

# ITEL

2011397

No. \_\_\_\_\_  
Date SEP 17 1980  
Fee \$ 10.00

## Rail Division

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

September 16, 1980 ICC Washington, D. C.

RECORDATION NO. 8819 Filed 9/25

SEP 17 1980 -3 20 PM  
INTERSTATE COMMERCE COMMISSION

RECEIVED  
SEP 17 3 22 PM '80  
T.O.O.  
FEE OPERATION BR.

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

Re: Amendment No. 1 Dated July 7, 1980 to that Sublease Agreement Dated February 6, 1980, between McCloud River Railroad and Seattle and North Coast Railroad Company

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, Rail Division, for filing and recordation, as an additional filing under Recordation No. 8819, which was recorded on May 11, 1977 at 1:15 P.M., four (4) counterparts of the following document:

Amendment No. 1 Dated July 7, 1980 To That Sublease Agreement Dated February 6, 1980 Between McCloud River Railroad Company and Seattle and North Coast Railroad Company.

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

1. ITEL Corporation, Rail Division  
Two Embarcadero Center  
San Francisco, CA 94111
2. McCloud River Railroad Company  
P. O. Drawer A  
McCloud, CA 96057
3. Seattle and North Coast Railroad Company  
2150 North 107th Street  
Seattle, WA 98133

Please cross-index the above-referenced document 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.

*Mrs. Gel -  
I think this  
one should be  
8819-P*

*file under  
→*

*T. Condon*

*Cross index  
under  
→*

*Counterparts*

# ITTEL

Rail Division

Ms. Agatha Mergenovich, Secretary  
September 16, 1980  
Page Two

The equipment covered by Amendment No. 1 is one hundred (100) 70-ton boxcars (AAR mechanical designation XM; 50'6" in length), marked SNLT 1000 through and including SNLT 1099.

Enclosed also is a check for \$10.00 for the required recordation fee and a check for \$10.00 for the cross-indexing fee.

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 three (3) counterparts be delivered to the bearer of this letter.

Sincerely,



Patricia Salas Pineda  
Counsel

PSP/dj

Enclosures

**Interstate Commerce Commission**  
Washington, D.C. 20423

9/17/80

OFFICE OF THE SECRETARY

**Patricia Salas Pineda**  
**Itel Rail Division**  
**Two Embarcadero Center**  
**San Francisco, Calif. 94111**

Dear

**Ms. P.S.Pineda "**

The enclosed document (s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **9/17/80** at **3:30pm**, and assigned re-  
recording number (s). **8819-P**

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

SE-30  
(7/79)

8819-P

L-0039  
7/7/80

RECORDATION NO. 8819 P No. 201A 097  
Date SEP 17 1980  
Filed 1425

SEP 17 1980 - 3 20 PM  
AMENDMENT NO. 1  
INTERSTATE COMMERCE COMMISSION  
Fee \$ 10.00  
ICC Washington, D. C.

**AMENDMENT NO. 1** (the "Amendment") dated as of July 7, 1980 between **MC CLOUD RIVER RAILROAD COMPANY**, a California corporation ("McCloud") as Lessor, and **SEATTLE AND NORTH COAST RAILROAD COMPANY**, a Washington corporation, ("Lessee") as Lessee.

**WHEREAS**, McCloud and Lessee are parties to a sublease agreement dated as of February 6, 1980 (the "Sublease"),

**NOW, THEREFORE**, in consideration of the premises and mutual agreements herein contained, the parties hereto desire to amend the Sublease as follows:

1. All terms defined in the Sublease shall have the defined meanings when used in the Amendment.
2. Notwithstanding any to the contrary contained in Subsection 3.B. of the Sublease, Lessee shall give preference to McCloud ~~and shall load the Boxcars~~ in the manner described in Exhibit A, attached hereto.
3. A new Subsection 4.D. is hereby added to the Sublease, as follows:
  - "4.D. (i) Lessee may, at its option, designate an agent which is <sup>reasonably</sup> acceptable to McCloud and ITEL Rail to receive all Payments (as defined in Section 6 hereof) related to the use of the Boxcars.
  - (ii) If at any time during the Initial Term of this Sublease or any Extended Terms thereof, said agent as designated by Lessee shall no longer be entitled to receive such Payments as described above, ITEL Rail shall retain the sole right to receive all Payments related to the use of the Boxcars, for any remaining portion of the Initial Term of this Sublease or any Extended Terms thereof."
4. A new Subsection 6.F. is hereby added to the Sublease, as follows:
  - "6.F. If Lessee exercises its option pursuant to Subsection 4.D., an agent will transmit all Payments received to ITEL Rail for disbursement as outlined herein."
5. Subsection 13.A. of the Sublease is hereby amended by the deletion of the word "first" from the first and fifth lines thereof and the substitution of the word "fifth" therefor.
6. Except as expressly modified by this Amendment, all the terms and conditions of the Sublease shall remain in full force and effect.

