conditions, it will notify Santa Fe of its conclusions. In the event Santa Fe agrees with said conclusions, Santa Fe shall bear all costs associated with restoration of such Car to its condition at the time of the joint inspection described in subsection (a), above. In the event the parties are unable to agree that any car has sustained damage from a cause other than weather conditions, the parties shall arrange for inspection of the subject equipment by a neutral car inspector and adopt that inspector's findings. The expense of the neutral inspection shall be borne equally by the parties.

Mr. D. G. McInnes
October 29, 1984
Page Three.

6. This Storage Agreement may be terminated by ITEL Rail at any time for any Car(s) upon not less than ten (10) days prior written notice to Santa Fe. Upon receipt of notification, Santa Fe shall, at its expense, remark the Car(s) with new reporting marks as designated by ITEL Rail. Santa Fe shall deliver each Car to an interchange point on Santa Fe's railroad line as designated by ITEL Rail. Upon such request, Santa Fe shall be responsible for all costs associated with delivery of each Car to such interchange point. Santa Fe shall be responsible pursuant to Sections 5 and 8 with respect to each Car until the earlier of either: a) the date such Car is delivered off Santa Fe's railroad line and accepted by ITEL Rail; or b) the date that such Car is remarked. After any Car has been remarked, Santa Fe shall be responsible for the condition of such Car, as handling carrier, as outlined in the Interchange Rules.
7. Santa Fe's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into by ITEL Rail in connection with the acquisition of the Cars which are the subject of this Storage Agreement. Accordingly, following notice to Santa Fe from any such secured party or owner that an event of default has occurred at any time (including at a time prior to the effective date of this Storage Agreement), and is continuing under such financing agreement, such party may require that sums due herein shall be paid directly to such party, and that the Cars immediately be returned to such party.
8. SUBJECT TO SECTION 5 HEREOF, SANTA FE AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS ITEL RAIL FROM AND AGAINST ANY AND ALL LOSS, DAMAGE, DESTRUCTION OR LIABILITY ARISING OUT OF STORAGE OF THE CARS HEREUNDER.
9. This Storage Agreement represents the entire Storage Agreement. This Storage Agreement shall not be modified, altered or amended except by an agreement in writing by the parties hereto.

Please indicate your concurrence to the above terms and conditions by signing below and returning both originals to my attention. Upon final execution one (1) copy will be returned to Santa Fe.

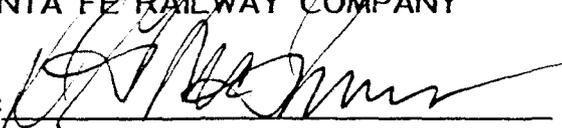
Sincerely,



Desmond P. Hayes
Acting President

DPH/lw

CONCURRENCE BY ATCHISON, TOPEKA &
SANTA FE RAILWAY COMPANY

By: 

Title: General Supt. of Transportation

Date: 11-12-84

FORM APPROVED

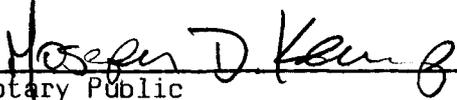

General Attorney

STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO)

ss:

Certification of True Copy

On February 12, 1985, I, Joseph D. Kemp, a Notary Public for the State of California, examined the original copy of the Storage Agreement, dated as of October 29, 1984, between ITEL Rail Corporation, as successor in interest to SSI Rail Corporation, and the Atchison, Topeka and Santa Fe Railway Company, as successor in interest to the Toledo, Peoria and Western Railroad Company, and I hereby certify that I have compared the attached duplicate copy with the original, and that it is a complete, true and correct copy of the original in all respects, including the dates, signatures and acknowledgements thereof.



Notary Public

