

ITEL RAIL

55 Francisco
San Francisco, California 94133
(415) 955-9090
Telex 34234

October 14, 1983

RECORDATION NO. 8896-E Filed 1425

OCT 17 1983 - 11 10 AM

No. 3-29014017

Date OCT 17 1983

Fee \$ 10.00

ICC Washington, D. C.

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

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. Section 11303(a) and the Interstate Commerce Commission's rules and regulations thereunder, I enclose herewith on behalf of Itel Corporation for filing and recordation under the Lease Agreement dated April 26, 1977 (the "Lease") between Itel Corporation, Rail Division ("Itel") and the City of Prineville Railway ("Lessee"), which was filed on July 20, 1977 at 3:45 P.M. and assigned Recordation Number 8896, four counterparts of the following documents:

Amendment No. 1 dated October 26, 1982 (the "Amendment") to the Lease Agreement dated April 26, 1977 between Itel and the Lessee.

The names and addresses of the parties to the aforementioned Amendment are:

1. City of Prineville Railway
185 E. 10th Street
Prineville, Oregon 97754
2. Itel Corporation, Rail Division
55 Francisco, 7th Floor
San Francisco, California 94133

The equipment covered by this Amendment is one hundred forty eight (148) fifty-foot boxcars, A.A.R. mechanical designation XM, bearing reporting marks within the series COP 7001 through COP 7400.

Also enclosed is a check in the amount of \$10.00 for the required recording fee.

Not sure what the next ltr. will be

Agatha Mergenovich
John Austin

RECORDED
OCT 17 11 05 AM '83
10.00
FEE OPERATION OR.

Ms. Agatha Mergenovich, Secretary
August , 1983
Page Two

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

Sincerely,


Patricia Salas Pineda
Counsel

/ma
Enclosure

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

Robert S. Clark, Esq.
Senior Trust Officer
First Security Bank of Utah, N.A.
Corporate Trust Division
79 South Main Street
Salt Lake City, Utah 84125

Sandra Costa
Itel Corporation

Interstate Commerce Commission
Washington, D.C. 20423

10/17/83

OFFICE OF THE SECRETARY

Patricia Salas Pineda
Itel Rail
55 Francisco
San Francisco, Calif. 94111

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 **10/17/83** at **11:10 am**, and assigned re-
recording number (s). **8896-E & 13706-J**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

CERTIFICATION OF TRUE COPY OCT 17 1983 .ii 17 Am

on August 23, 1983, I, James Pickrel, examined the original copy of the Amendment No. 1 dated October 6, 1982, between ITEL CORPORATION, RAIL DIVISION and the City of Prineville Railway, and I hereby certify that I have compared the attached duplicate copy with the original, and that it is a complete, true and correct copy of the original in all respects, including the dates, signatures and acknowledgements thereof.

James Pickrel

NAME

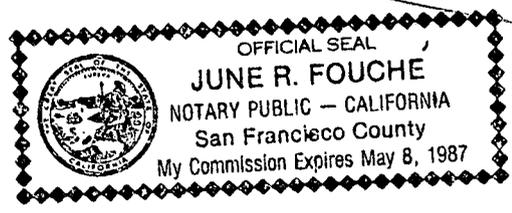
STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO)

ss:

On August 23, 1983, before the undersigned, a Notary Public for the State of California, personally appeared James Pickrel, known to me to be the person whose name is subscribed to the above instrument, and acknowledged that he executed the same.

[Handwritten Signature]

Notary Public



OCT 17 1983 -11 12 AM

AMENDMENT NO. 1

INTERSTATE COMMERCE COMMISSION

This Amendment No. 1 (the "Amendment") to that certain Lease Agreement (the "Lease") made as of April 26, 1977 between SSI Rail Corp., the predecessor in interest to ITEL CORPORATION, RAIL DIVISION, Debtor and Debtor in Possession ("Lessor") and CITY OF PRINEVILLE RAILWAY ("Lessee") is made as of October 6, 1982.

RECITALS

A. SSI Rail Corp. and its successor in interest, Itel Corporation in its capacity as debtor, and Lessee are parties to the Lease pursuant to which four hundred (400) general purpose boxcars marked COP 7001-7400 have been delivered to Lessee. Five of such boxcars marked COP 7066, 7214, 7287, 7310 and 7323 have been destroyed and no longer subject to the Lease, leaving 395 boxcars subject to the Lease as of December 31, 1981.

B. Lessor and Lessee now have as of the date hereof terminated the Lease with respect to 247 boxcars, leaving 148 boxcars subject to the Lease. The Lessee and Lessor now desire to amend the Lease to reflect such termination and to amend certain other terms.

Now, therefore, the parties hereto agree to amend the Lease as follows:

1. Defined Terms

Except as otherwise provided herein, all terms defined in the Lease shall have their defined meanings when used in this Amendment except that "SSI" and "Lessor" shall both mean Itel Corporation, Rail Division, Debtor and Debtor in Possession or any successor in interest to Itel Corporation, Rail Division, Debtor and Debtor in Possession.

