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DIRECT LINE (202)
663-6093

RECORDATION NO 16816 FILED 1425

MAR 28 1990 2 05 PM

INTERSTATE COMMERCE COMMISSION

0-057A021

March 28, 1990

Dear Ms. McGee:

$15.00 filing fee

On behalf of Itel Rail Corporation, I submit for filing and recording under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder, executed counterparts of a primary document, not previously recorded, entitled Contribution Agreement ("Agreement") dated as of March 1, 1990.

New No.

The parties to the enclosed Agreement are:

Itel Rail Corporation - Vendor
55 Francisco Street
San Francisco, California 94133

Itel Rail Funding Corporation - Vendee
55 Francisco Street
Suite 517
San Francisco, California 94133

The said Agreement covers, among other things, the transfer of certain rights in specific lease agreements, including rights to receive certain payments together with certain related equipment.

The units of equipment covered by the Agreement are those units identified in Schedule I (Lease Schedule) thereto.

A short summary of the document to appear in the ICC Index is as follows:

"Covers designated Equipment and Lease Receivables."

Enclosed is a check in the amount of fifteen dollars ($15.00) in payment of the filing fee.

Counterpart 1 of 4 Counterparts

Once the filing has been made, please return to bearer the stamped counterparts of the Agreement not needed for your files, together with the fee receipt, the letter from the ICC acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,

Allen H. Harrison, Jr.
Attorney for the purpose
of this filing for
Itel Rail Corporation

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

Enclosures

AHH/lw

Interstate Commerce Commission
Washington, D.C. 20423

3/28/90

OFFICE OF THE SECRETARY

Allen H. Harrison Jr.
Wilmer Cutler & Pickering
2445 M. St. N.W.
Washington,D.C. 20037

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/28/90 at 2:05pm, and assigned recordation number(s). 16816

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

16816
RECORDATION NO _____ FILED 1425
MAR 28 1990 -2 05 PM
INTERSTATE COMMERCE COMMISSION

ITEL RAIL CORPORATION

Rail

and

ITEL RAIL FUNDING CORPORATION

Company

CONTRIBUTION AGREEMENT

Dated as of March 1, 1990

- THIS CONTRIBUTION AGREEMENT, dated as of March 1, 1990, between ITEL RAIL CORPORATION, a Delaware corporation ("Rail"), and ITEL RAIL FUNDING CORPORATION, a Delaware corporation (the "Company").

W I T N E S S E T H

WHEREAS, the Company desires to acquire from Rail certain rights in specified lease agreements listed in Schedule I hereto (the "Lease Schedule"), including rights to receive certain of the payments due or to become due Rail under such lease agreements together with certain of the related equipment leased pursuant to such lease agreements; and

WHEREAS, Rail desires to transfer, contribute and assign the Lease Receivables and the Equipment (as such capitalized terms are defined below) to the Company upon the terms and conditions hereinafter set forth; and

WHEREAS, it is contemplated that following such transfer, contribution and assignment Rail will continue to administer the Lease Contracts (as defined below) in its capacity as Servicer and perform the obligations of Rail, as lessor thereunder; and

WHEREAS, the parties and the Trustee (as defined below) desire to enter into a Servicing Agreement (as defined below) pursuant to which Rail, as Servicer under such Servicing Agreement, will service the Lease Contracts and the Lease Receivables transferred, contributed, and assigned hereunder to the Company; and

WHEREAS, it is contemplated that the Lease Receivables and the Equipment transferred, contributed and assigned hereunder will be utilized by the Company to provide collateral security in connection with the Notes (as defined below) to be issued and sold by the Company; and

WHEREAS, in order to further secure the Notes, the Company will grant to the Trustee a security interest in the Company's rights under this Agreement and Rail agrees that all representations, warranties, covenants and agreements made by Rail herein shall also be for the benefit of the Trustee and all holders from time to time of the Notes.

NOW, THEREFORE, it is hereby agreed by and between the parties hereto for good and valuable consideration, receipt of which is hereby acknowledged by each of Rail and the Company as follows:

ARTICLE 1 - DEFINITIONS

1.01 Defined Terms. For purposes of this Agreement the following terms shall have the meanings specified herein:

"Aggregate Note Value" shall mean at any time of calculation thereof the aggregate of the Note Values of the Lease Receivables outstanding at such time.

"Assignment and Assumption Agreement" shall mean the Assignment and Assumption Agreement in substantially the form attached as Exhibit A hereto.

"Bi-Monthly Pay Lease Receivables" shall mean Lease Receivables relating to Lease Contracts pursuant to which lease payments are due every two months.

"Closing Date" shall mean the date of the initial issuance of the Notes.

"Contribution Date" shall mean March 23, 1990.

"Credit Agreement" shall mean that certain credit agreement and related documents dated as of December 21, 1989, as amended from time to time, entered into by and among Rail and Chemical Bank, individually as a lender and as agent for a group of lenders and such lenders, as parties thereto.

"Customer" shall mean each lessee under each related Lease Contract, or a successor or assignee of such lessee (as indicated on the Lease Schedule), but not including a sublessee.

"Customer Default" shall have the meaning set forth in Section 9.01 hereof.

"Cut-Off Date" shall mean the last calendar day of each month during the term of this Agreement.

"Defaulted Lease Receivable" shall have the meaning set forth in Section 2.10 of the Servicing Agreement.

"Deleted Lease Receivable" shall mean a Lease Receivable purchased or otherwise foreclosed upon or liquidated pursuant to the terms hereof.

"Early Termination Date" shall mean the earliest date upon which a Customer may (i) terminate a Lease Contract pursuant to the terms thereof in the absence of any event of default by Rail or any successor or assignee of Rail under such Lease Contract, or (ii) exercise any purchase option thereunder.

"Equipment" shall mean the equipment leased to the Customers pursuant to the Lease Contracts and listed on the Lease Schedule and contributed to the Company pursuant hereto. All of the Equipment shall consist of railroad rolling stock.

"Equipment Maintenance Account" shall mean the bank account maintained in the name of the Company and established in accordance with Section 2.03(c) of the Servicing Agreement.

"Estimated Amortization Schedule" shall mean the schedule setting forth the estimated minimum monthly payment of principal due on the Notes, which shall initially be as set forth in the first Supplement. The amounts set forth in the Estimated Amortization Schedule shall be calculated on the basis of a 360 day year consisting of twelve 30 day months, using a discount rate equal to the Note Value Discount Rate, by discounting each Scheduled Payment (net of Scheduled Expenses) from the Cut-Off Date of the month in which such Scheduled Payment is to become due to the Initial Cut-Off Date, on the basis of the following assumptions: (i) no credits, Abatements, or set-offs will be applied against Periodic Equipment Charges; (ii) no adjustments will be made during the life of any Lease Receivable; (iii) no Customer will default on its payment obligations under a Lease Contract; and (iv) no Lease Contract will be terminated prior to the earlier of its Early Termination Date or the end of its stated term.

"Excess Servicing" shall mean on any Payment Date, any excess funds remaining in the Collection Ac-

count after payment by the Trustee on such Payment Date of all amounts required to be paid on such Payment Date pursuant to Sections 13.01(a), (b), (c), (d), (e), (f), and (g) of the Indenture.

"Final Private Placement Memorandum" shall mean the final private placement memorandum relating to the Notes.

"Full Service Lease Receivables" shall have the meaning set forth in the Servicing Agreement.

"Indenture" shall mean the Indenture, dated as of March 1, 1990, as supplemented by a First Supplemental Indenture dated as of March 1, 1990, each among the Company, Texas Commerce Bank National Association, as trustee and Rail, as Servicer, as further supplemented and amended from time to time in accordance with its terms.

"Initial Aggregate Note Value" shall mean the Aggregate Note Value calculated as of the Initial Cut-Off Date.

"Initial Cut-Off Date" shall mean February 28, 1990.

"Lease Contracts" shall mean the lease contracts as specifically listed and described in Schedule I hereto, including any amendments, riders and annexes thereto, and any further riders, annexes, or schedules insofar as the same relate to the Lease Receivables but not including any lease contracts, riders, annexes or schedules insofar as the same relate to equipment that is not Equipment.

"Lease Receivables" shall mean, with respect to any Lease Contract, the right to receive (i) the Periodic Equipment Charges and (ii) any Mileage Allowances relating to such Lease Contract including, with respect to (i) and (ii) above, the right to enforce, to declare a default under, or to terminate the Lease Contract insofar as it gives rise to such Lease Receivable, and to repossess the related Equipment, in the event such Lease Receivable becomes a Defaulted Lease Receivable; provided, however, that "Lease Receivables" shall not include chattel paper under which such Lease Receivables arise.

"Lease Schedule" shall mean the schedule attached hereto as Schedule I prepared as of the Initial Cut-Off Date (as such Schedule I may be adjusted to reflect any release of the Equipment from the lien of the Indenture pursuant to Section 12.07 thereof) which includes a listing of the Lease Contracts, the Equipment and related monthly Scheduled Payments (or pro-rated monthly portion of each such Scheduled Payment due with respect to any Bi-Monthly Pay Lease Receivables, Semi-Annual Pay Lease Receivables or Quarterly Pay Lease Receivables) due with respect to each item of Equipment leased under each Lease Contract.

"Liquidated Lease Receivable" shall mean a Lease Receivable that has been liquidated pursuant to Section 2.10 of the Servicing Agreement.

"Lockbox Account" shall have the meaning set forth in the Servicing Agreement.

"Maintenance Fee" shall have the meaning set forth in the Servicing Agreement.

"Mileage Allowances" shall mean payments received by Rail, the Servicer, or the Trustee from railroads as a result of usage by railroads of privately-marked Equipment.

"Note Interest Rate" shall mean the annual interest rate borne by the Notes as specified in the first Supplement.

"Note Value" shall have the meaning set forth in the Indenture.

"Note Value Discount Rate" shall mean 10.97%.

