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No.
Date MAR 3 1981
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ICC Washington, D. C.

ITEL

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INTERSTATE COMMERCE COMMISSION **Rail Division**

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

January 8, 1981

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

Re: Assignment of Trust Agreement made as of January 8, 1981 between Itel Corporation Rail Division ("Itel") and Citibank, N.A.

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. Section 11303(a) and the Interstate Commerce Commission's rules and regulations there under, I enclose herewith on behalf of Itel, for filing and recordation, as an additional filing under Recordation No. 9924, four (4) counterparts of the following document:

1. Assignment of Trust Agreement made as of January 8, 1981 by and between Itel and Citibank, N.A.

The names and addresses to the aforementioned document is:

1. Itel Corporation, Rail Division
Two Embarcadero Center
San Francisco, California 94111
2. Citibank, N.A.
Corporate Trust Department
7 Hanover Square
New York, New York 10004
Attn: John Byrnes, Sr. Trust Officer

Please Cross-index the above referenced Assignment of Trust Agreement ("the Agreement") with the following document, which is filed under Recordation No. 9932:

1. Equipment Trust Agreement dated as of November 1, 1978 between Citibank, N.A. as Trustee and Itel.

*Ms. Tel -
file is
under
9924
but I
do not
know the
next letter*

Consigned to El Byrnes

The equipment covered by the Agreement is three hundred (300) 100 ton General Boxcars (A.A.R. mechanical designation XM; 60' in length), marked 60001 through 60300.

Enclosed also is a check for \$20 covering the required recordation fees for the Agreement (\$10) and cross-indexing fee (\$10).

Please stamp all counterparts of the Agreement with your official recording stamp. You will wish to retain one (1) counterpart of the Agreement for your files; it is requested that the remaining three (3) counterparts be delivered to the bearer of this letter.

Sincerely,


Patricia Salas Pineda
Counsel

PSP/vae
Enclosures

cc: Michael Walsh, Esq.
Weil, Gotshal and Manges
767 Fifth Avenue
New York, New York 10020

Phillip Jackson, Esq.
Shearman & Sterling
53 Wall Street
New York, New York 10005

Margaret MacKenzie
Itel Corporation

L-0099
1/8/81

RECORDATION NO. 9924 F
Filed 1426

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ASSIGNMENT OF TRUST AGREEMENT INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF TRUST AGREEMENT, dated as of January 8, 1981, by and between **ITEL CORPORATION, RAIL DIVISION**, a Delaware corporation (together with its successors and assigns, being hereinafter called "Itel") and **CITIBANK, N.A.**, as Trustee, a national banking association, incorporated and existing under the laws of the United States of America (hereinafter called "Trustee").

WHEREAS, Itel has entered into an Equipment Trust Agreement, dated as of November 1, 1978 (such Equipment Trust Agreement, together with any amendments or supplements thereto, being hereinafter called the "Agreement"); and

WHEREAS, Itel and Providence and Worcester Company, a Delaware corporation (hereinafter called "Lessee") have entered into a lease of Equipment (as defined in the Agreement) dated as of March 13, 1978 (such lease, together with any amendments or supplements thereto, being hereinafter called the "Lease") providing for the leasing by Itel to Lessee of certain units of the Trust Equipment (as defined in the Agreement); and

WHEREAS, the Lease may also cover the leasing to the Lessee of other Equipment not included as part of the Trust Equipment; and

WHEREAS, in order to provide security for the obligations of Itel under the Agreement, Itel assigned to Trustee for security purposes all of Itel's rights, title and interest in, to and under the Lease as and only to the extent that the Lease relates to the Trust Equipment by means of an Assignment of Lease and Agreement, dated as of December 28, 1978; and

WHEREAS, by an assignment agreement dated as of April 24, 1980, and made effective as of May 31, 1980, Lessee assigned to Warwick Railway Company, a Rhode Island Corporation (hereinafter called "the Assignee"), with the consent of Itel, all of Lessee's rights, title and interest in, to and under the Lease except for Lessee's rights in and to the investment tax credits associated with certain units of Trust Equipment referenced on Schedule No. 1 to the Lease; and

WHEREAS, Itel is entitled to receive car rental and other payments (hereinafter called "Itel Funds") relating to the use by other railroads of Equipment, including certain items of Trust Equipment, which is subject to the Lease and Assignee or other owners are entitled to receive car rental and other payments relating to the use by other railroads of Equipment not subject to the Lease; and

WHEREAS, Itel, Assignee and Rhode Island Hospital Trust National Bank (hereinafter called "Bank") have entered into a Trust Agreement dated as of September 12, 1980, (hereinafter called the "Trust") under which Itel and Assignee have appointed Bank as trustee to receive from Assignee (or its Designee), in trust, Itel Funds and to distribute such funds to Itel in accordance with the provisions of the Trust and any lease and settlement agreements affecting the Equipment subject to the Lease.

