

ITEL

RECORDATION NO. 8819-H Filed 1425

MAY 5 1980 -3 15 PM
INTERSTATE COMMERCE COMMISSION

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

April 29, 1980

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

No. 0-126A121

Date MAY 5 1980

Fee \$ 20.00

ICC Washington, D. C.

RECEIVED
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I.C.C.
FEE OPERATION BR.

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

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. 8819, three (3) executed counterparts of the following document:

Assignment of Sublease and Agreement, made as of January 24, 1980, between Itel Corporation and McCloud River Railroad Company.

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) McCloud River Railroad Company
P. O. Drawer A
McCloud, California 96057

Please cross-index the above-referenced Assignment of Sublease and Agreement with the following document, which is filed under Recordation No. 8781:

Equipment Trust Agreement, dated as of March 15, 1977, between First Security Bank of Utah, N.A., as Trustee, and Itel Corporation.

Handwritten notes:
This is
8819-H
[Signature]

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Re: Assignment of Sublease and Agreement
April 29, 1980
Page two

The equipment covered by the enclosed Assignment of Sublease and Agreement is fifty (50) boxcars (A.A.R. mechanical designation XM; 50'6" in length, 9'6" in inside width, 10'7" in height and with 8' double sliding doors), formerly, and until remarked, marked with McCloud Railroad marks in the series MR2000-2399, to be remarked to CPLT 7850 through and including CPLT 7899.

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.
Edward Wes, Esq.
Michael Walsh, Esq.
Steven C. Wight

8819-H

MAY 5 1980 -3 15 PM

ASSIGNMENT OF SUBLEASE AND AGREEMENT, dated as of January 24, 1980, (hereinafter called this Assignment), by and between ^{INTERSTATE COMMERCE COMMISSION} McCloud River Railroad Company (together with its successors and assigns being hereinafter called Lessee) and Itel Corporation, as successor to SSI Rail Corp. (together with its successors and assigns being hereinafter called Itel).

WHEREAS, Itel entered into an Equipment Trust Agreement, dated as of March 15, 1977 (such Equipment Trust Agreement, together with any amendments or supplements thereto, being hereinafter called the Agreement); and

WHEREAS, Itel and Lessee have entered into a lease of Equipment (as defined in the Agreement) dated as of April 20, 1977 (such lease, together with any amendments or supplements thereto, being hereinafter called the Lease), providing for the leasing by Itel to the Lessee of certain of the units of the Trust Equipment (as defined in the Agreement); 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, the Lessee, with the consent of Itel, has entered into a sublease, made as of January 24, 1980 (hereinafter called the Sublease), of certain of the units of Trust Equipment, fifty (50) units bearing Lessee's road numbers specified on Exhibit A attached hereto as a part hereof, leased by Itel under the Lease to Lessee, to the Camino, Placerville and Lake Tahoe Railroad (hereinafter called the Sublessee) pursuant to which the road numbers on said Trust Equipment are to be changed by renumbering to CPLT 7850 to and including CPLT 7899; and

WHEREAS, Itel has consented to the Sublease; and

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

WHEREAS, in order to provide security for the obligations of Lessee under the Lease, Lessee agrees to assign for security purposes its rights in, to and under the Sublease to Itel as and only to the extent that the Sublease 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. Lessee hereby assigns, transfers and sets over unto Itel, as collateral security for the payment and performance of Lessee's obligations under the Lease, all of Lessee's right, title and interest, powers, privileges and other benefits under the Sublease as and only to the extent that the Sublease relates to the Trust Equipment, including, without limitation, all rights to receive and collect all rentals, profits and other sums payable to or receivable by Lessee from the Sublessee under or pursuant to the provisions of the Sublease to the extent that the same are payable in respect of the Trust Equipment, whether as rent, casualty payment, indemnity, liquidated damages or otherwise (such moneys being hereinafter called the Payments), and all rights 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 Sublease, and to apply all Payments to which Lessee is entitled to the payment of any and all of Lessee's obligations under the Lease.

In furtherance of the foregoing assignment, but subject to the foregoing provisions of this paragraph, Lessee hereby irrevocably authorizes and empowers Itel in its own name, or in the name of its nominee, or in the name of Lessee or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which Lessee is or may become entitled under the Sublease, and to enforce compliance by the Sublessee with all the terms and provisions thereof. Whenever the Sublease covers other equipment not included as part of the Trust Equipment and the amount of any payment due to Lessee under the Sublease 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 Trust Equipment leased under the Sublease. The term "Assigned Fraction" as used herein shall mean a fraction the numerator of which shall be the number of units of equipment comprising the Trust Equipment leased under the Sublease and the denominator of which shall be the aggregate number of units of equipment (including the units of Trust Equipment) at the time leased under the Sublease.

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

Itel may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and Lessee will reimburse Itel for such costs, expenses and fees.

4. Lessee 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 Itel in order to confirm or further assure, the interests of Itel hereunder.
5. Itel may assign all or any of the rights assigned to it hereby or arising under the Sublease, 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 of Itel hereunder.
6. 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 their respective seals to be affixed and duly attested, all as of the date first above written.

McCLOUD RIVER RAILROAD COMPANY

by: *Sidney E. M... ..*
Title: RESIDENT



(Corporate Seal)

Attest:

Guido Cottini
Secretary

ITEL CORPORATION, RAIL DIVISION

by: *Carl N. Taylor*
Carl N. Taylor

Title: President

(Seal)

Attest:

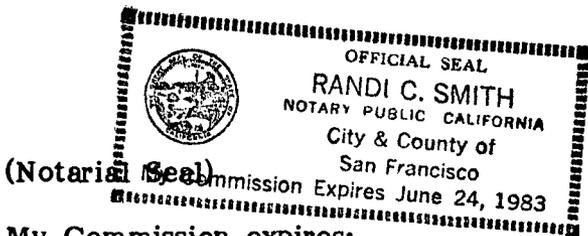
H. H. Houston
Secretary

STATE OF CALIFORNIA,)
)
COUNTY OF SAN FRANCISCO)

ss.:

On this 14th day of March, 1980, before me personally appeared Carl W. Taylor, to me personally known, who, being by me duly sworn, says that he is President of ITEL CORPORATION, RAIL DIVISION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed 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.

Randi C. Smith
Notary Public



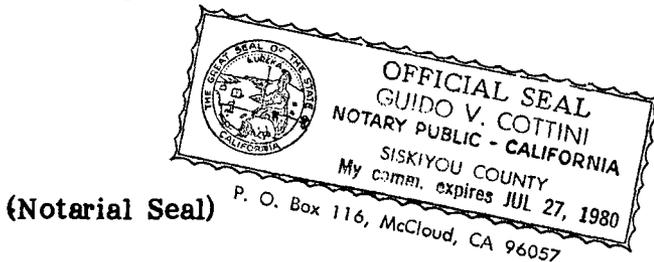
My Commission expires:

STATE OF CALIFORNIA)
)
COUNTY OF)

ss.:

On this 1st day of May, 1980, before me personally appeared Sidney E. Muma, to me personally known, who, being by me duly sworn, says that he is President of McCLOUD RIVER RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the seal of said railroad company and that said instrument was signed and sealed on behalf of said railroad company 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 railroad company.

Guido V. Cottini
Notary Public



My Commission expires:

Exhibit A

2200 Series

MR 2254
MR 2260
MR 2263
MR 2264
MR 2266
MR 2267
MR 2268
MR 2278
MR 2280
MR 2281
MR 2282
MR 2285
MR 2289
MR 2291
MR 2297
MR 2298
MR 2299

2300 Series

MR 2303
MR 2306
MR 2308
MR 2311
MR 2319
MR 2323
MR 2327
MR 2330
MR 2332
MR 2339
MR 2340
MR 2341
MR 2346
MR 2349
MR 2350
MR 2351
MR 2352

MR 2354
MR 2355
MR 2358
MR 2359
MR 2360
MR 2364
MR 2365
MR 2370
MR 2373
MR 2377
MR 2379
MR 2382
MR 2383
MR 2386
MR 2387
MR 2390