

Counterparts - Betty Graham

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
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ELLSWORTH C ALVORD (1964)

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16823-D TE  
FILED 1425

October 25, 1996

OCT 25 1996

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  
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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 initial "R".

Robert W. Alvord

RWA/bjg  
Enclosures

16823-E

10/11/96

**RELEASE AND MODIFICATION NO. 1, DATED AS OF October 11, 1996  
TO THE INDENTURE BETWEEN RAILCAR ASSOCIATES, L.P.  
(successor in interest to ITEL Rail Funding Corporation and ITEL Rail Corporation)  
AND  
TEXAS COMMERCE BANK NATIONAL ASSOCIATION**

**WHEREAS, ITEL RAIL FUNDING CORPORATION ("Funding"), TEXAS COMMERCE BANK NATIONAL ASSOCIATION, as Trustee (the "Trustee"), and ITEL RAIL CORPORATION ("Rail"), as Servicer, entered into an Indenture dated as of March 1, 1990, which Indenture was filed with the Interstate Commerce Commission ("ICC") pursuant to 49 U.S.C. Section 11303(a) on April 2, 1990, and given Recordation No. 16823; and**

**WHEREAS, the Indenture was supplemented by a First Supplemental Indenture, (the "First Supplemental Indenture") dated as of March 1, 1990, among Funding, the Trustee and Rail, which First Supplemental Indenture was filed with the ICC pursuant to 49 U.S.C. Section 11303(a), on April 2, 1990, and given Recordation No. 16823-A and further amended by the Consent, Waiver, Amendment, Assignment and Assumption dated as of March 2, 1992 (the "Consent") and further amended by the Supplemental Indenture Agreement dated as of October 11, \_\_\_\_\_, 1996 (as supplemented and amended, the "Indenture"); and**

**WHEREAS, to secure the payment and performance obligations of Funding under the Indenture, Funding granted to the Trustee a security interest in its rights to certain Lease Contracts, including related Lease Receivables, and to certain Equipment (all as defined in the Indenture); and**

**WHEREAS, Funding and Rail are parties to a Contribution Agreement dated as of March 1, 1990, which Contribution Agreement was filed with the ICC pursuant to 49 U.S.C. Section 11303(a) on March 30, 1990, and given Recordation No. 16819; and**

**WHEREAS, Funding, Rail and the Trustee are parties to a Servicing Agreement (the "Servicing Agreement"), dated as of March 1, 1990, pursuant to which Rail, as servicer, agreed to service the Lease Contracts; and**

**WHEREAS, RAILCAR ASSOCIATES, L.P. (hereinafter referred to as the "Company") has succeeded to the interests of Funding and Rail in the Indenture, the Contribution Agreement and the Servicing Agreement; and**

**WHEREAS, the Indenture requires the Trustee to release its security interest in certain Lease Contracts and Equipment under certain circumstances, and**

**WHEREAS, circumstances requiring such release have occurred, and the Company desires that the Trustee, pursuant to the Indenture, release its security interest in the related Lease Contracts and Equipment as identified in Exhibit A attached hereto.**

**NOW, THEREFORE, pursuant to the premises and the covenants and promises contained in the Indenture, the parties agree as follows:**

1. All capitalized terms used herein shall have the meanings ascribed to them in the Indenture, unless otherwise stated.
2. To induce the Trustee to execute this Release, the Company represents and warrants to the Trustee as follows:
  - (a) The Company is entitled to this Release pursuant to the Indenture;
  - (b) Exhibit A attached hereto, identifies certain Nonearning Units;
  - (c) Exhibit B attached hereto, identifies certain Substitute Units;
  - (d) The fair market value and remaining useful life of the Substitute Units are no less than that of the Nonearning Units;
  - (e) The Company has furnished simultaneously herewith the officer's Certificates required by the Indenture in order to obtain this Release.
3. In reliance upon the representations contained in paragraph 2 above and in the Officer's Certificates, Trustee hereby fully, completely and irrevocably releases, without representation, warranty or recourse, any security interest or lien it has or might have in the Lease Contracts and the Equipment identified on Exhibit A attached hereto.
4. The Substitute Units are hereby submitted to the lien of the Indenture and are added to Schedule A to the First Supplemental Indenture.
5. Except as expressly modified hereby, Schedule A to the First Supplemental Indenture remains in full force and effect.

