

ITEL

May 23, 1991.

Hon. Sidney L. Strickland, Jr., Esq.
Secretary
Interstate Commerce Commission
Washington, DC 20423

Re: **Termination Agreement**

IteI Rail Corporation

550 California Street
San Francisco, CA 94104
(415) 984-4200

RECORDATION NO. 9407 REC 145

MAY 24 1991 - 10 - AM

INTERSTATE COMMERCE COMMISSION

1-144A006

Dear Mr. Strickland:

On behalf of IteI Rail Corporation, the above instruments, in three (3) 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 Termination Agreement under the Equipment Lease Agreement dated December 23, 1977, between IteI Rail Corporation and Sabine River and Northern Railroad Company, which was filed with the ICC on May 26, 1978, under Recordation No. 9407.

The parties to the aforementioned Termination Agreement are listed below:

IteI Rail Corporation (Sublessor)
550 California Street
San Francisco, California 94104

Sabine River and Northern Railroad Company (Sublessee)
Old Highway 87 North
Orange, Texas 77630

This Termination Agreement terminates the subject Lease in its entirety as of October 1, 1990.

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

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9407-18
REGISTRATION NO. FILED 1488

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TERMINATION AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT ("Termination Agreement") to terminate the lease agreement dated as of December 23, 1977, as amended (the "Agreement Dated December 23, 1977"), between ITEL RAIL CORPORATION, ("Lessor"), and SABINE RIVER AND NORTHERN RAILROAD COMPANY ("Lessee"), is made this 14th day of May, ~~1990~~ 1991.

R E C I T A L S:

- A. Lessor and Lessee are parties to the Agreement Dated December 23, 1977 pursuant to which ninety-nine (99) boxcars bearing the reporting marks from within the series SRN 5300-5399 (the "Cars") were leased by Lessor to Lessee.
- B. The parties desire to terminate the Agreement Dated December 23, 1977 and enter the Cars into a new agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree to the following:

- 1. Effective upon the full execution of the lease agreement dated May 2, 1990, between Lessor and Lessee ("Lease Agreement") and Schedule No. 5 dated May 14, 1991, ~~1990~~ to the Lease Agreement, the termination of the Agreement Dated December 23, 1977 shall be deemed to have become effective as of October 1, 1990.
- 2. Any obligations under the Agreement Dated December 23, 1977 with respect to the Cars incurred prior to such termination shall survive the termination of the Agreement Dated December 23, 1977 with respect to such Cars. Any obligations of either party, the terms of which provide that they shall survive termination of the Agreement Dated December 23, 1977, shall survive, including without limitation indemnity obligations.

Each party, pursuant to due corporate authority, has caused this Termination Agreement to be executed by its authorized officer, and each of the undersigned hereto declares pursuant to 28 U.S.C. Section 1746 under penalty of perjury that the foregoing is true and correct and was executed on the date indicated below its signature.

ITEL RAIL CORPORATION

By: *Michael A. Smith*

Title: VP SALES

Date: 5/14/91

SABINE RIVER AND NORTHERN RAILROAD COMPANY

By: *Jerry Montgomery*

Title: Exec. V.P.

Date: 5/8/91