

THELEN, MARRIN, JOHNSON & BRIDGES

ATTORNEYS AT LAW

TWO EMBARCADERO CENTER
SAN FRANCISCO, CALIFORNIA 94111-3900
(415) 392-6320

TELEX 34-0906 CABLE THEMAR
FAX (415) 421-1068

LOS ANGELES
WASHINGTON, D. C.
OAKLAND
NEWPORT BEACH

HONG KONG
NEW YORK
HOUSTON
SAN JOSE

17373

JUN 7 1991 - 9 10 AM

INTERSTATE COMMERCE COMMISSION

DIANNE P. URHAUSEN

June 7, 1991

Hon. Sidney L. Strickland, Jr., Esq., Secretary
Interstate Commerce Commission
Washington, DC 20423

\$30.00 filing fee

Re: Lease Assignment Dated As of June 7, 1991
Between Itel Rail Corporation, as Debtor/Assignor,
and The Yasuda Trust and Banking Company, Limited,
as Secured Party/Assignee (the "Lease Assignment")

Dear Mr. Strickland:

On behalf of Itel Rail Corporation, the above instrument, a primary document not previously filed, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$15.00 recordation fee and a \$15.00 cross-indexing fee.

Please cross-index this Lease Assignment under the Security Agreement, dated as of May 15, 1991, between Itel Rail Corporation and The Yasuda Trust and Banking Company, Limited, which was filed simultaneously with the ICC on June 7, 1991, under Recordation No. 17372.

The parties to the aforementioned instrument are listed below:

Itel Rail Corporation (Debtor/Assignor)
550 California Street
San Francisco, CA 94104

The Yasuda Trust and Banking Company,
Limited (Secured Party/Assignee)
One World Trade Center
Suite 8871
New York, N.Y. 10048

The Lease Assignment assigns the Debtors right's, including rights to payments, under those leases of railcars listed on Exhibit A to the Lease Assignment as and to the extent such leases relate to the railcars listed on Exhibit A to the Lease Assignment, as collateral security for the obligations of the Debtor under the Security Agreement referred to above. Please return to the undersigned, the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

THELEN, MARRIN, JOHNSON & BRIDGES

Dianne P. Urhausen
Dianne P. Urhausen

New Member

D. Urhausen

17373

RECORDING NO. _____ FILED 1425

JUN 7 1991 -9⁴⁰ AM

LEASE ASSIGNMENT INTERSTATE COMMERCE COMMISSION

THIS ASSIGNMENT OF LEASE, dated as of June 7, 1991 (this "Assignment"), by ITEL RAIL CORPORATION, a Delaware corporation (the "Debtor"), in favor of THE YASUDA TRUST AND BANKING COMPANY, LIMITED, a company organized and existing under the laws of Japan and acting through its New York branch (the "Secured Party").

WITNESSETH:

WHEREAS, the Secured Party has entered into a Loan Agreement, dated as of May 15, 1991 (the "Loan Agreement"), with the Debtor pursuant to which the Secured Party will make loans to the Debtor as evidenced by secured notes (the "Secured Notes") to finance the acquisition and purchase of certain units of rolling stock (the "Equipment");

WHEREAS, the Secured Party and the Debtor have entered into a Security Agreement, dated as of May 15, 1991 (the "Security Agreement"), pursuant to which the Debtor has granted the Secured Party a security interest in the Equipment;

WHEREAS, the Debtor has entered into those certain leases listed on Exhibit A hereto (the "Assigned Leases") with the respective lessees named therein (the "Lessees"), providing for the leasing by the Debtor to the Lessees of the Equipment listed on Exhibit A hereto; and

WHEREAS, the Assigned Leases may also cover the leasing to the Lessees of rolling stock with respect to which the Debtor has not granted a security interest to the Secured Party;

NOW, THEREFORE, in consideration of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto hereby agree as follows:

1. The Debtor hereby assigns, transfers and sets over to and unto the Secured Party, to secure the payment of the Secured Notes and all other amounts at any time payable by the Debtor under the terms of the Secured Notes, the Loan Agreement and the Security Agreement and the performance and observance of the Debtor's covenants contained in the Secured

Notes, in the Loan Agreement and in the Security Agreement, all of the Debtor's right, title and interest, in and to the Assigned Leases as and only to the extent that the Assigned Leases relate to the Equipment, including, but not limited to:

(i) all rents, income, issues, profits, revenues and other payments due and to become due under the Assigned Leases whether as contractual obligations, damages or otherwise (as and only to the extent the foregoing relate to the Equipment);

(ii) all of the Debtor's claims, rights, powers, or privileges and remedies under the Assigned Leases only to the extent permitted by the Lessees (as and only to the extent the foregoing relate to the Equipment); and

