

Itel Rail Corporation

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

BY FEDERAL EXPRESS

15 775-A

February 21, 1992

FEB 24 1992 - 3 11 PM

NOTE CROSS INDEX UNDER

INTERSTATE COMMERCE COMMISSION

8246
8343
8871
15774

FEB 24 3 23 PM '92
MOTOR OPERATING UNIT

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

Re: Release of Lien Created Pursuant to Purchase and Sale Agreement ("Release")

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 Release under 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 listed below:

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

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

Effective as of February 12, 1992, the lien created pursuant to the Purchase and Sale Agreement is released in its entirety.

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

1. 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 as follows:

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

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:

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

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

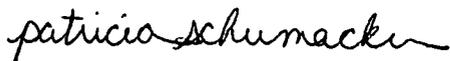
4. The Lease Agreement dated as of March 26, 1976, as amended, between Itel Rail Corporation, successor to Itel Corporation and SSI Rail Corp., and Valdosta Southern Railroad Company, which was filed with the ICC under Recordation No. 8343.

Itel 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
Legal Assistant

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RELEASE OF LIEN CREATED PURSUANT TO PURCHASE AND SALE AGREEMENT

RELEASE OF LIEN CREATED PURSUANT TO PURCHASE AND SALE AGREEMENT (THE "RELEASE") dated as of February 12, 1992, between MANUFACTURERS HANOVER LEASING CORPORATION, a New York corporation ("MHLC") and ITEL RAIL CORPORATION, a Delaware corporation ("Rail").

WHEREAS, Rail leased from MHLC two hundred forty-five (245) boxcars (the "Equipment") pursuant to a Railroad Equipment Lease Agreement dated June 28, 1977, as amended (as amended, the "Lease Agreement"), between Rail and MHLC, which Lease Agreement was filed with the Interstate Commerce Commission ("I.C.C.") pursuant to 49 U.S.C. Section 11303(a), on June 30, 1977, under Recordation No. 8870; and

WHEREAS, Rail purchased the Equipment from MHLC pursuant to a Purchase and Sale Agreement dated as of August 12, 1988 (the "Purchase Agreement"), which Purchase 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. 15775; and

WHEREAS, The CIT Group/Equipment Financing, Inc. ("CIT"), an affiliate of MHLC, 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, pursuant to the Purchase Agreement, MHLC executed and delivered a Bill of Sale (the "Bill of Sale") and terminated the Lease Agreement pursuant to a Termination dated August 12, 1988 (the "Lease Termination"), which Lease Termination was filed with the I.C.C. pursuant to 49 U.S.C. Section 11303(a) on October 7, 1988, under Recordation No. 8870-C; and

WHEREAS, pursuant to the Purchase Agreement, as security for the performance of its obligations to MHLC under the Purchase Agreement, Rail granted to MHLC 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) (such security interest, the "MHLC Lien"); and

WHEREAS, Rail paid the Note in full on February 12, 1992, the term of the Loan and Security Agreement expired on February 12, 1992, and Rail has performed all its obligations to MHLC under the Purchase Agreement; and

WHEREAS, pursuant to the terms of the Purchase Agreement, MHLC has agreed to release the MHLC Lien and make such release a matter of public record.

NOW, THEREFORE, CIT and Rail agree as follows:

1. Effective as of February 12, 1992, the MHLC Lien is hereby released, extinguished and terminated in its entirety.
2. MHLC 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 and all Permitted Leases.
3. MHLC 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 MHLC has or may have in and to the Collateral, including the Equipment and all Permitted Leases.
4. 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.

**MANUFACTURERS HANOVER
LEASING CORPORATION**

By 
Name: T.C. BLOCH
Title: SUP

ITEL RAIL CORPORATION

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

STATE OF CALIFORNIA)

) SS.

COUNTY OF LOS ANGELES)

On this 18TH day of FEBRUARY, 1992, before me personally appeared J.C. BLOCH personally known to me to be the person who executed the within instrument as SVP of Manufacturers Hanover Leasing Corporation and acknowledged to me that the corporation executed it.

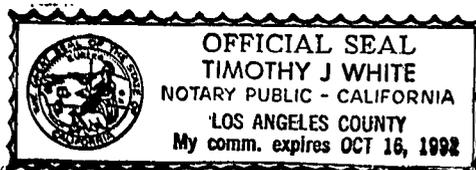
Timothy J White

Notary Public

STATE OF CALIFORNIA)

) SS.

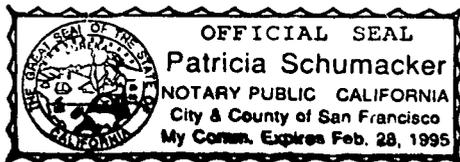
COUNTY OF SAN FRANCISCO)



On this 14th 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 MHLC 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)

<u>Reporting Mark</u>	<u>Description of Equipment</u>
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