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ITEL

BY FEDERAL EXPRESS

Itel Rail Corporation

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

9795-B

RECORDED & FILED

March 3, 1992

2-064A036 MAR 4 - 1992 - 3 40 PM

9733

INTERSTATE COMMERCE COMMISSION

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

MAR 4 3 34 PM '92
FOTOMASTER UNIT

Re: Termination of Conditional Sale Agreement ("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 \$32 recordation and cross-indexing fee.

Please record the subject Termination under the Conditional Sale Agreement dated as of August 1, 1978, as amended (the "CSA"), between State Street Bank and Trust Company of Connecticut, successor to The Connecticut Bank and Trust Company, as assignee of The M.W. Kellogg Company, and Itel Rail Corporation, successor to Pullman Leasing Company, which was filed with the ICC on October 25, 1978, under Recordation No. 9795. Please cross-index the subject Termination under the Lease Agreement dated as of September 1, 1978, between State Street Bank and Trust Company, as assignee of M. W. Kellogg Company (as successor to Pullman Incorporated), and Itel Rail Corporation, successor to Pullman Leasing Company, which was filed with the ICC on October 1, 1978, under Recordation No. 9733.

The parties to the aforementioned instrument are listed below:

State Street Bank and Trust Company (Vendor)
of Connecticut
750 Main Street, Suite 1114
Hartford, Connecticut 06103

Itel Rail Corporation (Vendee)
550 California Street
San Francisco, California 94104

Effective as of February 25, 1992, the CSA is terminated in its entirety.

Hon. Sidney L. Strickland
March 3, 1992
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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,

A handwritten signature in cursive script that reads "Patricia Schumacker". The signature is written in dark ink and is positioned above the typed name.

Patricia Schumacker
Legal Assistant

REGISTRATION NO. 9795-B FILED 123

TERMINATION OF CONDITIONAL SALE AGREEMENT MAR 4 - 1992 - 3 40 PM

INTERSTATE COMMERCE COMMISSION

TERMINATION OF CONDITIONAL SALE AGREEMENT (THE "TERMINATION")
dated as of February 25, 1992, between STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, successor in interest to THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, as Agent ("Agent"), and ITEL RAIL CORPORATION, a Delaware corporation ("Rail").

WHEREAS, Pullman Leasing, as vendee, and Pullman Incorporated (Pullman Standard Division), as manufacturer ("Builder"), were parties to a Purchase Agreement (the "Purchase Agreement") with respect to the manufacture of one thousand (1,000) triple open top hopper cars (the "Equipment"), which Purchase Agreement was incorporated into and made a part of a Lease Agreement dated as of September 1, 1978 (the "Lease Agreement"), which Lease Agreement was filed with the Interstate Commerce Commission ("I.C.C.") pursuant to 49 U.S.C. Section 11303(a) on October 1, 1978, and given Recordation No. 9733; and

WHEREAS, Pullman Leasing took delivery of all one thousand (1,000) units of Equipment which were the subject of the Lease Agreement, certain of which units of Equipment have been destroyed, and the remaining nine hundred ninety-five (995) units of Equipment are identified on Schedule I attached hereto; and

WHEREAS, Pullman Leasing purchased the Equipment from Builder pursuant to a Conditional Sale Agreement dated as of August 1, 1978, as amended (as amended, the "CSA"), which CSA was filed with the I.C.C. pursuant to 49 U.S.C. Section 11303(a) on October 25, 1978, and given Recordation No. 9795; and

WHEREAS, pursuant to the CSA Builder retained a security interest in the units of Equipment constructed, sold and delivered pursuant to the CSA until Pullman Leasing fulfilled its obligations under the CSA; and

WHEREAS, Pullman Leasing, the Agent and certain other investors (the "Investors") were parties to a Finance Agreement dated as of August 1, 1978 (the "Finance Agreement"); and

WHEREAS, pursuant to the Finance Agreement the Investors financed part of the purchase price of the Equipment by investing in the Conditional Sale Indebtedness (as defined in the CSA); and