"Notes" shall mean the 10.30% Lease-Backed Notes, Series A, due January 15, 2002, to be issued by the Company pursuant to the Indenture.

"Payment Date" shall mean the 15th day of each month commencing April 15, 1990.

"Periodic Equipment Charges" shall mean with respect to each Lease Contract 100% of the U.S. dollar amount of the periodic lease payments due for the Equipment under such Lease Contract as specified on the Lease

Schedule (or, with respect to Bi-Monthly Pay Lease Receivables, Quarterly-Pay Lease Receivables and Semi-Annual Pay Lease Receivables, the monthly pro-rated portion of periodic lease payments due relating to such Lease Contract) regardless of whether such payments have been abated or credited under such Lease Contracts or set off against other amounts due by the Company, Rail or any other Person.

"Purchase" shall mean a purchase by Rail of a Lease Receivable transferred, contributed and assigned pursuant to this Agreement.

"Purchase Agreement" shall mean the Purchase Agreement to be dated the Closing Date and to be entered into by and among the Company, Rail and the initial purchasers of the Notes.

"Purchase Option Proceeds"shall have the meaning set forth in Section 8.06 hereof.

"Purchase Price" shall have the meaning set forth in Section 8.08 hereof.

"Purchase Proceeds" shall mean any proceeds from the Purchase by Rail of any Lease Receivable pursuant to Article Eight hereof.

"Quarterly-Pay Lease Receivables" shall mean Lease Receivables relating to Lease Contracts pursuant to which lease payments are due every three months.

"Required Capital Contribution" shall mean the required capital contribution of the Lease Receivables, Equipment and other rights acquired hereunder as set forth in Section 3.01 hereof.

"Scheduled Expenses" shall mean on any Determination Date (as defined in the Indenture), (i) the Servicing Fee as set forth in the Servicing Fee Schedule attached to the Servicing Agreement as Exhibit B thereto for the month preceding such Determination Date, and (ii) the Maintenance Fee (which includes an allowance for estimated abatements) as set forth in the Maintenance Fee Schedule attached to the Servicing Agreement as Exhibit C thereto for the month preceding such Determination Date and for each category of Equipment.

"Scheduled Payments" shall mean, as the context may require, the Periodic Equipment Charges with respect to each Lease Contract or the aggregate Periodic Equipment Charges with respect to all Lease Contracts.

"Semi-Annual Pay Lease Receivables" shall mean Lease Receivables relating to Lease Contracts pursuant to which lease payments are due every six months.

"Servicer" shall mean the Servicer under the Servicing Agreement.

"Servicing Account" shall mean the bank account maintained by the Servicer in the name of the Company and established in accordance with Section 2.02(b) of the Servicing Agreement.

"Servicing Agreement" shall mean the Servicing Agreement to be entered into by Rail, as Servicer, the Company and the Trustee, pursuant to which the Servicer will service and administer the Lease Receivables transferred, contributed and assigned hereunder.

"Spread Account" shall mean the segregated trust account maintained in the name of the Trustee for the benefit of the Noteholders and established in accordance with Section 2.03(b) of the Servicing Agreement.

"Substitute Servicer Account" shall mean the segregated trust account maintained in the name of the Trustee for the benefit of the Noteholders and established in accordance with Section 2.03(a) of the Servicing Agreement.

"Supplement" shall mean any supplemental indenture to the Indenture, including the First Supplemental Indenture, dated as of March 1, 1990, among the Company, the Trustee and Rail, as Servicer.

"Trustee" shall mean the trustee under the Indenture.

1.02 Terms Defined in the Indenture. For the purposes of this Agreement, capitalized terms used herein but not otherwise defined shall have the respective meanings assigned to such terms in the Indenture or, if not defined therein, in the Servicing Agreement.

1.03 Certain Terms. Wherever in this Agreement the terms "outstanding lease payments" or similar terms are used with respect to a Lease Receivable, such terms shall refer to the amounts owed by the Customer, without reduction for advances made by the Servicer.

ARTICLE 2 - ISSUANCE OF STOCK BY THE COMPANY

2.01 Authorization and Issuance of Common Stock by the Company. Subject to all the terms and conditions of this Agreement and in reliance upon the representations, warranties and covenants set forth herein, on the Contribution Date, the Company hereby agrees to cause the authorization and issuance of one share of the Company's Class A, no par value Common Stock (the "Common Stock") representing 100% of the Company's capital stock to be issued in the name of and delivered to Rail and Rail hereby agrees to obtain directly from the Company 100% of such Common Stock all in accordance with the terms of this Agreement.

ARTICLE 3 - REQUIRED CAPITAL CONTRIBUTION

3.01 Required Capital Contribution. In return for the Common Stock and the rights and interests covered by this Agreement, Rail hereby agrees to make or provide for the capital contribution (the "Required Capital Contribution") to the Company on the Contribution Date of all of Rail's rights, title and interest in and to (i) all of the Lease Receivables due or to become due after the Initial Cut-Off Date as set forth in the Lease Schedule and (ii) the related Equipment identified thereon. Attached hereto as Exhibit A is a true and correct copy of the Assignment and Assumption Agreement relating to the Lease Receivables and the related Equipment to be delivered pursuant to this Agreement.

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES

4.01 Rail Representations and Warranties. Rail hereby represents and warrants to, and agrees with, the Company that:

(a) Rail has been duly organized and is validly existing and in good standing as a corporation under the laws of the State of Delaware, with corporate power and authority to own its properties and to transact the business in which it is now engaged, and Rail is duly

qualified to do business and is in good standing in each State of the United States where the nature of its business requires it to be so qualified except where failure to so qualify would not have a material adverse effect on Rail or its ability to perform its obligations hereunder or under the Indenture or the Servicing Agreement.

(b) The contribution of the Lease Receivables and the Equipment pursuant to this Agreement, the performance of Rail's obligations under this Agreement, the Indenture, and the Servicing Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of Rail pursuant to the terms of any indenture, mortgage, deed of trust, or other agreement (including the Lease Contracts) or instrument to which it is a party or by which it is bound or to which any of its property or assets is subject (except the lien created by the Indenture), nor will such action result in any violation of the provisions of its Certificate of Incorporation or By-Laws or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over it or any of its properties; and no consent, approval, authorization, order, registration or qualification of or with any court, or any such regulatory authority or other governmental agency or body is required for the contribution of the Lease Receivables and the Equipment hereunder or the consummation of the other transactions contemplated by the Agreement, the Indenture, or the Servicing Agreement except such consents, approvals and authorizations which have been obtained or such registrations or qualifications which have been made.

(c) This Agreement has been, and the Servicing Agreement and Indenture will be, duly authorized, executed and delivered by Rail and this Agreement is, and the Servicing Agreement and Indenture, when executed and delivered will be, valid and legally binding obligations of Rail, enforceable against Rail in accordance with their respective terms, subject as to enforcement to applicable bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors' rights generally and to gener-

al principles of equity regardless of whether enforcement is sought in a court of law or equity.

(d) Rail is, or on the Contribution Date will be, the holder of all right, title and interest in and to the Lease Contracts and the Lease Receivables free from any lien, security interest, encumbrance or other right, title or interest of any Persons (except, with respect to the Lease Contracts, any liens thereon created by the Credit Agreement insofar as they relate to lease receivables and equipment that are not Lease Receivables or Equipment), and Rail, as agent for the Company, shall defend the Lease Contracts and the Lease Receivables against all claims and demands of all Persons at any time claiming the same or any interest therein adverse to that of the Company.

(e) Rail is, or on the Contribution Date will be, the owner of each item of Equipment, free from any lien, security interest, encumbrance or other right, title or interest of any Person, subject however to the rights of the Customers in the Equipment under the related Lease Contracts, the rights of sublessees, and the rights of holders of mechanic's, materialman's or similar liens arising in the ordinary course of business for obligations not overdue, and Rail, as agent for the Company, shall defend such Equipment against all claims and demands of all Persons at any time claiming the same or any interest therein adverse to that of the Company.

(f) Rail has heretofore provided to the Company copies, or access to original copies, of all the Lease Contracts, as amended, which copies are true and complete copies of the Lease Contracts, and the Lease Contracts have not been amended or modified subsequent to the above copies being made available to the Company, except immaterial amendments made in the ordinary course of Rail's business or as reflected in the Lease Schedule.

(g) Rail has heretofore caused each Lease Contract to be separately identified and distinguished from Rail's other lease contracts, and on the Contribution Date Rail will cause each original copy of each Lease Contract in the possession of Rail to be identified with an appropriate legend clearly disclosing the fact that the related Lease Receivable and related Equipment have been transferred, contributed and assigned to the Company and that the Company is the owner thereof.

(h) The Lease Contracts are, and on the Contribution Date and the Closing Date will be, in full force and effect in accordance with their respective terms and neither Rail nor any Customer has suspended or reduced any payments or obligations due or to become due thereunder by reason of a current default by the other party to such Lease Contract or for any other reason; and none of the Customers is currently delinquent in making payments of the Periodic Equipment Charges due under such Customer's Lease Contract for more than 120 days.

(i) The Lease Contracts are valid, binding and legally enforceable obligations of the parties thereto and each item of the Equipment is subject to a valid and binding Lease Contract enforceable against the parties thereto subject, as to enforcement, to applicable bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors' rights generally and to general principles of equity regardless of whether enforcement is sought in a court of law or equity.

(j) All filings and recordings required to perfect the title of the Company to each Lease Receivable and each item of Equipment purchased hereunder have been accomplished and are in full force and effect, and Rail shall at its expense perform all acts and execute all documents necessary to evidence, perfect, maintain and enforce the title and interest of the Company in such Lease Receivables and Equipment and the priority thereof. Rail will, at the reasonable request of the Company, execute and file additional financing statements and/or other documents and instruments reasonably satisfactory in form and substance to the Company.

(k) Rail has heretofore furnished to the Company the Lease Schedule. The Lease Schedule contains a complete and correct statement of the Periodic Equipment Charges payable by each Customer specified therein, separately set forth with respect to each separate Lease Contract and each group of items comprising the Equipment, for each month for the number of months of anticipated Periodic Equipment Charges under each such Lease Contract.

