1-164A011

THELEN, MARRIN, JOHNSON & BRIDGES
ATTORNEYS AT LAW
TWO EMBARCADERO CENTER
SAN FRANCISCO, CALIFORNIA 94111-3995
(415) 392-6320

LOS ANGELES
WASHINGTON, D. C.
OAKLAND
NEWPORT BEACH

HONG KONG
NEW YORK
HOUSTON
SAN JOSE

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

RECORDATION NO. 17386 FILED 1425

JUN 13 1991 -11 10 AM

INTERSTATE COMMERCE COMMISSION

June 13, 1991

$30.00 filing + cross indexing fees

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

NEW NUMBER

Re: **Lease Assignment Dated As of June 13, 1991 Between Itel Rail Corporation, as Debtor/Assignor, and Deutsche Credit Corporation, 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 June 12, 1991, between Itel Rail Corporation and Deutsche Credit Corporation, which was filed simultaneously with the ICC on June 13, 1991, under Recordation No. 17385.

The parties to the aforementioned instrument are listed below:

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

Deutsche Credit Corporation
2333 Waukegan Road
Deerfield, Ill 60015

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

C:0104U

17386
RECORDATION NO. _____ FILED 1425
JUN 13 1991 -11 10 AM
INTERSTATE COMMERCE COMMISSION

LEASE ASSIGNMENT

THIS LEASE ASSIGNMENT, dated as of June 13, 1991 (this "Assignment"), by ITEL RAIL CORPORATION, a Delaware corporation (the "Debtor"), in favor of DEUTSCHE CREDIT CORPORATION, a Delaware corporation (the "Secured Party").

WITNESSETH:

WHEREAS, the Secured Party has entered into a Loan and Note Purchase Agreement, dated as of June 12, 1991 (the "Note Purchase Agreement"), with the Debtor pursuant to which the Secured Party will purchase certain secured notes of the Debtor (the "Secured Notes") to finance the acquisition and purchase of certain units of rolling stock (the "Equipment") listed on Exhibit A hereto;

WHEREAS, the Secured Party and the Debtor have entered into a Security Agreement, dated as of June 12, 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 (as and only to the extent such leases related to the Equipment, the "Assigned Leases") with the respective lessees named therein (the "Lessees"), providing for the leasing by the Debtor to the Lessees of the Equipment;

WHEREAS, the Debtor may in the future enter into leases providing for the leasing by the Debtor to the lessees thereunder of the Equipment listed on Exhibit A hereto (as and only to the extent such leases relate to the Equipment, the "Future Leases"); and

WHEREAS, the above referenced leases may also cover the leasing to the lessees thereunder 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 Note Purchase Agreement and the Security Agreement and the performance and observance of the Debtor's covenants contained in the Secured Notes, the Note Purchase Agreement and the Security Agreement, all of the Debtor's right, title and interest, in and to the Assigned Leases and in and to the Future Leases, if any, as and only to the extent that the Assigned Leases and the Future Leases, if any, 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 and the Future Leases, if any, 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 and the Future Leases, if any, only to the extent permitted by the Lessees or future 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 and the Future Leases, if any, 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 and Future Leases, if any, 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 or the Future Leases, if any, 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 or Future Leases, if any (which related to the Equipment), 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);

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 and the Future Leases, if any, including, without limitation, the right to receive any and all monies due or to become due under the Assigned Leases and the Future Leases, if any; 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 and the Future Leases, if any, or relieve the Lessees or future lessees, if any, from their obligations to the Debtor therein, it being understood and agreed that, notwithstanding this Assignment, all obligations of the Debtor to the Lessees or the future lessees, if any, with respect to the Equipment shall be and remain enforceable by the Lessees or future lessees, if any, 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 and the Future Leases, if any, 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 Illinois; 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 11th day of June, 1991, before me, the undersigned, personally appeared Robert Kiehnle, to me personally known to be the person who executed this instrument as Vice President-Finance and Treasurer of Itel Rail Corporation, the corporation therein named, and acknowledged to me that said instrument was executed on behalf of said corporation by authority of its Board of Directors or pursuant to its Bylaws.

OFFICIAL NOTARY SEAL
P. M. O'GRADY
Notary Public — California
SAN FRANCISCO COUNTY
My Comm. Exp. MAY 20,1994

P.M. O'Grady
Notary Public

My commission expires: May 20, 1994

Exhibit A to the
Lease Assignment

Debtor: Itel Rail Corporation
Secured Party: Deutsche Credit Corporation

LEASES AND EQUIPMENT DESCRIPTION

	LEASE	CAR SIZE & TYPE	CAR MARKS
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: 61	ITLX 40407-40467
2.	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: 31	PLCX 47702-47732
3.	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: 12	SRY 73081-73092

*as successor by name change to Pullman Leasing Company