

July 30, 2015

Chief  
Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20423-0001

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) is an original and one copy of a Termination and Release of Lien, dated as of July 29, 2015, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Security Agreement previously filed with the Commission under Recordation Number 31251 on June 23, 2014.

The names and addresses of the parties to the enclosed document are:

Debtor:                      Railway Services, Inc.  
                                    1 Railway Lane  
                                    Burlington, VT 05401

Secured Party:              Merchants Bank  
                                    275 Kennedy Drive  
                                    South Burlington, VT 05403

A description of the railroad equipment covered (released) by the enclosed document is:

Locomotive units known as VTR 301, GMRC 302, GMRC 304, GMRC 305, VTR 312.

A short summary of the document to appear in the index is: Partial Termination and Release of Lien by Merchants Bank in favor of Railway Services, Inc.

Also attached is a completed payment form to the order of the Surface Transportation Board covering the required recordation fee.

Please return a stamped copy of the attached document to me.

Sincerely,

Benjamin Hodges  
Merchants Bank

**PARTIAL TERMINATION AND RELEASE OF LIEN**

**THIS PARTIAL TERMINATION AND RELEASE OF LIEN** dated as of July 29<sup>th</sup>, 2015 (this "Agreement"), is from **MERCHANTS BANK**, having a place of business at 275 Kennedy Drive, South Burlington, VT 05403 (the "Secured Party") in favor of **RAILWAY SERVICES, INC.**, a Vermont corporation with a place of business at One Railway Lane, Burlington, Vermont 05401 (the "Debtor").

WHEREAS, pursuant to a Security Agreement dated May 30, 2014 between the Debtor and Secured Party (the "Security Agreement"), the Debtor granted a security interest in and to certain rolling stock owned by Debtor;

WHEREAS, the Security Agreement was filed with the Surface Transportation Board on June 23, 2014 as Recordation Number 31251;

WHEREAS, Debtor proposes to sell certain locomotive units secured by the Security Agreement and the Secured Party has agreed to release those units from the lien of the Security Agreement;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other valuable consideration, the receipt and sufficient of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. All right, title and interest of the Secured Party in and to the following locomotives is hereby released: VTR #301, GMRC #302, GMRC #304, GMRC #305 (also known as VTR #305), VTR #312.
2. The rights of Secured Party in the remaining Collateral described in the Security Agreement shall remain in full force and effect, and Secured Party's lien on the remaining Collateral shall not be prejudiced in any way by this Agreement.
3. Nothing in this Agreement affects any priority which may be claimed by the Secured Party by operation of law including, but not limited to, title 49 U.S.C. § 11301, the Uniform Commercial Code, and other applicable state and federal law.
4. This Agreement may be amended only by an agreement in writing signed by the parties hereto and shall specifically refer to itself as an amendment thereto. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns.
5. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE FEDERAL LAW OF THE UNITED STATES. TO THE EXTENT THAT FEDERAL LAW DOES NOT SPECIFY THE APPROPRIATE RULE OF DECISION FOR A PARTICULAR MATTER AT ISSUE, IT IS THE INTENTION AND AGREEMENT OF THE PARTIES HERETO THAT THE SUBSTANTIVE LAW OF THE DISTRICT OF COLUMBIA SHALL BE ADOPTED AS THE GOVERNING FEDERAL RULE OF DECISION.

6. This Agreement may be executed in several counterparts (or upon separate signature pages bound together into one or more counterparts), each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned duly authorized officers of the parties hereby have executed this agreement.

IN THE PRESENCE OF:

**DEBTOR**  
**RAILWAY SERVICES, INC.**

Daniel C. Morris  
Witness

By: [Signature]  
Duly Authorized Agent

Dated: 7/29/15

STATE OF VERMONT  
CHITTENDEN COUNTY, SS.

At Burlington, this 29<sup>th</sup> day of July, 2015 personally appeared Lisa Wukson, duly authorized agent of Railway Services, Inc. and he/she acknowledged this instrument, by him/her sealed and subscribed, to be his/her free act and deed, and the free act and deed of Railway Services, Inc.

Before me,

[Signature: Penny M. Cauble]  
Notary Public, My commission expires: 2/10/19

**SECURED PARTY**  
**MERCHANTS BANK**

Daniel C. Morris  
Witness

By: [Signature]  
Duly Authorized Agent

Dated: 7/29/15

STATE OF VERMONT  
CHITTENDEN COUNTY, SS.

At Burlington, this 29<sup>th</sup> day of July, 2015 personally appeared Ben Hodges, duly authorized agent of Merchants Bank and he/she acknowledged this instrument, by him/her sealed and subscribed, to be his/her free act and deed, and the free act and deed of Merchants Bank.

Before me,

[Signature: Penny M. Cauble]  
Notary Public, My commission expires: 2/10/19