(l) Rail has no present intention to cause, and will not cause, the Company to commence a voluntary bankruptcy proceeding so long as the Company is not insolvent and does not anticipate becoming insolvent, whether as a result of Rail's insolvency or otherwise.

(m) The principal executive office of Rail is located in San Francisco, California.

(n) As of the Delivery Date, the Aggregate Note Value of the Lease Receivables as set forth in the Final Private Placement Memorandum shall be at least equal to the initial aggregate principal amount of the Notes outstanding.

(o) The Delinquency Schedule attached as Schedule II hereto contains a complete and correct statement of all Customers who are as of the Initial Cut-off Date delinquent in making payments of the Periodic Equipment Charges due under the related Lease Contracts and the number of days of each such delinquency.

4.02 Company Representations and Warranties. The Company hereby represents and warrants to, and agrees with, Rail that on the Contribution Date and the Closing Date:

(a) The Company has been duly organized and is validly existing in good standing as a corporation under the laws of the State of Delaware, with corporate power and authority to own its properties and to transact the business in which it is now engaged or in which it proposes to engage, and will make any filings and take all actions necessary to perfect the Trustee's security interest in the Collateral.

(b) The receipt by the Company of the Lease Receivables and the Equipment pursuant to this Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Company pursuant to the terms of, any indenture, mortgage, deed of trust, or other agreement or instrument to which the Company is a party or by which it is bound or to which any of the property or assets of the Company is subject (except for the lien created by the

Indenture), nor will such action result in any violation of the provisions of the Certificate of Incorporation or By-laws of the Company or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its properties; and no consent, approval, authorization, order, registration or qualification of or with any court or any such regulatory authority or other governmental agency or body is required for the receipt and acceptance of the Lease Receivables or the Equipment hereunder.

(c) This Agreement, the Servicing Agreement and the Indenture have been duly authorized, executed and delivered by the Company and constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, subject as to enforcement to bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors' rights generally and to general principles of equity regardless of whether enforcement is sought in a court of equity or law.

(d) The principal executive office of the Company is located in San Francisco, California.

ARTICLE 5 - COVENANTS OF RAIL

5.01 Rail Covenants. Rail hereby covenants and agrees with the Company as follows:

(a) Rail's copies of original documents evidencing all Lease Contracts are kept by Rail at, and only at, the operating office of Rail at 55 Francisco Street, San Francisco, California 94133. Rail shall not move such offices or such documents outside of the City and County of San Francisco, California unless Rail shall have given to the Company and the Trustee not less than 30 days' written notice of its intention to do so, clearly describing the new location.

(b) On or before the Closing Date, Rail shall enter into the Servicing Agreement with the Company and the Trustee.

(c) Rail will duly fulfill all material obligations on its part (as required by this Agreement and the Servicing Agreement) to be fulfilled under or in connection with the Lease Contracts to the extent the Customers under the Lease Contracts shall continue to make payments therefor and perform thereunder as provided in such Lease Contracts, and Rail will do nothing to impair the rights of the Company in the Lease Receivables or Equipment; provided, however, that an adjustment or other modification or amendment of a Lease Receivable or a related Lease Contract pursuant to Section 8.03 hereof shall not be deemed to be a violation of this paragraph.

(d) Rail will make, execute or endorse, acknowledge, and file or deliver to the Company from time to time such schedules, confirmatory assignments, conveyances, reports and other reassurances or instruments and take such further steps relating to the Lease Contracts, the Lease Receivables, the Equipment and the rights covered by this Agreement as are necessary to maintain the Company's and the Trustee's interests in the Lease Receivables and the Equipment, and as the Company or the Trustee may reasonably request.

(e) Rail agrees to indemnify, defend and hold the Company, the Trustee and the Noteholders harmless from and against any and all loss, liability, damage, judgment, claim, deficiency or expense that arises out of or is based upon (i) a breach at any time by Rail of its representations, warranties and covenants contained in Section 4.01 hereof or this Section 5.01 or (ii) any representation made or information certified in any certificate or schedule delivered by Rail hereunder or any other document contemplated hereby (not including any document delivered prior to the Closing Date but which is superseded by a document delivered on the Closing Date, including the Final Private Placement Memorandum and the Note Purchase Agreement), being untrue in any respect when any such representation was made or schedule delivered or (iii) any mechanic's, materialmen's or similar liens on the Equipment existing in the ordinary course of Rail's business. The obligations of Rail under this Section 5.01(e) shall be considered to have been relied upon by the Company, the Trustee and each Noteholder and shall survive the execution, delivery and performance of this Agreement regardless of any investigation made by the Company or on its behalf.

(f) Rail will provide to the Trustee, from time to time at the Trustee's reasonable request, schedules of Periodic Equipment Charges due under the Lease Contracts.

(g) Rail will establish procedures which will require that the consent and approval of the Company be obtained in each instance where Rail, acting as Servicer, desires to consent to the assignment by a Customer of a Lease Contract, or to modify, amend or terminate a Lease Contract, in any manner which would have a material adverse effect upon the interests of the Company or the Noteholders, other than termination for cause in accordance with its terms, prior to the expiration of the number of months remaining under the relevant Lease Receivable as set forth in the Lease Schedule. In the event of any such assignment, modification or amendment, Rail will purchase any Lease Receivable required to be purchased under Section 8.03 in accordance with the provisions of Article 8 hereof.

(h) On or prior to the Closing Date, Rail will make all filings, recordings and/or registrations, and there shall have been given, or taken, any notice or any other similar action, as may be necessary in the opinion of the Company, in order to establish and preserve the right, title and interest of the Company in the Lease Receivables and the Equipment transferred, contributed and assigned to the Company hereunder.

(i) In the event that the Company shall fail to pay all fees and reimbursable expenses of the Trustee under the Indenture at such time as they become due, Rail hereby agrees to pay such fees and expenses of the Trustee promptly upon demand by the Trustee.

ARTICLE 6 - COVENANTS OF THE COMPANY

6.01 Company Covenants. The Company hereby covenants and agrees with Rail that the Company will give or cause the Servicer to give written notice to Rail in the event of any deficiency in the Periodic Equipment Charges received from any Customer during any month or if any Customer asserts any claim or setoff against such Periodic Equipment Charges.

ARTICLE 7 - CONDITIONS PRECEDENT

7.01 Conditions to the Company's Obligations. The obligations of the Company to authorize, issue and deliver the Common Stock to Rail in exchange for the Required Capital Contribution provided for in Article 2 hereof shall be subject to the satisfaction of the following conditions:

(a) All representations and warranties of Rail contained in this Agreement and all information provided in the Lease Schedule shall be true and correct on the Contribution Date;

(b) Rail shall have delivered to the Company the Lease Schedule and all other information theretofore required or reasonably requested by the Company to be delivered by Rail hereunder, duly certified by an officer of Rail, and shall have substantially performed all other obligations required to be performed by the provisions of this Agreement;

(c) All corporate and legal proceedings and all instruments in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to the Company, and the Company shall have received from Rail copies of all documents (including, without limitation, records of corporate proceedings) relevant to the transactions herein contemplated as the Company may reasonably have requested.

ARTICLE 8 - ADMINISTRATION AND PAYMENTS

8.01 Rail Obligations. The transfer, contribution and assignment of the Lease Receivables and the Equipment to the Company notwithstanding, Rail shall continue to fulfill or to cause to be fulfilled the maintenance and other obligations of the lessor under the Lease Contracts.

8.02 Collection of Lease Receivables.

(a) Rail shall take all reasonable steps consistent with its normal business practices and procedures to assist the Servicer and the Company in collecting any amounts owing under or on account of the Lease Contracts and the Lease Receivables as and when due. Rail shall identify, in form and manner reasonably satisfactory to the Company and in accordance with Sec-

tion 4.01(g), the Lease Contracts and any other documentary evidence of the Lease Receivables, in such manner as to clearly indicate that such Lease Receivables and Equipment have been transferred, contributed and assigned to the Company and that the Company is the owner thereof and that the Company has further assigned such Lease Receivables and Equipment to the Trustee. Rail shall make available documentary evidence of the Lease Contracts, Lease Receivables and Equipment and all books and records relating thereto to the Trustee upon reasonable notice. Rail shall make available documentary evidence of the Lease Contracts and Lease Receivables and Equipment and such books and records to the Company at any time upon demand.

(b) All amounts collected or received by Rail in respect of amounts due under or on account of the Lease Receivables purchased hereunder, including any Mileage Allowances, that are not paid directly into a Lockbox Account as described in Section 8.02(c), shall be deemed to be held by Rail in trust for the Company and the Trustee and, except for the Mileage Allowances, Rail shall, within seven business days of receipt thereof, transfer any amounts so collected or received to the Servicing Account provided, however, that if Rail in good faith cannot determine such amounts based upon documentation then available to Rail within such time period, Rail shall promptly use its good faith efforts to make such determination and shall deposit such amounts immediately upon making such good faith determination. Rail shall deposit Mileage Allowances into the Servicing Account within 30 days of receipt thereof; provided, however, that if Rail in good faith cannot determine such amounts based upon documentation then available to Rail within such time period, Rail shall promptly use its good faith efforts to make such determination and shall deposit such amounts immediately upon making such good faith determination.

(c) In the event of an Event of Default under the Servicing Agreement, Rail shall take all reasonable steps consistent with its normal business practices and procedures, including notifying all Customers, to assure that all Periodic Equipment Charges due or to become due under the Lease Contracts on or after such date shall be paid by the Customers to the Lockbox Account established and maintained by the Trustee until a

Substitute Servicer has been appointed pursuant to Section 5.02 of the Servicing Agreement.