2. Equipment Schedules

Equipment Schedules No. 1 and No. 2 to the Lease executed on May 31, 1977 by SSI Rail Corp. and on July 13, 1977 by Lessee, attached to and incorporated into the Lease are hereby deleted in their entirety and Amended Equipment Schedule No. 1, attached hereto, is hereby substituted therefor.

3. Amendment Re Storage

Section 5A of the Lease is hereby amended to read in full as follows:

"A. Except as otherwise provided herein, Lessor will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each of the Boxcars during its Lease term and any extension thereof, including but not limited to repairs, maintenance and servicing, unless the

same was occasioned by the faulty of Lessee while such Boxcar is in the physical possession of Lessee. Lessor will pay the transportation cost incurred to other railroad companies with the prior consent of Lessee to move any Boxcar to a location off the line of Lessee where such Boxcar will be loaded with freight. Except for Lessor's responsibility to provide storage space for 30 Boxcars for a limited time period in accordance with the Stipulation For Entry of Judgment Re City of Prineville Railway pursuant to which Lessor and Lessee concluded, with respect to Lessee, Adversary Proceeding No. 3-81-0022 in the United States

Bankruptcy Court Northern District of California, Lessor has no responsibility with respect to storage of any Boxcar either on or off the track of Lessee nor does Lessor have any responsibility with respect to the movement of any Boxcar to or from storage. Except for such responsibility of Lessor with respect to such 30 Boxcars, Lessee shall be responsible for all expenses arising out of the storage of any Boxcar including but not limited to the storage of any Boxcar not accepted by COP for interchange. Lessee shall inspect all Boxcars interchanged to it to ensure that such Boxcars are in good working order and condition and shall be liable to Lessor for any repairs required for damage not noted at the time of interchange. Lessee hereby transfers and assigns to Lessor for and during the lease term of each Boxcar all of its right, title and interest in any warranty so assigned shall be made and prosecuted by Lessor at its sole expense and Lessee shall have no obligation to make any claim on such warranty. Any recovery under such warranty shall be payable solely to Lessor."

4. Increase of Base Rental

The Lessor and Lessee hereby increase the Base Rental by deleting the arabic numeral "90" from each place such numeral appears in Sections 6.A.(i) and 6.A.(ii) of the Lease and substituting therefore the arabic numeral "92" in each such place.

5. Deletion of Section 6.A(ii)

Section 6.A.(iii) is hereby deleted in its entirety.

6. Amendment Re Remarking and Repainting

The last sentence of Section 9 of the Lease is hereby deleted and the following is hereby substituted therefor:

"If any Boxcar is terminated pursuant to subsections 6C or 6E or Section 8 (other than as provided in Section 8C) prior to the end of the lease term, Lessee shall be liable to Lessor for all costs and expenses incurred by Lessor to repaint the Boxcars and place thereon the markings and name or other insignia of Lessor's subsequent lessee, provided, however, that Lessee shall have no such obligation for remarking and repainting with respect to Boxcars terminated by Lessor pursuant to Section 6C or 6E, hereof, if during the calendar month immediately proceeding such termination the average

Utilization for boxcars then subject to leases between Lessor and (i) the McCloud River Railroad (the "MR") (ii) the Camino Placerville and Lake Tahoe Railroad (the "CPLT") and the Sierra Railroad (the "SERA") is less than 60%. Utilization shall have the same meaning as set forth in each of Lessors' boxcar leases with the MR, the CPLT and the SERA collectively (the "Three Railroads"). If Lessor shall terminate the Lease with respect to certain Boxcars pursuant to Section 6C or 6E hereof at a time when average Utilization during the immediately preceding month for boxcars than subject to leases between Lessor and the Three Railroads is less than 60% and subsequently terminate the Lease with respect to certain additional Boxcars (the "Subsequently Terminated Boxcars") pursuant to Section 6C or 6E hereof at a time when average Utilization during the immediately preceding month for boxcars then subject to leases between Lessor and the Three Railroads is equal to or greater than 60%, Lessee shall be liable to Lessor for all costs and expenses incurred by Lessor to repaint the Subsequently Terminated Boxcars and place thereon the markings and name or other insignia of Lessor's subsequent lessee. Termination of Boxcars by Itel shall be based upon good business judgments and not discrimination against COP.

7. Full Force and Effect

Except as modified by this Amendment No. 1, all terms and provisions of the Lease shall remain in full force and effect.

In Witness Whereof, the parties have executed this Amendment No. 1 by duly authorized officers.

Itel Corporation, Rail Division

By Edward M. O'Don
President

Dated: Oct 6, 1982

City of Prineville Railway

By Bailey J. Wiggins
General Manager

Dated: 10-6-82

Amended Equipment Schedule No. 1

Istel Corporation, Rail Division, hereby amends Equipment Schedules Nos. 1 & 2 to designate that the following Cars are leased by Istel Corporation, Rail Division to the City of Prineville Railway pursuant to that certain Lease Agreement dated as of April 26, 1977.

