

2-055A101

ITEL

BY FEDERAL EXPRESS

Itel Rail Corporation

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

15774-C
RECORDATION NO. FILED 1425

February 21, 1992

FEB 24 1992 -3 30 PM

INTERSTATE COMMERCE COMMISSION

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

NOTE - ALSO CROSS INDEX UNDER:
8246
8343
8871
15775

FEB 24 3 23 PM '92
MOTOR OPERATING UNIT

Re: Termination of Loan and Security 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 \$80 recordation fee. + cross indexing fees.

Please record the Termination under the Loan and Security Agreement dated as of August 12, 1988, between The CIT Group/Equipment Financing, Inc. and Itel Rail Corporation, which was filed with the ICC on August 12, 1988, under Recordation No. 15774.

The parties to the aforementioned instrument are listed below:

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

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

Effective as of February 12, 1992, the Loan and Security Agreement is terminated in its entirety.

Hon. Sidney L. Strickland
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Please cross-reference the Termination under the following four (4) Recordation Nos:

1. The Purchase and Sale Agreement dated as of August 12, 1988, between Manufacturers Hanover Leasing Corporation and Itel Rail Corporation, which was filed with the ICC on August 12, 1988, under Recordation No. 15775.

The parties to the aforementioned instrument are as follows:

Manufacturers Hanover Leasing Corporation (Seller)
270 Park Avenue
New York, New York 10017

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

2. The Lease Agreement dated as of March 26, 1976, as amended, between Itel Rail Corporation, successor to Itel Corporation and SSI Rail Corp., and Marinette, Tomahawk and Western Railroad Company, which was filed with the ICC under Recordation No. 8871.

The parties to the aforementioned instrument are as follows:

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

Marinette, Tomahawk and Western Railroad (Lessee)
P. O. Box 315
Tomahawk, Wisconsin 54487

3. The Lease Agreement dated as of March 26, 1976, as amended, between Itel Rail Corporation, successor to Itel Corporation and SSI Rail Corp., and Sabine River & Northern Railroad Company, which was filed with the ICC under Recordation No. 8246.

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The parties to the aforementioned instrument are as follows:

IteI Rail Corporation (Lessor)
550 California Street
San Francisco, California 94104

Sabine River & Northern Railroad Company (Lessee)
P. O. Box 5000
Orange, Texas 77530

4. The Lease Agreement dated as of March 26, 1976, as amended, between IteI Rail Corporation, successor to IteI Corporation and SSI Rail Corp., and Valdosta Southern Railroad Company, which was filed with the ICC under Recordation No. 8343.

IteI Rail Corporation (Lessor)
550 California Street
San Francisco, California 94104

Valdosta Southern Railroad Company (Lessee)
P. O. Box 1147
Valdosta, Georgia 31603-1147

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

Patricia Schumacker
Legal Assistant

FEB 24 1992 -3 30 PM

TERMINATION OF LOAN AND SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

TERMINATION OF LOAN AND SECURITY AGREEMENT (THE "TERMINATION") dated as of February 12, 1992, between THE CIT GROUP/EQUIPMENT FINANCING, INC., a New York corporation ("CIT") and ITEL RAIL CORPORATION, a Delaware corporation ("Rail").

WHEREAS, Rail, as buyer, purchased from Manufacturers Hanover Leasing Corporation (an affiliate of CIT), as seller, two hundred forty-five (245) boxcars (the "Equipment") pursuant to a Purchase and Sale Agreement dated as of August 12, 1988 (the "Purchase Agreement"), which Purchase Agreement was filed with the Interstate Commerce Commission ("I.C.C.") pursuant to 49 U.S.C. Section 11303(a) on August 12, 1988, and given Recordation No. 15775; and

WHEREAS, CIT made a loan to Rail to finance part of the purchase price of the Equipment pursuant to a Loan and Security Agreement dated as of August 12, 1988 (the "Loan and Security Agreement"), which Loan and Security Agreement was filed with the I.C.C. pursuant to 49 U.S.C. Section 11303(a) on August 12, 1988, and given Recordation No. 15774; and

WHEREAS, Rail issued a promissory note (the "Note") to CIT pursuant to the Loan and Security Agreement to evidence the loan; and

WHEREAS, as security for Rail's payment and performance obligations under the Loan and Security Agreement, Rail granted to CIT a security interest in and to the Collateral (as defined in the Loan and Security Agreement), including the Equipment and all Permitted Leases (as defined in the Loan and Security Agreement), including the three (3) lease agreements dated March 26, 1976, as amended, between Rail, as successor to ITEL Corporation and SSI Rail Corp., and (a) Marinette, Tomahawk and Western Railroad Company; (b) Sabine River & Northern Railroad Company; and (c) Valdosta Southern Railroad Company, respectively, and bearing I.C.C. Recordation Nos. 8871, 8246 and 8343, respectively (the "Existing Permitted Subleases"); and

