9-305A004

October 31, 1989

Itel Rail Corporation
55 Francisco Street
San Francisco, CA 94133
(415) 984-4000
(415) 781-1035 Fax

RECORDATION NO. 11488-B FILED 1425

NOV 1 1989 -11 20 AM

INTERSTATE COMMERCE COMMISSION

Hon. Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

Re: Full Release and Termination of Security Agreement ("Release")

Dear Ms. McGee:

On behalf of Itel Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the $15 recordation fee.

Please record this Release under the Security Agreement and Mortgage (the "Security Agreement") dated in February, 1980, between Western Rail Road Company and First City National Bank of Houston ("First City"), which was filed with the ICC on February 12, 1980, under Recordation No. 11488.

The parties to the aforementioned instrument are listed below:

Western Rail Road Company (Debtor)
5303 Navigation
Houston, Texas 77011

First City National Bank of Houston (Lender)
1001 Main Street
Houston, Texas 77002

This Release terminates the Security Agreement in its entirety and completely releases First City of any security interest it may have had in the equipment identified therein.

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,

Patricia Schumacker

Patricia Schumacker
Legal Assistant

Interstate Commerce Commission

Washington, D.C. 20423

11/1/89

OFFICE OF THE SECRETARY

Patricia Schumacker
Legal Assistant

Itel Rail Corporation
55 Francisco Street
San Francisco,Calif. 94133

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 11/1/89 at 11:30am and assigned recordation number(s). 11488-B,11669-A,11794-A,11582-A,11719-A

Sincerely yours,

Noreta R. McGee

Noreta R. McGee
Secretary

Enclosure(s)

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INTERSTATE COMMERCE COMMISSION

FULL RELEASE AND TERMINATION OF SECURITY AGREEMENT

FIRST CITY, TEXAS- HOUSTON N.A. FORMERLY

This Full Release and Termination Agreement ("Release") is made as of October 13, 1989, by First City National Bank of Houston, a national banking association (the "Lender") in favor of Western Rail Road Company, a Texas corporation ("Western").

WHEREAS, Western entered into a purchase order letter agreement (the "Purchase Agreement") dated as of August 3, 1978, and accepted August 25, 1978, with Ortner Freight Car Company for the purchase of fifty (50) 2300 cubic foot, 100-ton, rapid discharge aggregate bottom dump railroad cars (the "Cars"); and

WHEREAS, Lender made a loan to Western and Western executed and delivered as evidence thereof a note dated as of January 8, 1980 (such note, including any and all renewals, rearrangements, modifications, and extensions thereof, the "Note"); and

WHEREAS, Western granted the Lender a security interest in the Cars and the Purchase Agreement, among other things (collectively, the "Collateral") by way of a Security Agreement and Mortgage, signed in February, 1980, as amended (as amended, the "Security Agreement") which was filed and recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. section 11303(a) on February 12, 1980, and given Recordation No. 11488; and

WHEREAS, Western has repaid its obligations with respect to the Note, including all outstanding principal plus accrued interest and fees and expenses to the date hereof, and has performed all other obligations under the Security Agreement; and

WHEREAS, the Lender has agreed to terminate the Security Agreement, and to release the security interests granted pursuant thereto.

NOW THEREFORE, in consideration of the foregoing and the terms of this Release:

(1) The Lender hereby acknowledges receipt of the entire outstanding principal balance, plus accrued interest thereon, plus any accrued fees and expenses, including, without limitation, all prepayment penalties, to the date of this Release, of funds advanced and fees and expenses incurred pursuant to the Note and the Lender hereby expressly declares all of the terms, provisions and covenants of the Note to be terminated and no longer in effect.

(2) The Lender hereby expressly relinquishes, releases and renders ineffective all of its rights, powers and interests derived from or arising under the Security Agreement and under any filings pertaining thereto, and the Lender hereby expressly declares all of the terms, provisions and covenants of the Security Agreement to be terminated and no longer in effect.

(3) The Lender hereby agrees to effect such other documents as are reasonably required by Western (at Western's sole cost and expense), to carry out the intent of this Release, including the execution and filing of Uniform Commercial Code termination statements and Interstate Commerce Commission filings.

(4) In case any provision is or obligation under this Release shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provision or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

(5) This Release shall be binding upon the parties hereto and their successors and assigns, for the uses and purposes above set forth and referred to effective immediately upon execution by the Lender and Western.

(6) This Release may be executed in counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same document.

(7) This Release shall be governed by and construed in accordance with the laws of the State of Texas, 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 Lender has executed and delivered this Release as of the date first above written.

FIRST CITY, TEXAS - HOUSTON N.A. FORMERLY

FIRST CITY NATIONAL BANK OF HOUSTON

By _____

Title VICE PRESIDENT

STATE OF)
) ss.
COUNTY OF)

FIRST CITY, TEXAS - HOUSTON N.A. FORMERLY

On this 13 day of October, 1989, before me personally appeared James S. Riley, Jr., to me personally known, who being by me duly sworn says that he is Vice President of FIrst City National Bank of Houston, that the foregoing Full Release and Termination Agreement was signed 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.

Karen E. Buckingham

NOTARY PUBLIC STATE OF TEXAS
KAREN E. BUCKINGHAM
Notary Public, State of Texas
My Commission Expires 2-3-92