

ITEL

February 12, 1992

Itel Rail Corporation

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

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

Re: Release and Termination

Dear Mr. Strickland:

On behalf of Itel Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$16 recordation fee.

Please record the Release and Termination under the Loan and Security Agreement dated as of April 27, 1990, between The CIT Group/Equipment Financing, Inc. and Rex Railways, Inc., which was filed with the ICC on April 27, 1990, under Recordation No. 16852.

The parties to the aforementioned instrument are listed below:

Rex Railways, Inc. (Debtor)
550 California Street
San Francisco, California 94104

The CIT Group/Equipment Financing, Inc. (Secured Party)
300 South Grand Avenue
Los Angeles, California 90071

Effective as of February 6, 1992, the Loan and Security Agreement is terminated in its entirety.

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
Legal Assistant

16852 A
FEB 14 1992 9:05 AM
INTERSTATE COMMERCE COMMISSION

EB 14 8 54 AM '92
RECORDATION UNIT

Interstate Commerce Commission
Washington, D.C. 20423

2/14/92

OFFICE OF THE SECRETARY

Patricia Schumacker

Legal Assistant

Itel Rail Corporation

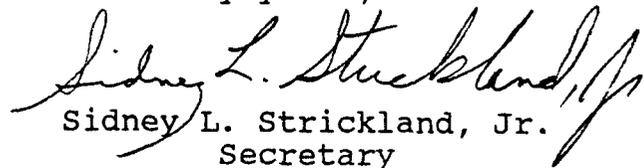
550 California Street

San Francisco, California 94104

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 2/14/92 at 9:05am , and assigned recordation number(s). 16852-A

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

16852-A
FEB 14 1992

RELEASE AND TERMINATION

FEB 14 1992 - 9 05 AM
INTERSTATE COMMERCE COMMISSION

RELEASE AND TERMINATION (THE "RELEASE") dated as of February 6, 1992, between THE CIT GROUP/EQUIPMENT FINANCING, INC., a New York corporation ("CIT") and REX RAILWAYS, INC., a New Jersey corporation ("Rex Railways").

WHEREAS, CIT made a loan to Rex Railways pursuant to a Loan and Security Agreement dated as of April 27, 1990 (the "Loan and Security Agreement"), which was filed with the Interstate Commerce Commission pursuant to U.S.C. Section 11303(a) on April 27, 1990, and given Recordation No. 16852; and

WHEREAS, Rex Railways issued a promissory note (the "Note") to CIT pursuant to the Loan and Security Agreement; and

WHEREAS, as security for amounts due CIT and for performance of its obligation under the Loan and Security Agreement, Rex Railways granted to CIT a security interest in the Collateral (as defined in the Loan and Security Agreement); and

WHEREAS, IteL Rail Corporation ("Rail"), the parent corporation of Rex Railways, guaranteed the obligations of Rex Railways under the Loan and Security Agreement pursuant to a Guaranty Agreement, dated as of April 27, 1990 (the "Guaranty"), made by Rail in favor of CIT; and

WHEREAS, the Note was paid in full on February 6, 1992, the term of the Loan and Security Agreement expired on February 6, 1992, and the Guaranty has been extinguished; and

WHEREAS, pursuant to the terms of the Loan and Security Agreement, CIT has agreed to release its security interest in the Collateral (as defined in the Loan and Security Agreement), make the termination of the Loan and Security Agreement a matter of public record and to make clear upon the public record that the Guaranty has been extinguished.

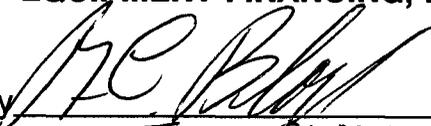
NOW, THEREFORE, CIT and Rex Railways agree as follows:

1. Effective as of February 6, 1992, the Loan and Security Agreement is hereby terminated in its entirety, except as to any rights and obligations that may, by their terms, survive expiration or termination.
2. CIT fully, completely and irrevocably releases any interest it has or might have in and to the Collateral identified on Exhibit A to the Loan and Security Agreement.

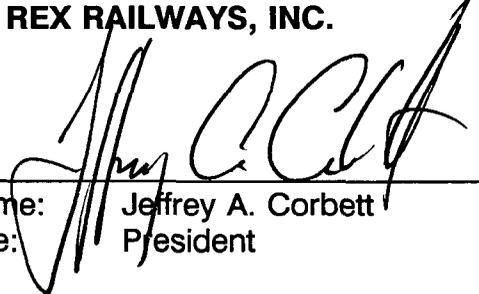
3. CIT acknowledges that the Guaranty has been extinguished, effective as of February 6, 1992, and hereby releases Rail from all obligations thereunder.
4. CIT will, at Rex Railways' expense, from time to time, do and perform any other act and will execute and acknowledge any and all further instruments required by law or reasonably requested and prepared by Rex Railways in order to release or convey to Rex Railways any interests which CIT has or may have in the Collateral.
5. This Release shall be governed by and construed in accordance with the laws of the State of New York, but the parties shall be entitled to all rights conferred by the laws of the United States permitting filing with the Interstate Commerce Commission.

IN WITNESS WHEREOF, the parties have executed and delivered this Release as of the date first above written.

**THE CIT GROUP/
EQUIPMENT FINANCING, INC.**

By 
Name: T. C. BLOCH
Title: SENIOR VICE PRESIDENT

REX RAILWAYS, INC.

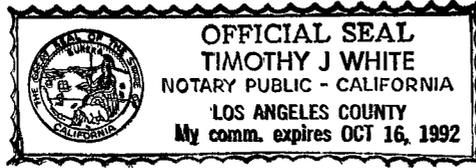
By 
Name: Jeffrey A. Corbett
Title: President

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

) ss.
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On this 11th day of FEBRUARY, 1992, before me personally appeared I. C. BLOCH personally known to me to be the person who executed the within instrument as SENIOR VICE PRESIDENT of The CIT Group/Equipment Financing, Inc. and acknowledged to me that the corporation executed it.



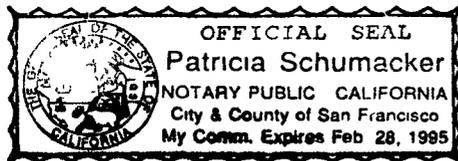
Timothy J. White
Notary Public

STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

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) ss.
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On this 10th day of February, 1992, before me personally appeared Jeffrey A. Corbett, personally known to me to be the person who executed the within instrument as President of Rex Railways, Inc. and acknowledged to me that the corporation executed it.



Patricia Schumacker
Notary Public