8.03 Modification; Termination; Consent.

(a) If any amendment or modification of a Lease Contract by Rail as Servicer under Section 2.01(b) of the Servicing Agreement would reduce any Periodic Equipment Charges or otherwise cause any representation or warranty hereunder with respect to any Lease Contract, Lease Receivable or Equipment to be untrue in a way which would have a material adverse effect on the Noteholders, Rail shall be required, prior to the effectiveness of any such amendment or modification, to purchase the affected Lease Receivable under such Lease Contract (a "Purchase") at the Purchase Price determined under Section 8.08 on the date required under Section 8.07.

(b) In all cases where the Company's consent is required under Section 2.01(b) and (c) of the Servicing Agreement, such consent shall not be unreasonably withheld; provided, however, that the Company's determination of whether or not to give such consent shall at all times be made in a manner consistent with its obligations and covenants under the Indenture.

8.04 Customer Termination. If as a result of any act or failure to act of Rail (other than actions taken as a result of a default on the part of the Customer) any Lease Contract shall be terminated in whole or in part by the Customer or amounts due with respect to any Lease Receivable shall be reduced or impaired (other than by reason of a temporary short-term credit granted or allowed by Rail, as Servicer, in the ordinary course of business, which does not have a material adverse effect upon the interests of the Noteholders), Rail shall be required to Purchase the remaining Lease Receivable under such Lease Contract at the Purchase Price calculated in accordance with Section 8.08.

8.05 Purchase Upon Breach of Certain Representations and Warranties. The representations, warranties and agreements of Rail set forth in Section 4.01 with respect to each Lease Receivable shall survive so long as such Lease Receivable remains outstanding. Upon discovery by Rail or the Company that any of such representations or warranties was incorrect as of the time made,

the party making such discovery shall give prompt notice to the other and to the Trustee. In the event any defect, misrepresentation or omission materially and adversely affects the interests of the Noteholders (determined with reference to the standards in Section 12.06(c) of the Indenture), Rail shall promptly eliminate or cure the circumstance or condition causing the defect or Purchase such Lease Receivable as set forth in Section 6.01 of the Servicing Agreement.

8.06 Exercise of Purchase Option. If any Customer shall exercise any purchase option under any Lease Contract, Rail shall, in accordance with its normal and customary business practices and procedures, make available to any purchaser or lessee of the Equipment sold all such documentation necessary for the operation and use of the Equipment sold. Upon the exercise of any such purchase option, the Company shall transfer or shall cause to be transferred title to the related Equipment so purchased to such Customer. All Proceeds from the exercise of such purchase option ("Purchase Option Proceeds") shall be deposited into the Servicing Account pursuant to Section 2.02(b) of the Servicing Agreement for application as provided therein.

8.07 Timing of Purchase or Exchange. Any Purchase of a Lease Receivable or other payment required of Rail pursuant to this Article 8 shall be made by Rail by deposit of the Purchase Price required by Section 8.08 into the Servicing Account on or prior to the Servicer Remittance Date next following the month in which Rail's obligation to Purchase such Lease Receivable or make such other payment arose.

8.08 Purchase of Lease Receivables. If Rail is required to Purchase any Lease Receivable under this Article 8, such Lease Receivable shall be Purchased by Rail at a purchase price (the "Purchase Price") equal to the Note Value thereof on the Cut-Off Date preceding the date on which the obligation to Purchase first arose, taking into account all Periodic Equipment Charges received by the Servicer through such Cut-Off Date, plus accrued interest thereon from the Cut-Off Date preceding the date on which the obligation to Purchase first arose to the next succeeding Cut-Off Date at the Note Interest Rate. Any past due Periodic Equipment Charges not received from the Customer shall also be paid by Rail on the date of Purchase as part of the Purchase Price (and

to the extent any such past due Periodic Equipment Charges have been previously advanced by the Servicer, such amount shall be used to reimburse the Servicer for such Advance). All Purchases shall be accomplished at the times required in Section 8.07.

ARTICLE 9 - CUSTOMER DEFAULT

9.01 Liquidation Upon Customer Default. If any Customer shall be in default under any Lease Contract, Rail shall promptly take such actions as are consistent with Rail's normal and customary practices to require such Customer to remedy such default, including sending appropriate notice of such default to such Customer and to the Company. If (i) any payment default by any Customer under any Lease Contract is continuing and has not been cured for a period of 120 days from the due date for such payment, or a period of 180 days from the due date for such payment so long as Rail is acting as Servicer, or (ii) if Rail is the Servicer and Rail has declined to make an Advance on the grounds that such Advance, if made, would be a Non-Recoverable Advance, then, in each case under (i) and (ii) hereof (in each case, a "Customer Default"), Rail shall be required to foreclose upon or otherwise liquidate the related Lease Receivable pursuant to Section 2.10 of the Servicing Agreement.

ARTICLE 10 - TERM AND TERMINATION

10.01 Term. This Agreement shall commence as of the date of execution and delivery hereof and, unless sooner terminated by mutual agreement of the parties (with the consent of the Trustee if such mutual agreement is reached prior to payment in full of the Notes) or otherwise in accordance with this Article 10, shall continue in full force and effect until final payment of the last outstanding Lease Receivable.

10.02 Transfer of Maintenance Function. If Rail shall be in default of its obligations to provide servicing under any Lease Contract or maintenance with respect to any Equipment (and such default has continued for 60 days after notice to Rail), the Trustee may appoint a successor servicer or may assume that role as provided in the Indenture. In any such event, Rail undertakes to use its best efforts to assist the Company and the Trustee in finding substitute servicing and main-

tenance companies acceptable to the Customers to provide such servicing and maintenance. Rail shall continue to act as Servicer until a successor has been appointed and has accepted such appointment or the Trustee has assumed the duties of the Servicer. To the extent necessary, Rail will make available to the Trustee or such substitute servicing and maintenance companies such technical information as is available as is required to provide servicing for the Equipment.

10.03 Default by Rail. If Rail shall be in default under this Agreement and such default shall not have been cured for a period of 30 days, or if Rail shall become insolvent or make an assignment for the benefit of its creditors or have a receiver appointed for all or substantially all of its properties, or if any proceedings are commenced, or consented to, by Rail or not stayed or dismissed within 90 days after being commenced against Rail under any bankruptcy, insolvency or other law for the relief of debtors, the Company, the Trustee, or the Trustee upon the request of the Holders of a majority in principal amount of the Notes, shall have the right, in addition to any other rights it may have under any applicable law, to terminate all rights of Rail under this Agreement upon written notice to Rail; provided that any termination of this Agreement shall not release Rail from any obligation under this Agreement, whether arising prior to or after such termination.

ARTICLE 11 - REMEDIES

11.01 Non-Exclusive Remedies. In addition to any rights and remedies now or hereafter granted under applicable law and not by way of limitation of any such rights and remedies, the Company shall have the right during any period when Rail is not providing servicing for any Lease Contract, Lease Receivable or Equipment to cause Rail to notify (or to send notice itself if Rail does not do so (Rail hereby authorizing and giving its irrevocable limited power of attorney for such purpose to the Company and its assignees to do so)) all Customers under the Lease Contracts to make payment under the Lease Receivables to such address as is specified in such notices.

ARTICLE 12 - MISCELLANEOUS

12.01 Notices. Except as otherwise specified herein, all notices, requests, demands, or other communications to or upon Rail or the Company shall be in writing and shall be deemed to have been duly given or made when delivered to such party at its address as follows:

(a) if to Rail, at 55 Francisco Street, San Francisco, CA 94133 Attention: Treasury Department and

(b) if to the Company, at 55 Francisco Street, Suite 517, San Francisco, California 94133, Attention: Vice President - Finance.

12.02 Successors and Assigns of Rail. This Agreement shall be binding upon Rail and its successors and assigns, except that Rail may not transfer or assign any of its obligations, rights or interests hereunder, except (i) in connection with a merger or sale of substantially all the assets of Rail or (ii) where such transfer or assignment would not result in a downgrading of the rating on the Notes and Rail has delivered to the Trustee written confirmation from the Rating Agency to such effect.

12.03 Separability Clause. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12.04 Amendments; Governing Law. This Agreement and the rights and obligations of the parties hereunder may not be changed orally but only by an instrument in writing signed by the party against which enforcement is sought. This Agreement may not be amended by the Company and Rail without consent of the Trustee; provided, however, that this Agreement may be amended from time to time by the Company and Rail, without the consent of the Trustee, to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provisions herein, or to make any other provisions with respect to matters or questions arising under

this Agreement which are not inconsistent with the provisions of this Agreement, provided that such action shall not adversely affect in any material respect the interests of any Noteholder and provided further that the Company and Rail shall provide notice of any such amendment to the Trustee and the Noteholders. This Agreement shall be construed in accordance with and governed by the internal laws of the State of California, without regard to conflict of laws principles.

12.05 Survival of Representations, Warranties and Covenants. All representations, warranties and covenants made herein shall be continuing representations, warranties and covenants and shall survive the execution and delivery of this Agreement.

12.06 Set-Off. (a) Rail hereby irrevocably and unconditionally waives all right of set-off that it may have under contract (including this Agreement), applicable law or otherwise with respect to any funds or monies of the Company at any time held by or in the possession of Rail.

(b) The Company shall have the right to set-off against Rail any amounts in the Servicing Account to which Rail may be entitled to be applied to any claims the Company may have against Rail from time to time under this Agreement. Upon any such set-off the Company shall give notice of the amount thereof and the reasons therefor.

12.07 Assignment for Security for the Notes. Rail understands that the Company will assign to and grant to the Trustee a security interest in all its right, title and interest to this Agreement. Rail consents to such assignment and grant and further agrees that all representations, warranties, covenants and agreements of Rail made herein shall also be for the benefit of and inure to the Trustee and all holders from time to time of the Notes.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date hereof.

