ITEL

Itel Rail Corporation
55 Francisco Street
San Francisco, California 94133
(415) 984-4000

November 10, 1986

RECORDATION NO. 8905-A Filed & Recorded

NOV 18 1986 11-55 AM

INTERSTATE COMMERCE COMMISSION

Honorable Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

Re: **First Amendment to New Covenant Agreement**

Dear Ms. McGee:

On behalf of Itel Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 USC §11303(a), along with a check in the amount of $10 covering the recordation fee.

Please record this Amendment under the 1977 Series 3 Equipment Trust Agreement dated July 15, 1977 between Itel Rail Corporation and First Security Bank of Utah, N.A., which was filed with the ICC on July 27, 1977 and given Recordation No. 8905-A.

The names and addresses of the parties to the aforementioned instrument are listed as follows:

Itel Rail Corporation
55 Francisco Street
San Francisco, California 94133

First Security Bank of Utah, N.A.
79 South Main Street
Salt Lake City, Utah 84111

This Amendment merely deletes Article Two of the aforesaid Agreement.

Please return to the undersigned the stamped counterparts not required for filing purposes, along with the fee receipt and a letter from the ICC acknowledging this filing.

Very truly yours,

Josie Villaflores
Legal Assistant

JV:ps
Enclosures

cc: Robert S. Clark, Esq.
J. Michael Kelly, Esq.
Howard L. Chabner, Esq.

RECORDATION NO 8905-B Filed & Recorded

NOV 18 1986 11-55 AM

INTERSTATE COMMERCE COMMISSION

FIRST AMENDMENT
TO NEW COVENANT AGREEMENT

This First Amendment is dated as of September 18, 1986, to the New Covenant Agreement ("New Covenant Agreement") dated as of September 19, 1983, by and between Itel Rail Corporation ("Rail") and First Security Bank of Utah, N.A. (the "Trustee") not in its individual capacity but solely as Trustee under Equipment Trust Agreements dated as of May 15, 1977, June 15, 1977, July 15, 1977, August 1, 1977 and August 15, 1977, for the parties identified on Exhibit A to the New Covenant Agreement or the successors or transferees of such parties (the "Holders").

WHEREAS, the Trustee has received from the Holders of greater than two-thirds of aggregate unpaid principal amount of 1977 Series 3 ETC's (as defined in the New Covenant Agreement) consents to the elimination of Article Two of the New Covenant Agreement.

NOW, THEREFORE, in consideration of the premises, the parties agree to amend the New Covenant Agreement as follows:

1. Article Two of the New Covenant Agreement is hereby deleted in its entirety, effective as of September 18, 1986.

IN WITNESS WHEREOF, the parties have caused this First Amendment to New Covenant Agreement to be executed by their duly authorized officers.

ITEL RAIL CORPORATION

Desmond P. Hayes
President

FIRST SECURITY BANK OF UTAH, N.A.

Not in its individual capacity but solely as Trustee

Authorized Officer

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

On the 28th day of October, 1986 before me personally came Desmond P. Hayes to me known, who, being by me duly sworn, did depose and say that he is the President of Itel Rail Corporation, one of the parties described in and which executed the above instrument; that the execution of the above instrument was duly authorized by the board of directors of Itel Rail Corporation; and that he signed his name thereto pursuant to like authority.

OFFICIAL SEAL
JOSIE VILLAFLORES
NOTARY PUBLIC - CALIFORNIA
SAN FRANCISCO COUNTY
My comm. expires MAR 27, 1987

Josie Villaflores
Notary Public

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

On the 31st day of October, 1986 before me personally came VAL T. ORTON to me known, who, being by me duly sworn, did depose and say that he is the TRUST OFFICER of First Security Bank of Utah, N.A. one of the parties described in and which executed the above instrument; that the execution of the above instrument was duly authorized by the board of directors of First Security Bank of Utah, N.A.; and that he signed his name thereto pursuant to like authority.

Lorraine Sartorio
Notary Public

My Commission Expires April 30, 1988