148 Boxcars, 50'6" in length, AAR Mechanical Designation XM, bearing the following reporting marks:

- | | | |
|---|----------|------------------------------|
| COP 7001 | COP 7154 | COP 7327 |
| COP 7002 | COP 7155 | COP 7329 |
| COP 7003 | COP 7156 | COP 7338 ^{COP 7335} |
| COP 7013 | COP 7157 | COP 7341 - <i>Ed Bgw</i> |
| COP 7019 | COP 7159 | COP 7342 |
| COP 7020 | COP 7160 | COP 7344 |
| COP 7027 | COP 7167 | COP 7346 |
| COP 7030 | COP 7168 | COP 7349 |
| COP 7042 | COP 7177 | COP 7351 |
| COP 7043 | COP 7178 | COP 7353 |
| COP 7048 | COP 7181 | COP 7359 |
| COP 7051 | COP 7183 | COP 7365 |
| COP 7055 | COP 7184 | COP 7367 |
| COP 7057 | COP 7193 | COP 7369 |
| COP 7060 | COP 7194 | COP 7371 |
| COP 7061 | COP 7199 | COP 7375 |
| COP 7062 | COP 7200 | COP 7376 |
| COP 7067 | COP 7204 | COP 7378 |
| COP 7068 | COP 7205 | COP 7382 |
| COP 7070 | COP 7208 | COP 7384 |
| COP 7071 | COP 7213 | COP 7385 |
| COP 7073 | COP 7215 | COP 7386 |
| COP 7174 COP 7074 <i>Bgw</i> | COP 7218 | COP 7387 |
| COP 7076 <i>Ed</i> | COP 7220 | COP 7392 COP 7389 |
| COP 7079 | COP 7221 | COP 7392 <i>Ed Bgw</i> |
| COP 7080 | COP 7224 | COP 7400 |
| COP 7081 | COP 7225 | |
| COP 7083 | COP 7228 | |
| COP 7085 | COP 7232 | |
| COP 7086 | COP 7235 | |
| COP 7087 | COP 7241 | |
| COP 7089 | COP 7245 | |
| COP 7092 | COP 7247 | |
| COP 7093 | COP 7250 | |
| COP 7095 | COP 7252 | |
| COP 7099 | COP 7257 | |
| COP 7101 | COP 7258 | |
| COP 7102 | COP 7260 | |
| COP 7104 | COP 7265 | |
| COP 7106 | COP 7268 | |
| COP 7111 | COP 7269 | |
| COP 7122 | COP 7272 | |
| COP 7123 | COP 7274 | |
| COP 7124 | COP 7277 | |
| COP 7125 | COP 7278 | |
| COP 7127 | COP 7279 | |
| COP 7128 | COP 7285 | |
| COP 7129 | COP 7286 | |
| COP 7130 | COP 7290 | |
| COP 7132 | COP 7293 | |
| COP 7135 | COP 7295 | |
| COP 7137 | COP 7297 | |
| COP 7138 | COP 7299 | |
| COP 7139 | COP 7300 | |
| COP 7143 | COP 7303 | |
| COP 7145 | COP 7308 | |
| COP 7146 | COP 7309 | |
| COP 7148 | COP 7311 | |
| COP 7151 | COP 7314 | |
| COP 7152 | COP 7317 | |
| COP 7153 | COP 7319 | |

ITEL CORPORATION

By: *Edward O'Dea*
Edward O'Dea
President of Rail Division

Dated: Oct 6, 1982

THE CITY OF PRINEVILLE RAILWAY

By: *Bailey J. Wiggs*
Bailey Wiggs
General Manager

Dated: 10-6-82

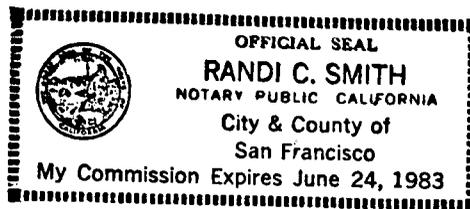
STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO)

ss:

On this 6th day of October, 1982 before me personally appeared Edward M. O'Dea to me personally known, who being by me duly sworn says that such person is President of ITEL Corporation, Rail Division, that the foregoing Amended Equipment Schedule No. 1 was signed on behalf of said Corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Randi C. Smith
Notary Public

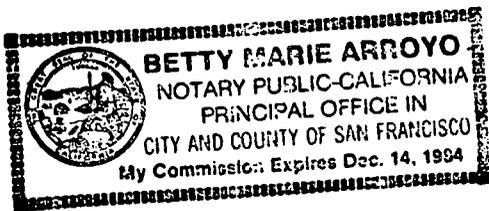
My Commission Expires:



STATE OF California)
)
COUNTY OF San Francisco)

ss:

On this Octob 6 day of October, 1982, before me personally appeared Bailey + Ugo to me personally known, who being by me duly sworn says that such person is Gen. Mgr of City of Prineville Railway, that the foregoing Amended Equipment Schedule No. 1 was signed on behalf of said Corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Betty Marie Arroyo
Notary Public

My Commission Expires: 12/12/84