WHEREAS, certain of the units of Equipment subject to the Existing Permitted Leases have been remarked and are subject to certain Permitted Leases; and

WHEREAS, Rail paid the Note in full on February 12, 1992, and the term of the Loan and Security Agreement expired on February 12, 1992; and

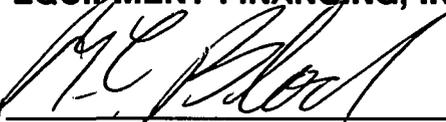
WHEREAS, pursuant to the terms of the Loan and Security Agreement, CIT has agreed to release its security interest in the Collateral, including the Equipment and all Permitted Leases and Existing Permitted Leases, and to make the termination of the Loan and Security Agreement a matter of public record.

NOW, THEREFORE, CIT and Rail agree as follows:

1. Effective as of February 12, 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, including the Equipment identified on Schedule I attached hereto, all Permitted Leases and all Existing Permitted Leases.
3. CIT 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 CIT has or may have in the Collateral, including the Equipment, any Permitted Leases and any Existing Permitted Leases.
4. This Termination 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 Termination as of the date first above written.

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

By 
Name: T. C. BLOCH
Title: SUP

ITEL RAIL CORPORATION

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

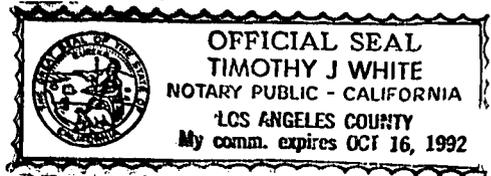
STATE OF *California*)
COUNTY OF *Los Angeles*) ss.

On this 18th day of February, 1992, before me personally appeared T.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

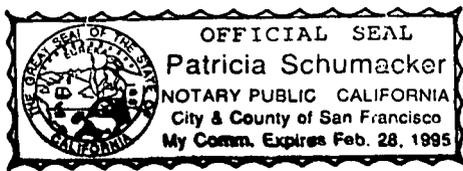
STATE OF CALIFORNIA)
COUNTY OF SAN FRANCISCO) ss.



On this 14th day of February, 1992, before me personally appeared Robert C. Kiehnle, personally known to me to be the person who executed the within instrument as Vice President and Treasurer of Intel 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 CIT 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

<u>Reporting Mark</u>	<u>Description of Equipment</u>
AHW 4200-4297	ninety-eight (98) 50'6", 70-ton, single sheath boxcars; built by FMC Corporation
CCR 8009-8010 CCR 8013	three (3) 50'6", 70-ton, single sheath boxcars; built by FMC Corporation
HS 5662 HS 5691 HS 5707 HS 5709 HS 5721 HS 5731 HS 5738 HS 5752	eight (8) 50'6", 70-ton, single sheath boxcars; built by FMC Corporation
MDR 8114-8115 MDR 8119 MDR 8123 MDR 8127 MDR 8248 MDR 8266 MDR 8278 MDR 8280 MDR 8282 MDR 8287 MDR 8350 MDR 8354 MDR 8356-8357 MDR 8367 MDR 8369 MDR 8372-8373	nineteen (19) 50'6", 70-ton, single sheath boxcars; built by FMC Corporation
SRN 5200-5209 SRN 5211-5224 SRN 5226-5287	one hundred seventeen (117) 50'6", 70-ton, single sheath boxcars built by FMC Corporation

EXHIBIT A (CONTINUED)

Reporting Mark

Description of Equipment

SRN 5289-5299
SRN 7123-7126
SRN 7150-7151
SRN 7403
SRN 7409
SRN 7414-7415
SRN 7420
SRN 7426
SRN 7431-7433
SRN 7440
SRN 7444
SRN 7450-7452

TOTAL: 245 Railcars

Interstate Commerce Commission
Washington, D.C. 20423

2/24/92

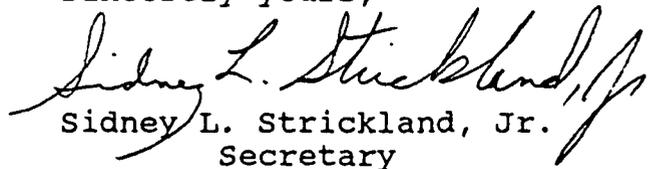
OFFICE OF THE SECRETARY

Patricia Schumacker-
Legal Assistant
IteI Rail Corporation
550 California Street
San Francisco, CA. 94104

Dear Sirs:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 2/24/92 at 3:30PM, and assigned recordation number(s). 15775-A, 15774-C.

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary