

# ITEL

RECORDATION NO. 8819-I Filed 1425

MAY 5 1980 - 3 15 PM

**Rail Division**

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

INTERSTATE COMMERCE COMMISSION

April 29, 1980

No. **0-126A121**

Date **MAY 5 1980**

Fee \$ **20.00**

ICC Washington, D. C.

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

RECEIVED  
MAY 5 3 05 PM '80  
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

*This is  
8819-I*

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 Lease and Agreement, made as of January 24, 1980, between Itel Corporation and First Security Bank of Utah, 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) First Security Bank of Utah, N.A., as Trustee  
79 South Main Street  
Salt Lake City, Utah 84111

Please cross-index the above-referenced Assignment of Lease 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.

*Conducted by A.K. Hannon*

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

The equipment covered by the enclosed Assignment of Lease 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

281957

RECORDATION NO. 8819-3  
MAY 5 1980 - 3 15 PM  
INTERSTATE COMMERCE COMMISSION

**ASSIGNMENT OF LEASE AND AGREEMENT** dated as of January 24, 1980 (hereinafter called this Assignment) by and between **Itel Corporation**, a Delaware corporation, as successor to SSI Rail Corp. (together with its successors and assigns, being hereinafter called Itel) and **First Security Bank of Utah, National Association** (hereinafter called the Trustee).

**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 the McCloud River Railroad Company (hereinafter called the 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 in 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 remarking to CPLT 7850 to and including CPLT 7899; and

**WHEREAS** Itel has consented to the Sublease and the Sublessee has assigned its rights in, to and under the Sublease to Itel; 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 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 Sublease to the Trustee 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. 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 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 receiveable by Itel 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); 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 Sublease, and to apply all Payments to which Itel is entitled to the payment of any and all of Itel's obligations under the Agreement. 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 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 Itel 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 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 Sublease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of Itel to the Sublessee shall be and remain enforceable by the Sublessee, its successors 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 Sublease 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 Sublease.

(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 Sublease; and in exercising any such powers, the Trustee may pay necessary costs and expenses, 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 Sublease 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 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 and be subject to all the obligations of the Trustee hereunder. The Trustee will give written notice to Itel and the Sublessee of any such assignment.

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 49 U.S.C. Section 11303.

**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: Carl P. Taylor  
Title: President, Rail Division

(Corporate Seal)

Attest:

H. H. Hewitt  
Secretary

(Seal)

**FIRST SECURITY BANK OF UTAH,  
National Association, as Trustee,**

By: [Signature]  
Authorized Officer

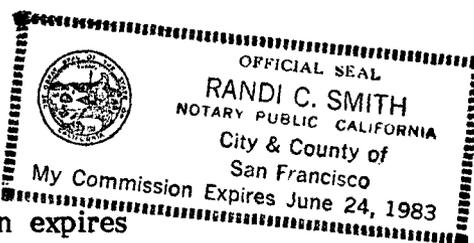
Attest:

[Signature]  
Authorized Officer

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

On this 14<sup>th</sup> day of March, 1980, before me personally appeared Carl N. Saylor, 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.

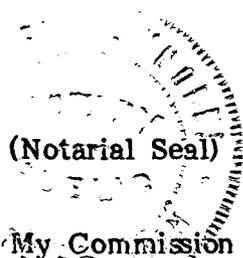
Randi C. Smith  
Notary Public

(Notarial Seal)   
My Commission expires

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

On this 2<sup>nd</sup> day of May, 1980, before me personally appeared Robert S. Clark, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY BANK OF UTAH, National Association, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association and that said instrument was signed and sealed 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.

Casey H. Korbel  
Notary Public

(Notarial Seal)   
My Commission expires

2/17/82

**Exhibit A**

**2200 Series**

**2300 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

MR 2303  
MR 2306  
MR 2308  
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MR 2390