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

1. Itel hereby assigns, transfers and sets over unto the Trustee, as collateral security for the payment and performance of Itel's obligations under the Agreement, all

of Itel's right, title and interest, powers, privileges and other benefits under the Trust as and only to the extent that the Trust relates to the Trust Equipment set forth in Annex A hereto, including, without limitation, all rights to receive and collect all rentals, profits and other sums payable to or receivable by Itel from Assignee under or pursuant to the provisions of the Trust to the extent that the same are payable in respect of such Trust Equipment, whether as rent, casualty payment, indemnity, liquidated damages or otherwise (such monies being hereinafter called the Payments); PROVIDED, HOWEVER, that until an Event of Default under the Agreement, or any event which, with notice of lapse of time or both, could constitute such an Event of Default, shall occur, it is understood that Itel shall be entitled to collect and receive all such Payments and to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Trust, and to apply all Payments to which Itel is entitled to the payment of any and all of Itel's obligations under the Agreement and to retain the balance, if any. In furtherance of the foregoing assignment, but subject to the foregoing provisions of this paragraph, Itel hereby irrevocably authorizes and empowers the Trustee in its own name, or in the name of its nominee, or in the name of Itel or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which Itel is or may become entitled under the Trust, and to enforce compliance by the Assignee with all the terms and provisions thereof. Whenever the Trust covers other equipment not included as part of the Trust Equipment and the amount of any payment due to Itel under such Trust as car hire payments (including both straight and incentive per diem), mileage charges or other rental revenues is calculated on an aggregate basis for all equipment subject to the Trust, for the purposes of this Assignment an amount equal to the Assigned Fraction (as hereinafter defined) of each such payment shall be deemed to be payable with respect to such Trust Equipment subject to the Trust. The term "Assigned Fraction" as used herein shall mean a fraction the numerator of which shall be the number of units of equipment comprising such Trust Equipment subject to the Trust and the denominator of which shall be the aggregate number of units of equipment (including such units of Trust Equipment) at the time subject to the Trust.

2. This Assignment is executed only as security for the obligations of Itel under the Agreement and, therefore, the execution and delivery of this Assignment shall not subject the Trustee to, or transfer, or pass, or in any way affect or modify, the liability of Itel under the Trust, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of Itel to the Assignee shall be and remain enforceable by the Assignee, its successor and assigns, against, and only against Itel or persons other than the Trustee.
3. To protect the security afforded by this Assignment, Itel agrees as follows:
 - (a) Itel will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Trust provides is to be performed by Itel.
 - (b) At Itel's sole cost and expense, Itel will appear in and defend every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of Itel under the Trust.

- (c) Should Itel fail to make any payment or to do any act which this Assignment requires Itel to make or do, then the Trustee, but without obligation so to do, after first making written demand upon Itel and affording Itel a reasonable period of time within which to make such payment or do such act, but without releasing Itel from any obligation hereunder, may make or do the same in such manner and to such extent as the Trustee may deem necessary to protect the security provided hereby, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Trustee, and also the right to perform and discharge each and every obligation, covenant and agreement of Itel contained in the Trust; and in exercising any such powers, the Trustee may pay necessary costs and expense, employ counsel and incur and pay reasonable attorneys' fees, and Itel will reimburse the Trustee for such costs, expenses and fees.
4. Upon the full discharge and satisfaction of all of Itel's obligations under the Agreement and this Assignment, all rights herein assigned to the Trustee shall terminate, and all estate, right, title and interest of the Trustee in and to the Trust shall revert to Itel.
 5. Itel will, from time to time, do and perform any other act and will execute, acknowledge, deliver and file, register, deposit and record (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Trustee in order to confirm or further assure, the interests of the Trustee hereunder.
 6. If an Event of Default shall occur and be continuing under the Agreement, the Trustee may assign all or any of the rights assigned to it hereby or arising under the Trust, including without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Trustee hereunder. The Trustee will give written notice to Itel and the Assignee of any such assignment.
 7. This Assignment shall be governed by the Laws of the State of New York, but the parties shall be entitled to all rights conferred by the laws of the United States permitting filing with the Interstate Commerce Commission.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective names, by officers thereunto duly authorized, and their respective

seals to be affixed and duly attested, all as of the date first above written.

ITEL CORPORATION,
RAIL DIVISION

By: 

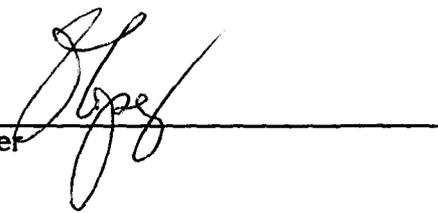
Attest:


Authorized Officer

CITIBANK, N.A., as Trustee

By: 
Senior Trust Officer

Attest:


Trust Officer

ANNEX A

<u>No. of Units</u>	<u>Road Numbers</u>	<u>Description</u>	<u>AAR Mechanical Designation</u>
300	WRWK 60001- 60300	60', 100 Ton General Boxcars With 15" End-of- Cushioning	XM

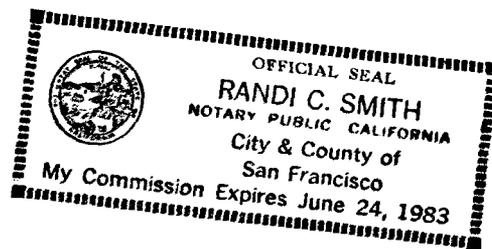
STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO) ss:

On this 8th day of JANUARY, 1980, before me personally appeared Edward M. O'Dea, to me personally known, who, being by me duly sworn, says that he is President, Rail Division of ITEL CORPORATION, that said instrument was signed on behalf of said corporation by authority of its By-laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Randi C. Smith
Notary Public

(Notarial Seal)

My Commission Expires:



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

On this 11th day of February, 1980 before me personally appeared John J. McG, to me personally known, who, being by me duly sworn, says that he is a Senior Trust Officer of CITIBANK, N.A., a national banking association, that said instrument was signed on behalf of said national banking association 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 national banking association.

H. Douglas Hunter
Notary Public

(Notarial Seal)

My Commission Expires:

H. DOUGLAS HUNTER
Notary Public, State of New York
No. 31-4707996
Qualified in New York County
Term Expires March 30, 1991