

Counterparts - Betty Graham

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N W
SUITE 200
WASHINGTON, D C

ELIAS C ALVORD (1942)
ELLSWORTH C ALVORD (1964)

20006-2973

OF COUNSEL
URBAN A. LESTER

(202) 393-2266

FAX (202) 393-2156

RECORDATION NO 16823-D TE
FILED 1425

October 25, 1996

OCT 25 1996 . . . PM

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three copies each of the following two documents: (1) a Supplemental Indenture Agreement and (2) a Release and Modification No. 1 to the Indenture, both dated as of October 11, 1996, and both being secondary documents as defined in the Board's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The enclosed documents relate to the Indenture dated as of March 1, 1990, which was duly filed with the Commission under Recordation Number 16823.

The name and address of the parties to the enclosed documents are:

Owner: Railcar Associates, L.P.
33 West Monroe Street
Chicago, Illinois 60603

Trustee: Texas Commerce Bank, National Association
600 Travis Street, 8th Floor
Houston, Texas 77002

A description of the reporting marks and road numbers of the railroad equipment being released from the Indenture, as modified, is set forth in Schedule A of the Release and Modification No. 1 to the Indenture. A description of the reporting marks and road numbers of the railroad equipment

Mr. Vernon A. Williams
October 25, 1996
Page 2

being added to the lien of the Indenture, as modified, is set forth in Schedule B of the Release and Modification No. 1 to the Indenture.

Also enclosed is a check in the amount of \$44.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed documents to the undersigned.

Very truly yours,

A handwritten signature in black ink that reads "Robert W. Alvord". The signature is written in a cursive style with a large, prominent "R" and "A".

Robert W. Alvord

RWA/bjg
Enclosures

OCT 25 1996 12 05 PM

SUPPLEMENTAL INDENTURE AGREEMENT

THIS SUPPLEMENTAL INDENTURE AGREEMENT dated as of October 11, 1996, is entered into by and between RAILCAR ASSOCIATES, L.P. (hereinafter referred to as the "Company"), successor in interest to IteL Rail Funding Corporation and IteL Rail Corporation, and TEXAS COMMERCE BANK NATIONAL ASSOCIATION, a national banking association, as Trustee (hereinafter referred to as the "Trustee").

PRELIMINARY STATEMENT

The Company and the Trustee have entered into an Indenture dated as of March 1, 1990 (the "Original Indenture"), which has been amended by the First Supplemental Indenture dated as of March 1, 1990 (the "Supplement") and further amended by the Consent, Waiver, Amendment, Assignment and Assumption dated as of March 2, 1992 (the "Consent") (the Original Indenture, the Supplement and the Consent are hereinafter referred to as the "Indenture"). The parties desire to provide for the release of the lien of the Indenture for certain of the units of Equipment subject thereto in certain events and substitute for such released units other equipment. Article Nine of the Indenture provides that the Company and the Trustee may enter into a Supplemental Indenture modifying the provisions of the Indenture.

NOW THEREFORE, in consideration of the premises, the mutual covenants contained herein and for other good and valuable consideration, the parties agree as follows:

AGREEMENT

1. For all purposes of this Supplemental Indenture, and unless the context otherwise requires, all capitalized terms used herein shall have the meaning assigned to them in the Indenture.

2. The Indenture is hereby amended to add the following paragraph to Section 2.2(a) of the Consent:

Nonearning Units. The Company shall be entitled to obtain a release from the lien of this Indenture for any unit of Equipment which is nonearning and surplus to the needs of the Company (a "Nonearning Unit") and any Lease Contract to the extent it relates to such Nonearning Unit upon satisfaction of the following conditions:

(i) Such Nonearning Unit is identified in a certificate, executed by an authorized officer of the Company, as nonearning and surplus to the needs of the Company;

(ii) The Company identifies in a certificate, executed by an authorized officer of the Company, "Substitute Units" having a fair market value of not less than the released Nonearning Units and which shall have a remaining useful life at the time they become subject to this Indenture at least equal to the remaining useful life of the Nonearning Units, such certificate shall certify as to the fair market value and remaining useful life of both the Nonearning Unit and the Substitute Unit(s), and

(iii) The Company shall execute and deliver such documents and complete such acts as necessary or as reasonably required by the Trustee to submit the Substitute Units to the lien of this Indenture.