**IN WITNESS WHEREOF**, the parties have executed this Release as of the date hereof.

**RAILCAR ASSOCIATES, L.P.**

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

By   
Name. Robert H. Tucker  
Title. Executive Vice President

**TEXAS COMMERCE BANK NATIONAL ASSOCIATION, as Trustee**

By   
Name **TERRY STEWART**  
Title **AVP & TRUST OFFICER**

## EXHIBIT A

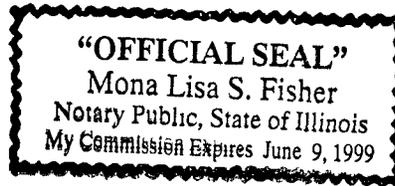
- (A) the railcars listed on Schedule 1 attached hereto, together with all accessories, parts, appurtenances, repairs, replacements, substitutions, attachments, modifications, renewals, additions, improvements, upgrades and accessions and accumulations thereto (the "Equipment"); and
- (B) all right, title and interest of the Company in any lease, sublease, bailment or other contract or contract right, and all claims, rights, powers, privileges and remedies thereunder, whether presently existing or hereafter arising, as and to the extent such relate to the Equipment (as and to the extent the foregoing relate to the Equipment, collectively, the "Lease Contracts"); and
- (C) any and all proceeds of the Equipment and the Lease Contracts, including without limitation, any and all proceeds of insurance, indemnity, warranty or guaranty payable with respect to the Equipment; any and all payment (in any form whatsoever) made or due and payable in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any of the Equipment by any governmental body, authority, bureau or agency; and all payments, rents, issues, profits, revenues and other monies due and to become due under, and all claims for damages arising out of the breach of, any Lease, as and to the extent such Lease relates to the Equipment.

ACKNOWLEDGEMENTS

STATE OF Illinois )  
 ) SS  
COUNTY OF Cook )

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

Meggy  
Notary Public



(SEAL)

STATE OF TEXAS )  
 ) SS  
COUNTY OF HARRIS )

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

F. Leeson  
Notary Public

(SEAL)

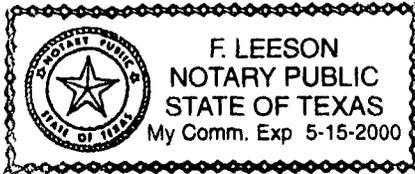


EXHIBIT A

CTBYOWN1 CAR CT BY OWNER CODE SORTED BY MINOR CAR TYPE - TAD

CAR NUMBER	CMP	ASSET DESCRIPTION
EELX010000	0	GONDOLAS
EELX010001	0	GONDOLAS
EELX010002	0	GONDOLAS
EELX010003	0	GONDOLAS
EELX010004	0	GONDOLAS
EELX010005	0	GONDOLAS
EELX010006	0	GONDOLAS
EELX010007	0	GONDOLAS
EELX010009	0	GONDOLAS
EELX010010	0	GONDOLAS
EELX010011	0	GONDOLAS
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EELX010013	0	GONDOLAS
EELX010014	0	GONDOLAS
EELX010015	0	GONDOLAS
EELX010016	0	GONDOLAS
EELX010017	0	GONDOLAS
EELX010018	0	GONDOLAS
EELX010019	0	GONDOLAS
EELX010020	0	GONDOLAS
EELX010021	0	GONDOLAS
EELX010022	0	GONDOLAS
EELX010023	0	GONDOLAS
EELX010024	0	GONDOLAS
EELX010025	0	GONDOLAS
EELX010027	0	GONDOLAS
EELX010028	0	GONDOLAS
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EELX010037	0	GONDOLAS
EELX010038	0	GONDOLAS
EELX010040	0	GONDOLAS
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EELX010042	0	GONDOLAS
EELX010043	0	GONDOLAS
EELX010044	0	GONDOLAS
EELX010045	0	GONDOLAS
EELX010046	0	GONDOLAS
EELX010047	0	GONDOLAS
EELX010048	0	GONDOLAS

## TADCARS1

EELX010049	0 GONDOLAS
EELX010050	0 GONDOLAS
EELX010051	0 GONDOLAS
EELX010052	0 GONDOLAS
EELX010053	0 GONDOLAS
EELX010054	0 GONDOLAS
EELX010056	0 GONDOLAS
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EELX010100	0 GONDOLAS
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EELX010102	0 GONDOLAS
EELX010103	0 GONDOLAS
EELX010104	0 GONDOLAS
EELX010105	0 GONDOLAS
EELX010107	0 GONDOLAS

TADCARS1

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EELX010110	0 GONDOLAS
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EELX010112	0 GONDOLAS
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USLX046049	0 GONDOLAS
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USLX046053	0 GONDOLAS
USLX046054	0 GONDOLAS
USLX046056	0 GONDOLAS
USLX046057	0 GONDOLAS

TADCARS1

USLX046058	0 GONDOLAS
USLX046059	0 GONDOLAS
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USLX046061	0 GONDOLAS
USLX046062	0 GONDOLAS
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USLX046091	0 GONDOLAS
USLX046092	0 GONDOLAS
USLX046094	0 GONDOLAS
USLX046095	0 GONDOLAS
USLX046096	0 GONDOLAS
USLX046097	0 GONDOLAS
USLX046098	0 GONDOLAS
USLX046099	0 GONDOLAS

184 cars

**ALL OF THESE CARS HAVE NO REMAINING USEFUL LIFE.**