ITEL RAIL FUNDING
CORPORATION, Company

By: M. H. Latif
Name: Mannan H Latif
Title: Vice President

ITEL RAIL CORPORATION

By: Robert Kiehnle
Name: Robert Kiehnle
Title: Vice President + Treasurer

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the 27th day of March 1990, before me personally came Robert C. Kiehnle, to me known, who being by me duly sworn, did depose and say that he is Robert C. Kiehnle of ITEL RAIL CORPORATION, a Delaware corporation, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

P. Scott Burns
Notary Public

Notary Public, State of New York
No. 31-4905115
Qualified in New York County
Commission Expires Aug 28, 1991

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the 27th of March 1990, before me came Mannan H. Latif, to me known, who being by me duly sworn, did depose and say that he is Mannan H. Latif of ITEL RAIL FUNDING CORPORATION, a Delaware corporation, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

D. Scott Burns
Notary Public

Notary Public State of New York
No. 31-4955115
Qualified in New York County
Commission Expires Aug 23, 1991

SCHEDULE I

LEASE SCHEDULE*

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contract Rate /per Car /per Mo.
17/Jun/88	31/Aug/93	Wisconsin Central	WC 006300-006393	94	
17/Jun/80	01/May/93	Grand Trunk Western	GTW 148000-148199	200	
08/Aug/88	21/Jan/94	CSXT	CSXT 483104-483153	50	
15/Oct/84	15/Feb/95	Grand Trunk Western	GTW 307050-307149	100	
15/Oct/84	29/Jul/95	Grand Trunk Western	GTW 307000-307030,307032-307049,307150-307155	55	

* As of the date of the Contribution Agreement to which this schedule is attached, the lessor under all of the Lease Contracts identified on this Lease Schedule is Itel Rail Corporation. Itel Rail Corporation became the lessor under certain of the Lease Contracts by assignment or as a result of merger with various entities.

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mc
01/Aug/78	12/Nov/93	Island Creek	USLX 046000-046004,046006-046043, 046045-046051, 046053-046054,046056-046085, 046087-046092, 046094-046099	94	
09/Dec/88	30/Apr/94	Tarmac Florida	USLX 045600-045615, 045617-045652, 045654-045660	59	
15/Nov/81	31/Aug/94	M.C. Carbon	MMAX 098201-098215	15	
21/May/81	31/Aug/96	Brae	SOO 121200-121222, 121224-121256, 121258-121294, 121296, 121298-121299	96	
01/Jan/89	31/Dec/93	Kansas City Power	KCLX 000158-000159, 000161-000183, 001000-001044, 001046-001066, 001068-001119, 003000-003014, 003016-003024, 003026-003054, 007501-007502, 008121-008135, 045403-045406	217	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contract Rate /per Car /per Mo
15/Sep/81	30/Apr/92	Temple Eastex	PLWX 008200-008249	50	
01/Jun/88	05/Sep/93	Andersons	USLX 031212-031234, 131001, 131012, 131017, 131020, 131030, 131035, 131039-131040, 131046, 439626, 439752, 439758, 439763, 439769, 439779, 439788, 439792-439793	41	
08/Mar/78	05/Apr/93	Missouri Kansas Texas RR	MKT 004150-004153, 004155-004199	49	
02/May/88	30/Apr/93	Oklahoma Kansas Texas RR	OKKT 003150-003163, 003165-003209, 003211-003236, 003279-003281, 003283-003288, 003290-003326, 003328-003349	153	
18/May/88	31/May/93	KNRECO	KJRY 000531-000532, 000535, 000542-000543, 00549, 00554, 000560-000561, 000563, 000566, 000571, 000574, 000579, 000580, 000583, 000585, 000591, 000603-000605, 000607, 000609-000611, 000617, 000621, 000623, 000626, 000629, 000631-000635, 000637-000639, 000642, 000646	40	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mo
19/Jun/78	29/Jan/94	Boston & Maine Corp.	BM 005400-005419	20	
29/Jun/78	27/Jul/94	Garvey International Inc.	GGIX 000101-000103, 000105-000107, 000110-000114, 000138, 000226, 000241-000250	23	
29/Jun/78	27/Jul/94	Garvey International Inc.	RILX 000200-000209	10	
29/Jun/78	27/Jul/94	Garvey International Inc.	NOKL 099000-099003, 099005-099007, 099009-099013, 099015-009056, 099058, 099059, 099074, 099081-099082, 099097, 099099	61	
14/Feb/79	16/Aug/94	Bunge Corp.	USLX 007818-007821, 007823-007825, 007827-007828, 007830-007838, 007840-007841, 007843-007846, 007848-007850, 007852-007860, 007862, 007864-007870, 007872-007874, 007876-007878, 007880-007894, 007896-007902, 007904-007908, 007910-007911, 007913-007917	84	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mo
14/Feb/79	28/Aug/94	Bunge Corp.	USEX 000311	1	
29/Jun/78	07/Sep/94	Garvey International Inc.	GGIX 000116-000121, 000123-000137, 000139-000175, 000186, 000227-000231	64	
29/Jun/78	25/Oct/94	Garvey International Inc.	GGIX 000176-000185, 000187-000219, 000221-000223, 000225	47	
14/Mar/80	08/Jun/95	Chicago & Northwest-ern RR	CNW 753333-753400, 753402-753421	88	
14/Mar/80	10/Jun/95	Chicago & Northwest-ern RR	CNW 753182-753232, 753236-753263, 753265-753323	138	
14/Mar/80	11/Jun/95	Chicago & Northwest-ern RR	CNW 753143-753176	34	
14/Mar/80	27/Jun/95	Chicago & Northwest-ern RR	CNW 753000-753006, 753009-753015, 753017-753034, 753036-753061, 753063-753087, 753089-753131	126	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mo
15/May/80	25/Sep/95	Columbus & Greenville Rwy	CAGY 208135, 208138-208159	23	
22/Aug/79	22/Dec/95	Unocal Chemicals Division	USLX 026900-026908, 026910-026922, 026924-026979	78	
25/Sep/81	01/Sep/96	US Agri-Chemical Corporation	USLX 001292-001296, 001298, 001301-001303, 001305-001307, 001309-001312, 001315-001316, 001318-001319, 001321, 001324, 001326-001327, 001329-001330, 001332-001338, 001340-001342, 001347-001355, 001358-001360, 001362, 001364-001374, 001377, 001379, 001381-001385, 001387-001395, 001397, 001399, 001401, 001404, 001407-001408, 001410-001413, 001415-001417, 001419-001426, 001428-001436, 001438, 001440-001441, 001443-001446, 001448, 001450-001454, 001457, 001461-001464, 001466-001467, 001470-001478, 001483, 001485-001489, 001492-001493, 001495, 001497-001498, 001500-001502	149	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mo
25/Sep/81	01/Sep/96	La Roche Industries, Inc.	USLX 001290-001291, 001297,001299, 001304, 001308, 001313, 001320, 001322-001323, 001325, 001328, 001331, 001344-001346, 001357, 001361, 001375, 001378, 001380, 001386, 001400, 001402, 001405-001406, 001409, 001414, 001418, 001427, 001442, 001449, 001455-001456, 001458-001460, 001465, 001468-001469, 001480-001482, 001490-001491, 001496, 001499	47	
18/Dec/87	30/Nov/97	Burlington Northern	BN 441200-441499	300	
17/Jul/89	31/Jan/00	Canadian Pacific Ltd.	CPAA 541600-541632, 541634-541656	56	
08/Oct/76	01/Mar/92	States Industries	USLX 010370-010373, 010377	5	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mo
30/Sep/76	03/Apr/92	Plywood Marketing Associates	USLX 016074-016076, 016079-016080, 016084-016085, 016089, 016092, 016095-016098	13	
05/Nov/76	08/May/92	Burlington Northern RR	BN 749800-749803, 749805-749812, 749824-749831, 749833-749881, 749883-749913, 749915-749929, 749931-749934, 749936-749987, 749989-749990	173	
12/May/77	21/Nov/92	Plywood Marketing Associates	USLX 009042, 009047, 009057, 009062, 009081, 009087, 009091, 011724-011725, 011728-011729, 011732-011733, 011738-011739, 011741, 011744	17	
30/Sep/76	13/May/92	Plywood Marketing Associates	USLX 003025-003027, 010586, 010590, 010693, 010696, 010698, 010700	9	
30/Sep/76	13/May/92	Plywood Marketing Associates	USLX 010562, 010767, 010769, 010771, 010775-010777, 016012-016013, 016018-016019, 016025, 016067, 016072, 016086, 016090, 016093	17	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mo
30/Sep/76	13/May/92	Plywood Marketing Associates	USLX 010552, 010558-010559, 010565, 010646	5	
12/May/77	21/Nov/92	Plywood Marketing Associates	USLX 016061, 016063-016066, 016069-016071	8	
12/May/77	21/Nov/92	Plywood Marketing Associates	USLX 016054-016055, 016062, 016068, 016073, 016082, 016087, 016091	8	
19/Jan/78	19/Oct/93	Plywood Marketing Associates	PMAX 013000-013021, 013023-013027	27	
02/Jan/76	01/Jan/94	Soo Line Railroad	MNS 050501-050507, 050546-050549	11	
02/Jan/76	01/Jan/94	Soo Line Railroad	MNS 050508-050545	38	
02/Jan/76	01/Jan/94	Soo Line Railroad	MNS 050550	1	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mo
08/Jun/78	28/Mar/95	Armstrong World Industries	USLX 012019-012021	3	
30/Dec/87	31/Jan/92	Union Pacific	CHTT 005003, 005007, 005011-005013, 005016, 005019, 005021, 005023, 005028, 005034-005035, 005037, 005041-005042,005044, 005048, 007003-007005, 007015, 007017, 007022,007025-007026, 007031-007032, 007039, 007041, 007045, 007050, 007053, 007069, 007072, 007074, 007076-007077,007081, 007083, 007089, 007093, 007103, 007107, 007114, 007117-007119, 007127-007128, 007131, 007136, 007139, 007141, 007143-007144, 007147, 007149, 007154, 007157, 007158, 007168-007169, 007177, 007181-007182, 007185, 007188, 007191, 007193, 007198-007199, 007217, 007219, 007231, 007237, 012002, 012005, 012007, 012012, 012019, 012022, 012024-012027, 012029-012031, 012036-012037, 012041, 012043, 012045, 012047, 012051, 012053-012055, 012067, 012069-012071, 012076, 012079, 012081-012082, 012087, 012089, 012092, 012097, 012101, 012105, 012115, 012120, 012127, 012136-012137, 012139,	200	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mc
			012147, 012155, 012162-012164, 012166-012170, 012173-012174, 012185-012187, 012189-012190, 012195, 012198, 013001, 013003, 013005, 013007, 013010, 013014, 013025, 013027, 013029, 013030, 013033, 013036-013037, 013043-013044, 013047, 013055-013056, 013058, 013062, 013071, 013078, 013081, 013084-013088, 013091-013094, 013097, 013109-013110, 013124-013125, 013135, 013138, 013143, 013147, 013150, 013158, 013180, 013186, 013190, 013193-013194, 013200, 013210, 013212, 013216-013218, 013223, 013232-013234, 013236, 013242, 013244, 013246, 013248		
30/Dec/87	02/Jan/92	Union Pacific	OKKT 001002, 001006, 001023, 001026, 001045, 001052, 001056, 001062-001063, 001065-001066, 001068, 001072, 001080, 001084, 001087, 001090, 001096, 001098, 001106, 001113-001114, 001119-001121, 001135, 001138, 001141, 001147, 001152, 001159, 001164, 001166, 001169, 001174, 001187-001188, 001190-001191, 001195, 001197, 001198, 001200, 001202, 001206, 001209, 001211, 001214,		