(iii) all of the Debtor's rights under the Assigned Leases to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, waiver or approval together with full power and authority with respect to any of the Assigned Leases to demand, receive, enforce, collect or give receipt for any of the foregoing rights or any property the subject of any of the Assigned Leases, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action which (in the opinion of the Secured Party) may be necessary or advisable in connection with any of the foregoing, together with all extensions, renewals and replacements of the Assigned Leases (which do not constitute Nonassigned Leases), and all income and profits therefrom, all rights thereunder and all proceeds thereof (as and only to the extent the foregoing relate to the Equipment, whether now owned or hereafter acquired);

provided, however, that until the occurrence and continuance of an Event of Default, the Debtor may exercise all of the Debtor's rights, powers, privileges and remedies under the Assigned Leases including, without limitation, the right to receive any and all monies due or to become due under the Assigned Leases; and provided, further, that this Assignment shall not subject the Secured Party to, or transfer, or pass, or in any way affect or modify, the obligations of the Debtor under the Assigned Leases or relieve the Lessees from their obligations to the Debtor therein, it being understood and agreed that, notwithstanding this Assignment, all obligations of the Debtor to the Lessees with respect to the Equipment shall be and remain enforceable by the Lessees, their successors and assigns, against and only against the Debtor.

2. Upon the full and final discharge and satisfaction of all of the Debtor's obligations under the Security Agreement and this Assignment, all rights herein assigned, transferred and set over to and unto the Secured Party shall terminate, and all estate, right, title, and interest of the Secured Party in and to the Assigned Leases shall revert to the Debtor.

3. This Assignment is supplemental to and shall be construed in connection with and as part of the Security Agreement, and all terms, conditions and covenants contained in the Security Agreement are hereby incorporated herein by reference.

4. This Assignment shall be governed by the internal laws and decisions (as opposed to conflicts of law provisions) of the State of New York; provided, however, that the parties shall be entitled to all the rights conferred by 49 U.S.C. § 11303.

5. The Debtor will, from time to time, perform any other act and will execute, acknowledge and deliver and file, register, deposit, and record (and will re-file, re-register, re-record or re-deposit whenever required) any and all further instruments required by law or reasonably requested in writing by the Secured Party in order to confirm or further assure the interests of the Secured Party hereunder.

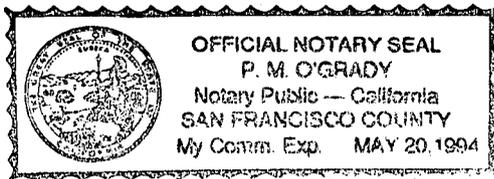
IN WITNESS WHEREOF, the Debtor has caused this instrument to be executed in its name, by an officer thereunto duly authorized, all as of the date first written above.

ITEL RAIL CORPORATION

By Robert Kiehnle
Name: Robert Kiehnle
Title: Vice President - Finance
and Treasurer

STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO)

On this 28th day of MAY, 1991, before me personally appeared Robert Kiehnle to me personally known, who, being by me duly sworn, says that he is V.P. - FINANCE & TREASURER of Itel Rail Corporation, that said instrument was signed and sealed on MAY 28, 1991, on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



P. M. O'Grady
Notary Public

Exhibit A to
Lease Assignment

LEASES AND EQUIPMENT DESCRIPTION

<u>LEASE</u>	<u>CAR SIZE & TYPE</u>	<u>CAR MARKS</u>
1. Lease of Railroad Equipment, dated as February 1, 1976, between Itel Rail Corporation* and FMC Corporation, as amended	4,750 Cubic Foot Covered Hoppers Number of Cars: 104	ITLX 40239, 40304-40406
2. Lease of Railroad Equipment, dated as of March 1, 1976, between Itel Rail Corporation* and the Dow Chemical Company, as amended	5851 Cubic Foot 100 Ton Covered Hoppers Number of Cars: 11	PLCX 47650-651 47653-47659 47689, 47693
3. Lease of Railroad Equipment, dated as of November 4, 1988, between Itel Rail Corporation* and Quantum Chemical Company, as amended	5851 Cubic Foot 100 Ton Covered Hoppers Number of Cars: 41	PLCX 47652 47660-688 47690-692 47694-701
4. Railcar Lease Agreement, dated as of September 14, 1988, between Itel Rail Corporation, Itel Railcar Corporation and the Atchinson, Topeka and Santa Fe Railway Company, as amended	3,000 Cubic Foot, Aggregate Covered Hoppers Number of Cars: 30	SFLC 351070- 351099
5. Class II and III Railroad Per Diem Lease, dated as of February 14, 1991, between Itel Rail Corporation and Southern Railway of British Columbia Limited, as amended	73 Ft, 100 Ton Centerbeam Flatcars Number of Cars: 21	SRY 73026 SRY 73035 SRY 73062-73080

*as successor by name change to Pullman Leasing Company