Upon satisfaction of the foregoing conditions, the Trustee shall release from the lien of this Indenture and deliver to or upon the order of the Company each Nonearning Unit described in the Company's certificate and shall execute such other and further documents to evidence such release as may be reasonably requested by the Company or its counsel evidencing such release and the release of any Lease Contract to the extent it relates to such Nonearning Unit. Except with respect to the Nonearning Units and any Lease Contracts to the extent they relate to such Nonearning Units, no such release shall affect any of the obligations of the Company contained in the Indenture, and specifically, all payment obligations contained in the Indenture shall remain unaltered.

3. Upon the execution of this Supplemental Indenture, the Indenture shall be deemed to be modified as herein provided, and thereafter the Indenture shall be read in connection with this Supplemental Indenture with the same force and effect as if the addition set forth in this Supplemental Indenture had been a part of the Indenture at the time of the execution and delivery of the Indenture.

IN WITNESS WHEREOF, the Company and the Trustee have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective corporate seals, duly attested, to be hereunto affixed as of the day and year first above written.

RAILCAR ASSOCIATES, L.P.

By: GE RAILCAR ASSOCIATES, INC., as general partner

By W. T. [Signature]
ITS Executive Vice President

ATTEST:

By [Signature]
ITS Asst. Secretary

TEXAS COMMERCE BANK NATIONAL ASSOCIATION

By [Signature]
ITS AVP

ATTEST

By [Signature]
ITS AVP & TO

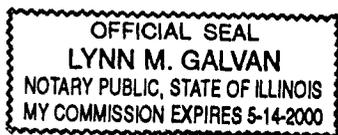
ACKNOWLEDGEMENTS

STATE OF Illinois)
) SS
COUNTY OF Cook)

The forgoing instrument was acknowledged before me this 11th day of October, 1996 by Robert H. Tucker, EV of GE RAILCAR ASSOCIATES, INC., general partner on behalf of RAILCAR ASSOCIATES, L P, a limited partnership.

Lynn M. Galvan
Notary Public

(SEAL)

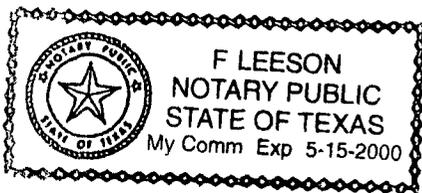


STATE OF TEXAS)
) SS
COUNTY OF HARRIS)

The forgoing instrument was acknowledged before me this 10/15, 1996 by Terry L. Stewart, the AVP of TEXAS COMMERCE BANK NATIONAL ASSOCIATION, a national banking association, on behalf of the association.

F Leeson
Notary Public

(SEAL)



AUTHORIZATION AND DIRECTION

The undersigned, Holders under the terms of an Indenture dated as of March 1, 1990, among RAILCAR ASSOCIATES, L.P. (hereinafter referred to as the "Company"), successor in interest to Itel Rail Funding Corporation and Itel Rail Corporation, and TEXAS COMMERCE BANK NATIONAL ASSOCIATION, a national banking association, as Trustee (hereinafter referred to as the "Trustee"), hereby authorize and direct the Trustee to execute and deliver the Supplemental Indenture Agreement between the Company and the Trustee in the form attached hereto. The Holders hereby further authorize and direct the Trustee to execute such other documents and to take all such other actions as may be necessary or appropriate in connection with execution of the Supplemental Indenture Agreement.

THE CANADA LIFE ASSURANCE
COMPANY

BY: _____
TITLE: _____
DATE: _____

CIGNA & CO.

BY: _____
TITLE: _____
DATE: _____

ZANDE & CO.