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mo
			001217-001218, 001222-001223, 001225, 001229, 001238-001240, 001242, 001246, 001248, 001254-001256, 001258-001260, 001262, 001266, 001268, 001274-001275, 001277, 001278, 001280, 001800-001801, 001803, 001808, 001810-001814	83	
13/Jul/77	20/Mar/92	Consolidated Rail Corp	CR 266820-266827, 266829-266831, 266833-266834, 266836-266844, 266848-266853, 266855-255860, 266862, 266864-266865, 266868-266875	45	
13/Jul/77	20/Mar/92	Consolidated Rail Corp.	PC 266828, 266832, 266835, 266845-266846, 266854, 266861, 266863, 266866-266867	10	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mo
13/Jul/77	20/Mar/92	Consolidated Rail Corp.	CR 168950,168952-168953, 168955, 184500, 209550-209563, 269840-269847, 269849-269853, 269856-269860, 269862-269875, 269877-269878, 269881-269883, 269885-269893, 269896, 269898-269900, 269902-269911, 269913-269916, 269918-269919, 269923, 269925-269926, 269928-269934, 269936, 269939, 269941-269953, 269955-269957, 269959-269962, 269964-269965, 269967-269974, 269976-269980, 269982-269984, 269986-269998	148	
13/Jul/77	20/Mar/92	Consolidated Rail Corp.	PC 269855, 269912, 269938, 269954	4	
13/Jul/77	20/Mar/92	Consolidated Rail Corp.	CR 168954, 168956, 168963-168964, 269150-269152, 269154-269156, 269158, 269160-269165, 269167-269171, 269173, 269175-269182, 269184-269203, 269207-269213, 269216, 269217, 269219-269223, 269225-269230, 269232-269239, 269242-269247, 269249-269257, 269260-269273, 269275-	231	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mo
			269282, 269284-269286, 269289-269295, 269297-269303, 269305-269319, 269321-269326, 269329-269334, 269336, 269338-269340, 269343-269345, 269347, 269350, 269352-269357, 269359-269360, 269362-269374, 269376-269381, 269384-269385, 269388-269394, 269396-269397, 269399-269409, 269411-269417, 269420-269421, 269423, 269427-269429		
13/Jul/77	20/Mar/92	Consolidated Rail Corp	PC 269153, 269166, 269172, 269174, 269204, 269214, 219218, 269224, 269231, 269240, 269258-269259, 269274, 269287, 269288, 269296, 269337, 269341, 269346, 269348-269349, 269351, 269358, 269361, 269386-269387, 269395, 269410, 269418-269419	30	
13/Jul/77	20/Mar/93	Consolidated Rail Corp.	CR 168962, 269430-269434, 269436-269441, 269443-269444, 269446, 269448-269451, 269453-269462, 269464, 269467-269478, 269480, 269482-269483, 269485-269496, 269499-269500	59	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contract Rate /per Car /per Mo
13/Jul/77	20/Mar/93	Consolidated Rail Corp.	PC 269435, 269445, 269447, 269452, 269465-269466, 269479, 269481, 269484, 269497	10	
30/Dec/87	02/Jan/93	Union Pacific	OKKT 001815-001817, 001819, 001821-001822, 001826, 001828, 001829, 001833, 001835, 001837-001838, 001842, 001844, 001845, 001848-001849, 001851, 001853, 001856-001857, 001859-001861, 001863-001864, 001868-001869, 001872-001876, 001900-001913, 001915-001926, 700002, 700009, 700015, 700018, 700020, 700023, 700028, 700031-700032-700035, 700044, 700049, 700461, 700464, 700477, 700481, 700483, 700488, 700491-700492, 700495	81	
30/Dec/87	02/Jan/94	Union Pacific	OKKT 001927-001950, 0001952-001998, 002000-002009	81	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mo
23/Oct/78	23/Sep/94	British Columbia Rwy Co.	BCIT 801000-801003, 801005-801027, 801029-801035, 801038-801041, 801043-801051, 801053-801096, 801098-801126, 801128-801175, 801177-801189, 801191-801199	190	
23/Oct/78	04/Apr/95	British Columbia Rwy Co.	BCIT 800650-800657, 800659-800675, 800677-800681, 800683-800686, 800688-800700, 800702-800735, 800737-800750, 800752-800753, 800755-800758, 800760-800773, 800775-800780, 800782-800783, 800785-800792, 800794-800796, 800799-800804, 800806-800816, 800818-800834, 800836-800849	182	
19/Jun/78	05/Jun/95	Boston & Maine Corp.	BM 300800-300817, 300819-300825, 300827-300850, 300852-300944, 300946-300999	196	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contract Rate /per Car /per Mo.
01/Oct/85	07/Jan/96	Canadian Pacific Ltd.	QC 076000-076046, 076048-076101, 076103-076113, 076116-076136, 076138-076156, 076174, 076257-076293, 076295-076299, 076300-076312, 076314-076326, 076328-076349	243	
29/Jun/78	30/May/96	Garvey International, Inc.*	NOKL 088000-088044, 088046, 088048-088063, 088065-088067, 088069-088075, 088077-088082, 088084, 088086-088091, 088093-088101, 088103-088112, 088114-088121, 088123-088140, 088142-088143, 088145-088149	137	
08/Oct/87	01/Dec/97	Plywood Marketing Associates*	NOKL 004300, 004303, 004305, 004309, 004311, 004315-004316, 004319, 004321-004322, 004325-004326, 004331, 004335, 004344-004345, 004350, 004356, 004364, 004367, 004375, 004382, 004390-004391, 004395	25	

* **Canadian Pacific, Limited is the sublessee under the related Lease Contract.**

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mo
15/Dec/87	30/Apr/98	Canadian National Rwy	CN 416000-416174, 416176-416178, 416180-416216, 416218-416242	240	
16/Dec/87	31/Jul/98	Canadian National Rwy	CN 410500-410552, 410554, 410556-410562, 410564-410566, 410568-410571, 410600-410609, 410611-410626, 410629, 410630, 410632-410634, 410636-410637, 410639-410640, 416175, 416179, 416243-416384, 416457	248	
17/Dec/87	31/Jan/99	Canadian National Rwy	CN 410553, 410555, 410563, 410567, 410572-410599, 410627, 410628, 410631, 410635, 410638, 410641-410649, 416385-416456, 416458-416635, 416637-416749	409	
01/Dec/87	01/Jul/99	Canadian Pacific Ltd.	QC 210300-210353	54	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contract Rate /per Car /per Mo.
14/Mar/80	04/May/00	Chicago & Northwestern RR	CNW 717000-717003, 717005-717047, 717049-717107, 717109-717197, 717200, 717202-717263, 717265-717277, 717279-717283, 717285-717299	291	
19/Nov/86	09/Dec/01	Canadian Pacific Ltd.	QC 077198-077208, 077210-077249	51	
15/Aug/83	28/Feb/92	Shrieve	PLCX 113024-113033	10	
01/Dec/76	30/Mar/92	Occidental Chemical Corporation	TLDX 817050-817054, 817079, 817092-817095	10	
01/Apr/76	30/Jun/92	Olin	TLDX 817036-817049	14	
01/Nov/76	30/Oct/92	Union Oil	PLCX 220381-220385	5	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mo
01/Mar/76	30/Nov/92	Dow	PLCX 220386-220409	24	
01/Aug/75	30/Nov/92	Shell	PLCX 220370-220380	11	
01/Mar/77	31/Oct/92	Exxon	PLCX 224301-224328	28	
01/Aug/85	30/Sep/92	Lyondell	PLCX 224298-224300	3	
01/Aug/85	30/Sep/92	Lyondell	PLCX 224294-224297	4	
24/Sep/87	31/Oct/92	Celtran	PLCX 129028-129034	7	
01/Aug/85	31/Oct/92	Lyondell	PLCX 129010-129019	10	
01/Aug/75	31/Oct/92	Shell	PLCX 129020-129027	8	
01/Feb/76	30/Oct/99	FMC	PLCX 180000-180009	10	

LEASE SCHEDULE

Contract Date	Expiration Date/ Early Termination Date	Customer	Marks	No. of Cars	Contrac Rate /per Ca /per Mo
01/Feb/76	30/Apr/92	General Electric	PLCX 046230-046239	10	
29/May/87	31/Aug/92	B.P. Performance	PLCX 046296, 046298-046299, 046418	4	
01/Feb/76	30/Sep/92	General Electric	PLCX 046400-046417	18	
21/Oct/87	31/Oct/92	Ferro	PLCX 046359-046360	2	
01/Aug/81	31/Dec/92	General Electric	PLCX 046245, 046421-046439	20	
01/May/84	31/Dec/92	Huntsman	PLCX 046441-046449	9	
01/Nov/87	31/Jan/93	Occidental Chemical Corporation	OCPX 070201-070305	105	