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*A Dyck CNT*

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T.O.O.  
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7. This Amendment may be executed by the parties hereto in any number of counterparts, and all said counterparts taken together shall be deemed to constitute one and the same instrument.

MCLOUD RIVER RAILROAD  
COMPANY

By: W. J. Henderson

Title: President

Date: August 4, 1980

SEATTLE AND NORTH COAST  
RAILROAD COMPANY

By: Arthur G. Allen Jr.

Title: President

Date: July 21, 1980

lc  
1/21/81

ACKNOWLEDGEMENT AND CONSENT

Carl M. Lay  
Intel Corporation, Rail Division

9-16-80  
Date

# **BRAE** CORPORATION

## EXHIBIT A

June 24, 1980

Mr. Allen S. Peterson  
Vice President, Marketing  
Itel Corporation  
Two Embarcadero Center, Suite 2310  
San Francisco, Ca. 94111

Mr. Arthur Allen  
President  
Seattle and North Coast Railroad Company  
2150 North 107th Street, Suite 150  
Seattle, Wa. 98133

Sub-Lease Agreement ("Itel Lease"), made as of February 6, 1980 between McCloud River Railroad Company (the interest of which has been assigned to Itel Corporation ("Itel")) and the Seattle and North Coast Railroad Company ("SNCT").

BRAE Corporation Lease Agreement ("BRAE Lease"), made as of January 14, 1980, between BRAE Corporation ("BRAE") and SNCT, as amended as of April 24, 1980 and as assigned to Hillman Manufacturing Company as of April 24, 1980 with respect to Equipment Schedules Numbers 2 and 3 thereto.

Dear Mr. Peterson and Mr. Allen:

BRAE hereby agrees that, notwithstanding anything to the contrary in the BRAE Lease, SNCT may give those certain 100 railcars bearing reporting marks SNCT 1000 through 1099 (both inclusive) leased to SNCT pursuant to the Itel Lease (the "Itel 100 Cars") preference for loading over those certain 100 railcars bearing reporting marks SNCT 1400 through SNCT 1499 (both inclusive) to be leased to SNCT pursuant to Equipment Schedule Number 1 to the BRAE Lease (the "Brae 100 Cars") except when the Itel 100 cars and the Brae 100 Cars could, in the judgment of the Seattle & North Coast Railroad Company, be used for the same load; then the Brae 100 Cars shall be given priority for loading over the Itel 100 Cars. In the event that Equipment Schedule Number 1 of the Brae Lease is changed such that the cars listed therein are 50 foot plate B or 50 foot plate C cars, the Itel 100 Cars shall be given preference for loading over all substantially similar cars leased pursuant to the Brae Lease except those certain 200 railcars bearing

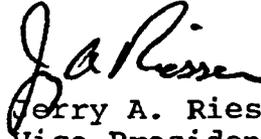
continued ... /

Mr. Allen S. Peterson  
Mr. Arthur Allen  
June 24, 1980  
Page Two

reporting marks SNCT 1100 through SNCT 1299 (both inclusive).

BRAE reserves all rights with respect to enforcement of the BRAE Lease in accordance with its terms, except as provided above.

Sincerely yours,



Jerry A. Riessen  
Vice President, Marketing  
and Investor Programs

The undersigned hereby acknowledges receipt of the foregoing letter and agrees to the terms stated therein.

Dated 6/24/80

By Allen S. Peterson  
Intel Corporation

Dated 7/3/80

By Arthur S. Allen Jr.  
Seattle and North Coast  
Railroad Company

\* or if additional schedules are added to the BRAE Lease,

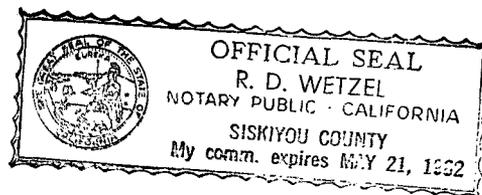
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7/1/80  
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7/3/80  
Date

STATE OF California )  
COUNTY OF Siskiyou ) ss:

On this 4th day of August, 1980, before me personally appeared William J. Herndon, to me personally known, who being by me duly sworn says that such person is President of McCloud River Railroad Company that the foregoing Amendment No. I was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
\_\_\_\_\_  
Notary Public



STATE OF WASHINGTON )  
COUNTY OF KING ) ss:

On this 21 day of July, 1980, before me personally appeared Arthur G. Allen, Jr., to me personally known, who being by me duly sworn says that such person is President of Seattle and North Coast Railroad Company, that the foregoing Amendment No. I was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
\_\_\_\_\_  
Notary Public

My commission terminates May 28, 1984.



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

On this 16th day of September, 1980, before me personally appeared  
CARL N. TAYLOR, to me personally known, who being  
by me duly sworn says that such person is PRESIDENT of ITEL Corporation,  
Rail Division, that the foregoing Amendment No. 1 was signed on behalf of said  
corporation by authority of its board of directors, and such person acknowledged that  
the execution of the foregoing instrument was the free act and deed of said corporation.

Randi C. Smith  
Notary Public