BY: _____
TITLE: _____
DATE: _____

THE OHIO NATIONAL LIFE
INSURANCE COMPANY

BY: Michael A. [Signature]
TITLE: Vice President Fixed Income Securities
DATE: 2-21-96

AID ASSOCIATION FOR LUTHERANS

BY: _____
TITLE: _____
DATE: _____

THE FRANKLIN LIFE INSURANCE
COMPANY

BY: _____
TITLE: _____
DATE: _____

PAN AMERICAN LIFE INSURANCE
COMPANY

BY: _____
TITLE: _____
DATE: _____

AUTHORIZATION AND DIRECTION

The undersigned, Holders under the terms of an Indenture dated as of March 1, 1990, among RAILCAR ASSOCIATES, L.P. (hereinafter referred to as the "Company"), successor in interest to Irel Rail Funding Corporation and Irel Rail Corporation, and TEXAS COMMERCE BANK NATIONAL ASSOCIATION, a national banking association, as Trustee (hereinafter referred to as the "Trustee"), hereby authorize and direct the Trustee to execute and deliver the Supplemental Indenture Agreement between the Company and the Trustee in the form attached hereto. The Holders hereby further authorize and direct the Trustee to execute such other documents and to take all such other actions as may be necessary or appropriate in connection with execution of the Supplemental Indenture Agreement.

THE CANADA LIFE ASSURANCE COMPANY

BY: _____
TITLE: _____
DATE: _____

CIGNA & CO.

BY: _____
TITLE: _____
DATE: _____

ZANDE & CO.

BY: _____
TITLE: _____
DATE: _____

THE OHIO NATIONAL LIFE INSURANCE COMPANY

BY: _____
TITLE: _____
DATE: _____

AID ASSOCIATION FOR LUTHERANS

BY: _____
TITLE: _____
DATE: _____

THE FRANKLIN LIFE INSURANCE COMPANY
THE AMERICAN FRANKLIN LIFE INSURANCE COMPANY
AMERICAN GENERAL LIFE INSURANCE COMPANY
OF NEW YORK, successor by merger to
The Franklin United Life Insurance Company

BY: Julia S. Tucker
TITLE: Investment Officer
DATE: _____

BY: _____
TITLE: _____
DATE: _____

BY: _____
TITLE: _____
DATE: _____

PAN AMERICAN LIFE INSURANCE COMPANY

BY: _____
TITLE: _____
DATE: _____

AUTHORIZATION AND DIRECTION

The undersigned, Holders under the terms of an Indenture dated as of March 1, 1990, among RAILCAR ASSOCIATES, L.P. (hereinafter referred to as the "Company"), successor in interest to IteI Rail Funding Corporation and IteI Rail Corporation, and TEXAS COMMERCE BANK NATIONAL ASSOCIATION, a national banking association, as Trustee (hereinafter referred to as the "Trustee"), hereby authorize and direct the Trustee to execute and deliver the Supplemental Indenture Agreement between the Company and the Trustee in the form attached hereto. The Holders hereby further authorize and direct the Trustee to execute such other documents and to take all such other actions as may be necessary or appropriate in connection with execution of the Supplemental Indenture Agreement.

THE CANADA LIFE ASSURANCE COMPANY

BY: _____
TITLE: _____
DATE: _____

CIGNA & CO.

BY: J. F. Zande
TITLE: Partner
DATE: 2/26/96

ZANDE & CO.

BY: _____
TITLE: _____
DATE: _____

THE OHIO NATIONAL LIFE INSURANCE COMPANY

BY: _____
TITLE: _____
DATE: _____

AID ASSOCIATION FOR LUTHERANS

BY: _____
TITLE: _____
DATE: _____

THE FRANKLIN LIFE INSURANCE COMPANY

BY: _____
TITLE: _____
DATE: _____

PAN AMERICAN LIFE INSURANCE COMPANY

BY: _____
TITLE: _____
DATE: _____

AUTHORIZATION AND DIRECTION

The undersigned, Holders under the terms of an Indenture dated as of March 1, 1990, among RAILCAR ASSOCIATES, L.P. (hereinafter referred to as the "Company"), successor in interest to IteI Rail Funding Corporation and IteI Rail Corporation, and TEXAS COMMERCE BANK NATIONAL ASSOCIATION, a national banking association, as Trustee (hereinafter referred to as the "Trustee"), hereby authorize and direct the Trustee to execute and deliver the Supplemental Indenture Agreement between the Company and the Trustee in the form attached hereto. The Holders hereby further authorize and direct the Trustee to execute such other documents and to take all such other actions as may be necessary or appropriate in connection with execution of the Supplemental Indenture Agreement.