6,666 GRAND TOTAL

SCHEDULE II

AGING REPORT AS OF 02/28/90

27-Mar-90

LOT	LESSEE	MARKS	# CARS	FLEET	0-30 DAYS	31-60 DAYS	61-90 DAYS	91-120 DAYS	OVER 120 DAYS	TOTAL OUTSTANDING
2210-03	WISCONSIN CENTRAL	WC 6300-6393	94	E						
9601-00	GRAND TRUCK WESTERN	GTW 148000-148199	200	E						
2226-02	CSXT	CSXT 483104-483153	50	E						
2095-01	GRAND TRUCK WESTERN	GTW 307050-307149	100	E						
2095-02	GRAND TRUCK WESTERN	GTW 307000-307155	55	E						
		GONDOLAS	499							
1631-00	ISLAND CREEK CORP	USLX 46000-46099	203	E						
2636-01	TARMAC FLORIDA	USLX 45600-45660	59	E						
	N.C. CARBON	MMAX 98201-98215	15	P						
	DRAE	SBO 121200-121299	96	P						
	KANSAS CITY POWER	XCLX 158-45406	217	P						
		HOPPERS	590							
	TEMPLE EASTEX	PLWX 8200-8249	50	P						
2217-04	ANDERSONS	USLX 31212-439793	41	E						
1551-00	MISSOURI KANSAS TEXAS RR	MKT 4150-4199	49	E						
2203-00	OKLAHOMA KANSAS TEXAS RR	OKXT 3150-3349	153	E						
2205-01	KNRECO	KJRY 531-646	40	E						
1664-00	BOSTON & MAINE	BM 5400-5419	20	E						
1640-02	GARVEY INTERNATIONAL	GGIX 101-250	23	E						
1640-02	GARVEY INTERNATIONAL	MMKL 200-99099	71	E						
1698-00	DUNGE	USLX 7818-7917	84	E						
1698-01	DUNGE	USEX 311	1	E						
1640-01	GARVEY INTERNATIONAL INC.	GGIX 16-231	64	E						
1609-00	GARVEY INTERNATIONAL INC.	GGIX 176-225	47	E						
1839-00	CHICAGO & NORTHWESTERN RR	CNW 753333-753421	88	E						
1836-00	CHICAGO & NORTHWESTERN RR	CNW 753182-753323	138	E						
1838-00	CHICAGO & NORTHWESTERN RR	CNW 753103-753176	34	E						
1837-10	CHICAGO & NORTHWESTERN RR	CNW 753000-753131	126	E						
1862-10	COLUMBUS & GREENVILLE RWY	CAGY 208135-208159	23	E						
1802-00	UNOCAL CHEMICALS DIVISION	USLX 26900-26979	78	E						
0607-01	U.S. AGRI-CHEMICAL CORP.	USLX 1292-1502	149	E						
0607-05	LA ROCHE INDUSTRIES, INC.	USLX 1290-1499	47	E						
	BURLINGTON NORTHERN		300	P						
		COVERED HOPPERS	1,626							
	CANADIAN PACIFIC LTD.	CPAA 541600-541656	56	E						
		BILEVEL AUTORACKS	56							

MAR-27-'90 TUE 16:44 ID:ITEL RAIL SF CALIF TEL NO:415-781-1035 #984 -UJ

AGING REPORT AS OF 02/28/90

27-Mar-90

LOT	LESSEE	MARKS	# CARS	FLEET	1-30 DAYS	31-60 DAYS	61-90 DAYS	91-120 DAYS	OVER 120 DAYS	TOTAL OUTSTANDING
1461-00	STATES INDUSTRIES	USLX 10370-10377	5	E						
1467-21	PLYWOOD MARKETING ASSOCIATES	USLX 16074-16098	13	E						
1433-00	BURLINGTON NORTHERN	BN 749800-749990	173	E						
9515-00	PLYWOOD MARKETING ASSOCIATES	USLX 9042-11744	17	E						
1467-20	PLYWOOD MARKETING ASSOCIATES	USLX 3025-10790	9	E						
1467-01	PLYWOOD MARKETING ASSOCIATES	USLX 16013-16093	77	E						
1467-03	PLYWOOD MARKETING ASSOCIATES	USLX 10552-10646	5	E						
1515-01	PLYWOOD MARKETING ASSOCIATES	USLX 16061-16071	8	E						
1515-02	PLYWOOD MARKETING ASSOCIATES	USLX 16054-16091	8	E						
8593-01	PLYWOOD MARKETING ASSOCIATES	PWAX 13000-13027	27	E						
1401-01	SOO LINE RAILROAD	MNS 50501-50549	11	E						
1401-00	SOO LINE RAILROAD	MNS 50308-50545	38	E						
1401-02	SOO LINE RAILROAD	MNS 50550-50550	1	E						
1006-00	ARMSTRONG WORLD INDUSTRIES	BSLX 12019-12021	3	E						
		REFRIGERATED CARS	335							
9001-00	UNION PACIFIC	CBTT 3003-3248	200	E						
2245-01	UNION PACIFIC	UKKT 1002-1012	83	E						
1009-03	CONSOLIDATED RAIL CORP.	PC 266820-266875	55	E						
1009-04	CONSOLIDATED RAIL CORP.	PC 268950-269990	152	E						
1009-01	CONSOLIDATED RAIL CORP.	CR 268954-269429	261	E						
1009-02	CONSOLIDATED RAIL CORP.	PC 268962-269500	69	E						
2245-02	UNION PACIFIC	UKKT 1015-790495	81	E						
2245-03	UNION PACIFIC	UKKT 1927-1998	81	E						
1651-00	BRITISH COLUMBIA RWY CO.	BCIT 801000-801199	190	R						
1650-00	BRITISH COLUMBIA RWY CO.	BCIT 800650-800849	182	R						
1853-00	BOSTON & MAINE	BM 300000-300999	196	E						
3503-00	CANADIAN PACIFIC LTD	BC 76000-76350	243	I						
1671-00	HARVEY INTERNATIONAL INC.	1 HORX 98000-98149	137	E						
2109-01	PLYWOOD MARKETING ASSOCIATES	1 HORX 4300-4395	25	E						
	CANADIAN NATIONAL RWY	CN 416000-416242	240	E/I						
	CANADIAN NATIONAL RWY	CN 416500-416457	248	E/I						
	CANADIAN NATIONAL RWY	CN 416553-416749	409	E/I						
2215-02	CANADIAN PACIFIC LTD	CP 210300-210353	54	E						
1035-00	CHICAGO & NORTHWESTERN RR	CNW 717000-717299	291	E						
3502-00	CANADIAN PACIFIC LTD	BC 77198-77249	51	I						
		BOXCARS	3,248							

1 CANADIAN PACIFIC IS THE SUBLESSEE UNDER THE LEASE.

AGING REPORT AS OF 02/28/90

27-Mar-90

LOT	LESSEE	MARKS	# CARS	FLEET	0-30 DAYS	31-60 DAYS	61-90 DAYS	91-120 DAYS	OVER 120 DAYS	TOTAL OUTSTANDING
	SHRIEVE		10	P						
	OCCIDENTAL CHEMICAL CORP.		10	P						
	OLIN		14	P						
	UNION OIL		5	P						
	DOW		24	P						
	SHELL		11	P						
	EXXON		28	P						
	LYONDELL		3	P						
	LYONDELL		4	P						
	FELTMAN		7	P						
	LYONDELL		10	P						
	SHELL		8	P						
	FMC		10	P						
		TANKCARS	144							
	GENERAL ELECTRIC		10	P						
	G.P. PERFORMANCE		6	P						
	GENERAL ELECTRIC		18	P						
	FERRO		2	P						
	GENERAL ELECTRIC		20	P						
	HUNTSMAN		9	P						
	OCCIDENTAL CHEMICAL CORP.		105	P						
		PLASTICS	168							
		GRAND TOTAL	6,666							

AGING REPORT AS OF 02/28/90

27-Mar-90

LOT	LESSEE	MARKS	# CARS	FLEET	0-30 DAYS	31-60 DAYS	61-90 DAYS	91-120 DAYS	OVER 120 DAYS	TOTAL OUTSTANDING	COMMENTS
2210-03	WISCONSIN CENTRAL	WC 6300-6393	94	E							
9601-00	GRAND TRUCK WESTERN	GTW 148000-148199	200	E							
2226-02	CSIT	CSIT 483104-483153	50	E							
2095-01	GRAND TRUCK WESTERN	GTW 307050-307149	100	E							
2095-02	GRAND TRUCK WESTERN	GTW 307000-307155	55	E							
		GONDOLAS	499								
1631-00	ISLAND CREEK CORP	USLX 46000-46099	203	E							
2636-01	TARMAC FLORIDA	USLX 45600-45660	59	E							
	M.C. CARBON	MMAX 98201-98215	15	P							
	BRAE	SOO 121200-121299	96	P							
	KANSAS CITY POWER	KCLX 158-45406	217	P							
		HOPPERS	590								
	TEMPLE EASTEX	PLWX 8200-8249	50	P							
2217-00	ANDERSONS	USLX 31212-439793	41	E							
1551-00	MISSOURI KANSAS TEXAS RR	MKT 4150-4199	49	E							
2203-00	OKLAHOMA KANSAS TEXAS RR	OKKT 3150-3349	153	E							
2205-01	KAMECO	KJWY 531-646	40	E							
1664-00	BOSTON & MAINE CORP.	BM 5400-5419	20	E							
1640-02	GARVEY INTERNATIONAL INC.	GGIX 101-250	23	E							
1640-02	GARVEY INTERNATIONAL INC.	AOKL 200-99099	71	E							
1690-00	DUNGE CORP.	USLX 7818-7917	84	E							
1690-01	DUNGE CORP.	USEX 311	1	E							
1640-01	GARVEY INTERNATIONAL INC.	GGIX 16-231	64	E							
1689-00	GARVEY INTERNATIONAL INC.	GGIX 176-225	47	E							
1839-00	CHICAGO & NORTHWESTERN RR	CNW 753333-753421	88	E							
1836-00	CHICAGO & NORTHWESTERN RR	CNW 753182-753323	138	E							
1838-00	CHICAGO & NORTHWESTERN RR	CNW 753143-753176	34	E							
1837-10	CHICAGO & NORTHWESTERN RR	CNW 753000-753131	126	E							
1862-10	COLUMBUS & GREENVILLE RWY	CAGY 208135-208159	23	E							
1802-00	UNOCAL CHEMICALS DIVISION	USLX 26900-26979	78	E							
0607-01	U.S. ARMY-CHEMICAL CORP.	USLX 1292-1502	149	E							
0607-05	LA ROCHE INDUSTRIES, INC.	USLX 1290-1499	47	E							
	BURLINGTON NORTHERN		300	P							
		COVERED HOPPERS	1,626								
	CANADIAN PACIFIC LTD.	CPAA 541600-541656	56	E							
		BILEVEL AUTORACKS	56								

