

13590-A  
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**RELEASE AND TERMINATION**

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INTERSTATE COMMERCE COMMISSION

**THIS RELEASE AND TERMINATION (THE "RELEASE")** dated as of November 16, 1991, between BANK ONE, INDIANAPOLIS, N.A., a national banking association ("Bank One") and REX RAILWAYS, INC., a New Jersey corporation ("Rex Railways").

**WHEREAS**, Rex Railways and Lamoille Valley Railroad Company ("LVRC") entered into a lease of railroad equipment, dated as of April 6, 1979, as amended and supplemented (as amended and supplemented, the "LVRC Lease"), which was filed with the Interstate Commerce Commission ("ICC") pursuant to U.S.C. Section 11303(a) on April 9, 1979, and given Recordation No. 10268-A; and

**WHEREAS**, pursuant to the LVRC Lease, LVRC leased from Rex Railways fifty (50) boxcars bearing LVRC reporting marks (the "Cars"); and

**WHEREAS**, Rex Railways purchased the Cars from McDonnell Douglas Finance Corporation ("MDFC") pursuant to a conditional sale agreement, dated as of April 6, 1979 (the "CSA"), between Rex Railways and MDFC, which was filed with the ICC pursuant to 49 U.S.C. Section 11303(a) on April 9, 1979, and given Recordation No. 10268-B; and

**WHEREAS**, as security for amounts due MDFC and for performance of its obligation under the CSA, Rex Railways assigned to MDFC all its rights under the LVRC Lease, pursuant to a lease agreement assignment, dated as of April 6, 1979 (the "MDFC Assignment"), between Rex Railways and MDFC, which was filed with the ICC pursuant to 49 U.S.C. Section 11303(a) on April 9, 1979, and given Recordation No. 10268-C; and

**WHEREAS**, American Fletcher Leasing Corporation ("American Fletcher") loaned Rex Railways funds to satisfy fully its obligations under the CSA by way of a loan agreement, dated as of October 10, 1979 (the "Loan Agreement"), between Rex Railways and American Fletcher; and

**WHEREAS**, Rex-Noreco, Inc. ("Rex-Noreco") guaranteed the obligations of Rex Railways under the Loan Agreement pursuant to a guarantee, dated as of October 10, 1979 (the "Guarantee"), between Rex-Noreco and American Fletcher; and

**WHEREAS**, in consideration of the fulfillment of all Rex Railway's obligations under the CSA by American Fletcher, MDFC released its interest in the Cars, the LVRC Lease and the MDFC Assignment pursuant to a release, dated as of November 15, 1979 (the "Release"), given by MDFC to American Fletcher, which was filed with the ICC pursuant to 49 U.S.C. Section 11303(a) on November 16, 1979, and given Recordation No. 10268-I; and

**WHEREAS**, to secure the payment and performance of the obligations of Rex Railways under the Loan Agreement, Rex Railways assigned its rights in and to the Cars and the LVRC Lease to American Fletcher pursuant to an assignment of lease and security agreement, dated as of October 10, 1979 (the "Assignment"), between Rex Railways and American Fletcher, which was filed pursuant to 49 U.S.C. Section 11303(a) on November 6, 1979, and given Recordation No. 10268-G; and

**WHEREAS**, the Cars were remarked to the reporting marks of the Kansas City Southern Railroad Company ("KCS") pursuant to a lease agreement, dated as of February 25, 1982 (the "KCS Lease") between Rex Railways and KCS, which was filed with the ICC pursuant to 49 U.S.C. Section 11303(a) on March 15, 1982, and given Recordation No. 13590; and

**WHEREAS**, the change in reporting marks of certain railcars, including the change in reporting marks of the Cars to reporting marks from within the range KCS 754307-754790, non-sequential, is identified on Exhibit B to the KCS Lease; and

**WHEREAS**, three (3) Cars have been destroyed; namely KCS 754439, 754617 and 754790; and

**WHEREAS**, Bank One is the successor in interest to American Fletcher under the Loan Agreement; and

**WHEREAS**, Rex Railways has fulfilled all its obligations due Bank One under the Loan Agreement, and the Loan Agreement has expired by its terms on November 16, 1991, and the Guarantee has been extinguished; and

**WHEREAS**, pursuant to the terms of the Loan Agreement and the Assignment, Bank One has agreed to release its interests in the Cars and in the KCS Lease, to make the termination of the Loan Agreement and the Assignment a matter of public record and to make clear upon the public record that the Guarantee has been extinguished.

**NOW, THEREFORE**, pursuant to the premises and the covenants and promises contained in the Loan Agreement and the Assignment, Bank One and Rex Railways agree as follows:

1. The Loan Agreement and the Assignment are hereby terminated in their entirety, effective as of November 16, 1991, except as to any rights and obligations that may, by their terms, survive expiration or termination.
2. Bank One fully, completely and irrevocably releases any interest it has or might have in and to the Cars, identified on Schedule 1 attached hereto, together with their original corresponding LVRC reporting marks, and the KCS Lease, effective as of November 16, 1991.

