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INSTRUMENT OF SATISFACTION, RELEASE, AND TERMINATION OF NOTE AND SECURITY AGREEMENT NO. 3 (the "INSTRUMENT"), dated as of January/2, 1999, by HITACHI CREDIT AMERICA CORPORATION ("HITACHI")

WITNESSETH

WHEREAS, by Note and Security Agreement No. 3 ("Security Agreement"), dated June 30, 1993, between HITACHI, as Lender, and U. S. TRUST COMPANY OF CALIFORNIA, N.A. ("U.S. TRUST"), as Debtor, not in its individual capacity but solely as Owner Trustee of that certain trust created under Trust Agreement dated as of March 31, 1993 by and among the U.S. TRUST, as Owner Trustee, and American Finance Group and AFG Investment Trust C, as Owner Participants, which was recorded at the Interstate Commerce Commission on July 1, 1993 in Recordation No. 17977-P, U.S. TRUST granted, gave, and assigned to HITACHI a security interest in and lien on the Collateral;

WHEREAS, the Collateral consists of the following property: (1) Lease Supplement No. A-3; (2) all Interim Rent, Basic Rent, Supplemental Rent, Stipulated Loss Values, Fair Market Values, and other moneys due or to become due to Debtor under the Lease; (3) all the Debtor's rights, but none of its obligations, as lessor under the Lease; (4) all the Debtor's right, title and interest in and to four SD-45-T2 3600 horsepower diesel electric locomotives numbered SP 9359, 9362, 9373, and 9385 (the "Equipment"); (5) all the Debtor's right, title and interest in and to all additions, replacements, accessions, substitutions and improvements to the Equipment which become incorporated in, or are replacements to the Equipment under the Lease; and (6) all proceeds of the foregoing;

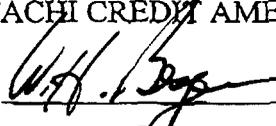
WHEREAS, HITACHI desires to execute this INSTRUMENT to evidence for the public record the satisfaction and release of all of the obligations of U.S. TRUST and rights of HITACHI to the Collateral under the Security Agreement.

NOW, THEREFORE, in consideration of the premises:

HITACHI does hereby acknowledge and confirm for the public record the satisfaction, release, and termination of its security interest, and all rights and obligations arising under the Security Agreement with respect to the Collateral.

IN WITNESS WHEREOF, HITACHI has executed or caused this Instrument to be executed as of the date first above written.

HITACHI CREDIT AMERICA CORPORATION

By: 

William H. Eosgen
Executive Vice President
Chief Operating Officer

STATE OF New York)
COUNTY OF Westchester)ss:

On this 17 day of January 1999, before me personally appeared William H. Pagan, to me personally known, who being by me duly sworn, did say that he is an Authorized Officer of Hitachi Credit America Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and that he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

ELIZABETH ANNE BIGLEY
Notary Public, State of New York
No. 4963278
Qualified in Westchester County
Commission Expires July 10, 1999

(Seal)

Elizabeth Anne Bigley
Notary Public

My Commission Expires: 7/10/99