AGING REPORT AS OF 02/28/90

27-Mar-90

LOT	LESSEE	MARKS	# CARS	FLEET	[illegible]	31-60 DAYS	61-90 DAYS	91-120 DAYS	OVER 120 DAYS	TOTAL OUTSTANDING	COMMENTS
1461-00	STATES INDUSTRIES	BSLX 10370-10377	5	E							
1467-21	PLYWOOD MARKETING ASSOCIATES	BSLX 16074-16098	13	E							
1533-00	BURLINGTON NORTHERN	BN 749000-749999	173	E							
1515-00	PLYWOOD MARKETING ASSOCIATES	BSLX 9042-11740	17	E							
1467-20	PLYWOOD MARKETING ASSOCIATES	BSLX 3025-10700	9	E							
1467-01	PLYWOOD MARKETING ASSOCIATES	BSLX 16012-16093	17	E							
1467-03	PLYWOOD MARKETING ASSOCIATES	BSLX 10552-10646	5	E							
1515-01	PLYWOOD MARKETING ASSOCIATES	BSLX 16061-16071	8	E							
1515-02	PLYWOOD MARKETING ASSOCIATES	BSLX 16050-16091	8	E							
1595-01	PLYWOOD MARKETING ASSOCIATES	PMAX 13000-13027	27	E							
1401-01	SOO LINE RAILROAD	MMS 50501-50549	11	E							
1401-00	SOO LINE RAILROAD	MMS 50500-50545	36	E							
1401-02	SOO LINE RAILROAD	MMS 50530-50550	1	E							
1806-00	ARMSTRONG WORLD INDUSTRIES	BSLX 12019-12021	3	E							
		REFRIGERATED CARS	335								
9001-00	UNION PACIFIC	CRTT 5003-3240	200	I							
2245-01	UNION PACIFIC	DRXT 1002-1012	83	E							
1089-03	CONSOLIDATED RAIL CORP.	PC 266820-266875	55	E							
1089-04	CONSOLIDATED RAIL CORP.	PC 168950-269998	152	E							
1089-01	CONSOLIDATED RAIL CORP.	CR 168954-269429	261	E							
1089-02	CONSOLIDATED RAIL CORP.	PC 168962-269500	69	E							
2245-02	UNION PACIFIC	DRXT 1815-700495	81	E							
2245-03	UNION PACIFIC	DRXT 1927-1998	81	E							
1651-00	BRITISH COLUMBIA RWY CO.	BCIT 001000-001199	196	R							
1650-00	BRITISH COLUMBIA RWY CO.	BCIT 000650-000899	182	R							
1853-00	BOSTON & MAINE CORP.	BM 300000-300999	196	E							
3503-00	CANADIAN PACIFIC LTD	DC 76000-76350	243	I							
1671-00	SURVEY INTERNATIONAL INC.	* NBKL 80000-80149	137	E							
2189-01	PLYWOOD MARKETING ASSOCIATES	* NBYL 4300-4395	25	E							
	CANADIAN NATIONAL RWY	CN 416000-416242	240	E/I							
	CANADIAN NATIONAL RWY	CN 410500-414457	248	E/I							
	CANADIAN NATIONAL RWY	CN 410553-416749	409	E/I							
2285-02	CANADIAN PACIFIC LTD	DC 210300-210353	50	E							
1835-00	CHICAGO & NORTHWESTERN RY	CNW 717000-717299	291	E							
3502-00	CANADIAN PACIFIC LTD	DC 77198-77249	51	I							
		60'CARS	3,240								

* CANADIAN PACIFIC LIMITED IS THE SUBLESSEE UNDER THE LEASE.

MAR-27-'90 TUE 10:46 10:ITEL RAIL OF CHLIF TEL NO.415-781-1000 R35W 700

AGING REPORT AS OF 02/28/90

27-Mar-90

LOT	LESSEE	MARKS	# CARS	FLEET	[illegible]	31-60 DAYS	61-90 DAYS	91-120 DAYS	OVER 120 DAYS	TOTAL OUTSTANDING	COMMENTS
	SHREVE		10	P							
	OCCIDENTAL CHEMICAL CORP.		10	P							
	OLIN		14	P							
	UNION OIL		5	P							
	DOW		24	P							
	SHELL		11	P							
	EXXON		28	P							
	LYONDELL		3	P							
	LYONDELL		4	P							
	CELTRAN		7	P							
	LYONDELL		10	P							
	SHELL		8	P							
	FMC		10	P							
		TANKCARS	144								
	GENERAL ELECTRIC		10	P							
	D.P. PERFORMANCE		4	P							
	GENERAL ELECTRIC		18	P							
	FERRO		2	P							
	GENERAL ELECTRIC		20	P							
	HUNTSMAN		9	P							
	OCCIDENTAL CHEMICAL CORP.		105	P							
		PLASTICS	168								
		GRAND TOTAL	6,666								

EXHIBIT A

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment of Lease Receivables and Equipment and Assumption Agreement ("Assignment") is made as of March 1, 1990 (the "Effective Date"), by and between Itel Rail Corporation, a Delaware corporation ("Assignor") and Itel Rail Funding Corporation ("Assignee"), with reference to the following facts:

RECITALS

A. In connection with the initial capitalization of Assignee, Assignee and Assignor have executed the Contribution Agreement dated as of March 1, 1990 (the "Contribution Agreement").

B. In accordance with the Contribution Agreement, Assignor desires to assign and transfer to Assignee all of Assignor's right, title and interest in and to each of the assets described in Schedule I to the Contribution Agreement ("Schedule I") and the corresponding paragraphs below (the "Assigned Interests") as a tax free contribution under Section 351 of the Internal Revenue Code of 1986, as amended.

C. Assignee desires to accept the Assignment and transfer of the Assigned Interests and assume all duties and obligations attendant thereto, accruing after the Effective Date.

D. The execution and delivery of this Assignment is a condition of closing of the Contribution Agreement and terms used but not defined herein have the meanings ascribed to them in the Contribution Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and in consideration of the mutual covenants set forth herein, Assignor and Assignee hereby agree as follows:

1. Assignment. Assignor hereby assigns, conveys, grants and transfers to Assignee (and the successors and assigns of Assignee) the following property:

1.1 Assignor's right, title and interest in and to the lease receivables described and listed on Schedule I (the "Lease Receivables"), including the rights to receive payments with respect to (i) Periodic Equipment Charges and (ii) Mileage Allowances including, with respect to (i) and (ii) above, the right to enforce, to declare a default under, or to terminate the Lease Contract insofar as it gives rise to such Lease Receivable, and to repossess the related Equipment, in the event such Lease Receivable becomes a Defaulted Lease Receivable; provided, however, that "Lease Receivables" shall not include chattel paper under which such Lease Receivables arose.

1.2 All right, title and interest in and to the equipment, consisting of railroad rolling stock, described and listed on Schedule I (the "Equipment").

2. Acceptance of Assignment and Assumption. Assignee hereby accepts the foregoing Assignment and hereby assumes all of the obligations incident hereto and thereto, subject to the terms of the Contribution Agreement.

3. Further Assurances. Assignor and Assignee each hereby agree to provide such further assurances and to execute and deliver such documents and to perform all such other acts as are necessary or appropriate to consummate and effectuate this Assignment.

4. Distinct Entities. Assignor and Assignee hereby acknowledge that for all purposes Assignor and Assignee are each separate and distinct legal entities. Accordingly, the Assignor shall not be liable to any third party for the debts, obligations and liabilities of Assignee to the extent that such debts, obligations and liabilities are incurred by Assignee following the Effective Date or to the extent that applicable law, contractual waiver or consent of such third party has released and/or discharged Assignor from such debts, obligations and liabilities, based upon the assumption thereof by Assignee; and Assignee shall not be liable to any third party for the debts, obligations and liabilities of Assignor to the extent that such debts, obligations and liabilities have not been expressly assumed by Assignee nor relate to the Assigned Interests.

5. Governing Law. This Assignment shall be governed by and interpreted in accordance with the laws of

the State of California.

6. Authority. Assignor and Assignee each hereby represent respectively that it has full power and authority to enter into this Assignment.

7. Counterparts. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute one and the same instrument.

8. Successors and Assigns. Assignor and Assignee each agree that this Assignment will be binding and will inure to the benefit of Assignor's and Assignee's respective successors and assigns.

IN WITNESS WHEREOF, this Assignment has been executed as of the date first above written.

ASSIGNOR

ITEL RAIL CORPORATION,
a Delaware corporation

By: _____
Title: _____

ASSIGNEE

ITEL RAIL FUNDING CORPORATION,
a Delaware corporation

By: _____
Title: _____