3. Bank One acknowledges that the Guarantee has been extinguished, effective as of November 16, 1991, and hereby releases Rex-Noreco from all obligations thereunder.
4. Bank One 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 Bank One has or may have in the Cars or the KCS Lease.
5. This Release shall be governed by and construed in accordance with the laws of the State of Indiana, but the parties shall be entitled to all rights conferred by the laws of the United States permitting filing with the Interstate Commerce Commission.

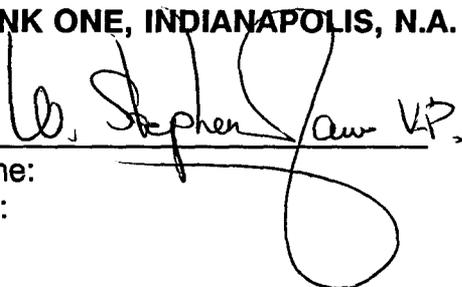
**IN WITNESS WHEREOF**, the parties have executed and delivered this Release as of the date first above written.

**BANK ONE, INDIANAPOLIS, N.A.**

By

Name:

Title:

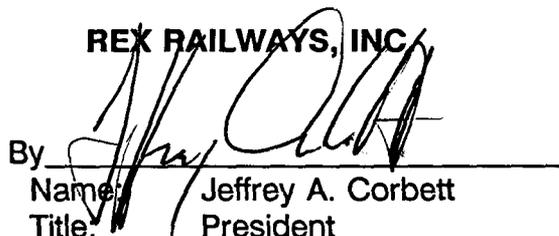
 Stephen Law VP.

**REX RAILWAYS, INC.**

By

Name:

Title:

 Jeffrey A. Corbett  
President

STATE OF INDIANA )  
 ) ss.  
COUNTY OF Marion )

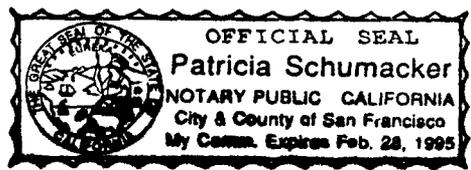


On this 2nd day of December, 1991, before me personally appeared W. Stephen James personally known to me to be the person who executed the within instrument as Vice President of Bank One, Indianapolis, N.A. and acknowledged to me that the association executed it.

*Sandra K. Snyder*  
Notary Public

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF SAN FRANCISCO )

On this 5<sup>th</sup> day of December, 1991, 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

## **SCHEDULE 1**

- (A) the boxcars listed on Exhibit A attached hereto, together with all accessories, parts, appurtenances, repairs, replacements, substitutions, attachments, modifications, renewals, additions, improvements, upgrades and accessions and accumulations thereto (the "Cars"); and
- (B) all right, title and interest of Bank One 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 Cars (as and to the extent the foregoing relate to the Cars, the "Subleases").

**EXHIBIT A**

**DESCRIPTION OF EQUIPMENT**

<b><u>Current Reporting Mark</u></b>	<b><u>Original Reporting Mark</u></b>	<b><u>Description of Equipment</u></b>
KCS 754307	LVRC 4050	50 foot, 70-ton, general purpose boxcars
KCS 754315	LVRC 4051	
KCS 754323	LVRC 4052	
KCS 754331	LVRC 4053	
KCS 754340	LVRC 4054	
KCS 754358	LVRC 4055	
KCS 754366	LVRC 4056	
KCS 754374	LVRC 4057	
KCS 754382	LVRC 4058	
KCS 754391	LVRC 4059	
KCS 754404	LVRC 4060	
KCS 754412	LVRC 4061	
KCS 754421	LVRC 4062	
KCS 754447	LVRC 4064	
KCS 754455	LVRC 4065	
KCS 754463	LVRC 4066	
KCS 754471	LVRC 4067	
KCS 754480	LVRC 4068	
KCS 754498	LVRC 4069	
KCS 754501	LVRC 4070	
KCS 754510	LVRC 4071	
KCS 754528	LVRC 4072	
KCS 754536	LVRC 4073	
KCS 754544	LVRC 4074	
KCS 754552	LVRC 4075	
KCS 754561	LVRC 4076	
KCS 754579	LVRC 4077	
KCS 754587	LVRC 4078	
KCS 754595	LVRC 4079	
KCS 754609	LVRC 4080	
KCS 754625	LVRC 4082	
KCS 754633	LVRC 4083	
KCS 754641	LVRC 4084	
KCS 754650	LVRC 4085	
KCS 754668	LVRC 4086	
KCS 754676	LVRC 4087	

**EXHIBIT A CONTINUED**

<u>Current Reporting Mark</u>	<u>Original Reporting Mark</u>	<u>Description of Equipment</u>
KCS 754684	LVRC 4088	
KCS 754692	LVRC 4089	
KCS 754706	LVRC 4090	
KCS 754714	LVRC 4091	
KCS 754722	LVRC 4092	
KCS 754731	LVRC 4093	
KCS 754749	LVRC 4094	
KCS 754757	LVRC 4095	
KCS 754765	LVRC 4096	
KCS 754773	LVRC 4097	
KCS 754781	LVRC 4098	

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**TOTAL: 47 Railcars**