WHEREAS, The M. W. Kellogg Company ("Kellogg") is successor in interest to Builder; and

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record under
9795 -
Cross-index under
9733 - A

WHEREAS, pursuant to an Agreement and Assignment dated as of August 1, 1978 (the "Assignment"), Kellogg assigned to Agent, on behalf of the Investors, Kellogg's interest in the CSA and Kellogg's security interest in the Equipment; and

WHEREAS, Rail is successor in interest to Pullman Leasing pursuant to a merger and name change which became effective on August 11, 1989; and

WHEREAS, Rail paid the CSA in full on February 25, 1992, and the term of the CSA and the Lease Agreement expired on February 25, 1992; and

WHEREAS, pursuant to the terms of the Finance Agreement, the CSA and the Lease Agreement, Agent has agreed to release its security interest in the Equipment, and make the termination of the CSA and the Lease Agreement a matter of public record.

NOW, THEREFORE, Agent and Rail agree as follows:

1. Effective as of February 25, 1992, the CSA and the Lease Agreement are hereby terminated in their entirety, except as to any rights and obligations that may, by their terms, survive expiration or termination.
2. Effective as of February 25, 1992, Agent fully, completely and irrevocably releases any interest it has or might have in and to the Equipment identified on Schedule I attached hereto and in all other collateral in which Agent may have an interest pursuant to the CSA and the Lease Agreement.
3. Agent will, at Rail's 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 Rail in order to release or convey to Rail any interests which Agent has or may have in the Equipment.
4. This Termination shall be governed by and construed in accordance with the laws of the State of Connecticut, 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 Termination as of the date first above written.

**STATE STREET BANK AND TRUST
COMPANY OF CONNECTICUT,**
as Agent

ITEL RAIL CORPORATION

By 
Name: Navy Lee Storrs
Title: Assistant Vice President

By 
Name: Robert C. Kiehle
Title: Vice President and Treasurer

STATE OF CONNECTICUT

) ss.

COUNTY OF HARTFORD

)

On this 28th day of February, 1992, before me personally appeared MARY LEE STORRS personally known to me to be the person who executed the within instrument as Assistant Vice President of State Street Bank and Trust Company of Connecticut and acknowledged to me that the association executed it.

Vicki Lamo

Notary Public
VICKI LAMO
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1994

STATE OF CALIFORNIA

)

) ss.

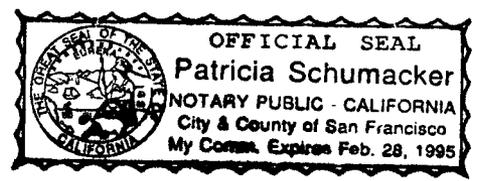
COUNTY OF SAN FRANCISCO

)

On this 27th day of February, 1992, before me personally appeared Robert C. Kiehle, personally known to me to be the person who executed the within instrument as Vice President and Treasurer of IteI Rail Corporation, and acknowledged to me that the corporation executed it.

patricia schumacker

Notary Public



SCHEDULE I

- (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 "Equipment"); and
- (B) all right, title and interest of Agent 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, the "Subleases").

EXHIBIT A

DESCRIPTION OF EQUIPMENT

Reporting Mark

Description of Equipment

CR 489801-489881	eight hundred eighty-nine (889)
CR 489883-489994	100-ton, triple open hopper cars;
CR 489996-490004	built by Pullman Incorporated
CR 490006-490355	(Pullman Standard Division)
CR 490357-490436	
CR 490438-490444	
CR 490446-490460	
CR 490462-490494	
CR 490497-490653	
CR 490544-490762	
CR 490764-490800	
KCLX 160	five (5)
KCLX 1045	100-ton, triple open hopper cars;
KCLX 1067	built by Pullman Incorporated
KCLX 3015	(Pullman Standard Division)
KCLX 3025	
PLWX 63007	one (1)
	100-ton, triple open hopper car;
	built by Pullman Incorporated
	(Pullman Standard Division)

TOTAL: 995 Railcars