THE CANADA LIFE ASSURANCE COMPANY

BY: _____
TITLE: _____
DATE: _____

CIGNA & CO.

BY: _____
TITLE: _____
DATE: _____

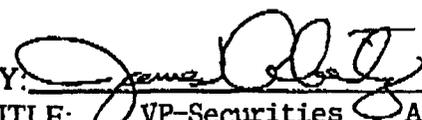
ZANDE & CO.

BY: _____
TITLE: _____
DATE: _____

THE OHIO NATIONAL LIFE INSURANCE COMPANY

BY: _____
TITLE: _____
DATE: _____

AID ASSOCIATION FOR LUTHERANS

BY:  
TITLE: VP-Securities Asst. VP-Securities
DATE: May 30, 1996

THE FRANKLIN LIFE INSURANCE COMPANY

BY: _____
TITLE: _____
DATE: _____

PAN AMERICAN LIFE INSURANCE COMPANY

BY: _____
TITLE: _____
DATE: _____

AUTHORIZATION AND DIRECTION

The undersigned, Holders under the terms of an Indenture dated as of March 1, 1990, among RAILCAR ASSOCIATES, L.P. (hereinafter referred to as the "Company"), successor in interest to Irel Rail Funding Corporation and Irel Rail Corporation, and TEXAS COMMERCE BANK NATIONAL ASSOCIATION, a national banking association, as Trustee (hereinafter referred to as the "Trustee"), hereby authorize and direct the Trustee to execute and deliver the Supplemental Indenture Agreement between the Company and the Trustee in the form attached hereto. The Holders hereby further authorize and direct the Trustee to execute such other documents and to take all such other actions as may be necessary or appropriate in connection with execution of the Supplemental Indenture Agreement.

THE CANADA LIFE ASSURANCE COMPANY

BY: _____
TITLE: _____
DATE: _____

CIGNA & CO.

BY: _____
TITLE: _____
DATE: _____

ZANDE & CO.

BY: _____
TITLE: _____
DATE: _____

THE OHIO NATIONAL LIFE INSURANCE COMPANY

BY: _____
TITLE: _____
DATE: _____

AID ASSOCIATION FOR LUTHERANS

BY: _____
TITLE: _____
DATE: _____

THE FRANKLIN LIFE INSURANCE COMPANY

BY: _____
TITLE: _____
DATE: _____

PAN AMERICAN LIFE INSURANCE COMPANY

BY: *[Signature]*
TITLE: _____
DATE: **F. ANDERSON STONE**
VICE PRESIDENT
CORPORATE SECURITIES
5/1/96

AUTHORIZATION AND DIRECTION

The undersigned, Holders under the terms of an Indenture dated as of March 1, 1990, among RAILCAR ASSOCIATES, L.P. (hereinafter referred to as the "Company"), successor in interest to Irel Rail Funding Corporation and Irel Rail Corporation, and TEXAS COMMERCE BANK NATIONAL ASSOCIATION, a national banking association, as Trustee (hereinafter referred to as the "Trustee"), hereby authorize and direct the Trustee to execute and deliver the Supplemental Indenture Agreement between the Company and the Trustee in the form attached hereto. The Holders hereby further authorize and direct the Trustee to execute such other documents and to take all such other actions as may be necessary or appropriate in connection with execution of the Supplemental Indenture Agreement.

INCE & CO., AS NOMINEE FOR;
THE CANADA LIFE ASSURANCE
COMPANY

AID ASSOCIATION FOR LUTHERANS

BY: *N Van Soest*
TITLE: *Partner*
DATE: *5-6-96*

BY: _____
TITLE: _____
DATE: _____

CIGNA & CO

THE FRANKLIN LIFE INSURANCE
COMPANY

BY: _____
TITLE: _____
DATE: _____

BY: _____
TITLE: _____
DATE: _____

ZANDE & CO.

PAN AMERICAN LIFE INSURANCE
COMPANY

BY: _____
TITLE: _____
DATE: _____

BY: _____
TITLE: _____
DATE: _____

THE OHIO NATIONAL LIFE
INSURANCE COMPANY

BY: _____
TITLE: _____
DATE: _____



Reference: Request for supplemental indenture dated FEB 12, 1996.