

BALL JANIK LLP

A T T O R N E Y S

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June 2, 1998

RECORDATION NO. 18175-D FILED

JUN 2 '98 3-31 PM

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed the original and one certified copy of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Declaration of Full Payment, a secondary document, dated May 11, 1998. The primary document to which this is connected is recorded under Recordation No. 18175. We request that one copy of this document be recorded under Recordation No. 18175-D.

The name and address of the party to the Declaration of Full Payment is:

Lender:

Charter Financial, Inc.
155 East 53rd Street
New York, NY 10022

A description of the equipment covered by the Declaration of Full Payment consists of two GP-38 locomotives numbered P&LE 2057 and 2058.

A fee of \$26.00 is enclosed. Please return the original of the document to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

Counterparts of [Signature]

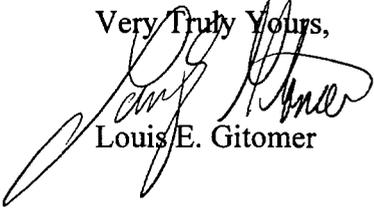
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Honorable Vernon A. Williams
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A short summary of the document to appear in the index follows: a Declaration of Full Payment by Charter Financial, Inc., 155 East 53rd Street, New York, NY 10022, covering two GP-38 locomotives numbered P&LE 2057 and 2058.

Very Truly Yours,



Louis E. Gitomer

Enclosures

RECORDATION NO. 18175-D FILED

Purchase Money Security Agreement No. 1818

JUN 2 '98

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DECLARATION OF FULL PAYMENT

CHARTER FINANCIAL, INC., a company organized and existing under and by virtue of the laws of the State of New York, does hereby certify that certain Purchase Money Security Agreement No. 1818 dated March 8, 1993, by and between Rail America, Inc., Huron and Eastern Railway Company, Inc., Saginaw Valley Railway Company, Inc. and RailAmerica Services Corporation (together, the "Lessees") (the "Equipment Lease") covering the lease of two GP-38-2 locomotives has been fully satisfied, paid and discharged.

Charter Financial, Inc. does hereby acknowledge and declare that Equipment Lease has been paid in full; that the Lessees have paid all payments and charges required to have been paid to Charter Financial, Inc. therein; and that the Equipment Lease has terminated.

Charter Financial, Inc. does hereby consent that the records of its title to all the equipment covered by said Equipment Lease be canceled and discharged and that this Declaration may be filed or recorded or noted on the margin of the Equipment Lease wherever the same may have been filed or recorded.

IN WITNESS WHEREOF, Charter Financial, Inc. has caused this instrument to be executed by a duly authorized officer this 11 day of May, 1998.

CHARTER FINANCIAL, INC.

By: [Signature]
Its: Manager Credit Admin

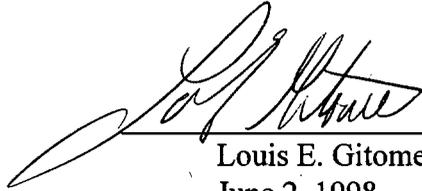
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ATTEST

[Signature]
SECRETARY

CERTIFICATION

I, LOUIS E. GITOMER, have compared this copy to the original Declaration of Full Payment dated May 11, 1998, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.



Louis E. Gitomer
June 2, 1998