

ITEL

January 28, 1991

16667-^D
RECORDATION NO. _____ FILED 1425

Itel Rail Corporation

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

JAN 30 1991 -12:20 PM

Hon. Sidney L. Strickland, INTERSTATE COMMERCE COMMISSION
Secretary
Interstate Commerce Commission
Washington, DC 20423

1-030A020

Re: **Release No. 1 to Security Agreement**

\$15.00 filing fee

Dear Mr. Strickland:

On behalf of Itel Rail Corporation, the above instrument, in five (5) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$15 recordation fee.

This one is 16667-D

Please record this Release under the Security Agreement dated December 21, 1989, between Itel Rail Corporation and Chemical Bank, as Agent, which was filed with the ICC on December 26, 1989, under Recordation No. 16667-D

The parties to the aforementioned instrument are listed below:

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

Chemical Bank (Secured Party)
277 Park Avenue, 6th Floor
New York, New York 10028

NOTAR OPERATING UNIT
JAN 30 12 24 PM '91

This Release releases any security interest or lien Secured Party has or might have in the property listed on Schedule 1 attached thereto.

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

Handwritten signature: Patricia Schumacker

Interstate Commerce Commission
Washington, D.C. 20423

1/30/91

OFFICE OF THE SECRETARY

Patricia Schumacker

Legal Assistant

Itel Rail Corporation

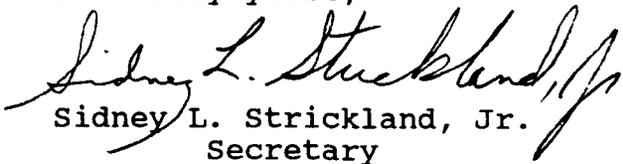
550 California Street

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 1/30/91 at 12:20pm, and assigned recordation number(s). 16667-D

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

RECORDED NO. 16667 D
JAN 30 1991 - 12:23 PM
INTERSTATE COMMERCE COMMISSION

**RELEASE NO. 1, DATED AS OF JANUARY 24, 1991,
TO THE SECURITY AGREEMENT BETWEEN
ITEL RAIL CORPORATION AND CHEMICAL BANK, AS AGENT**

WHEREAS, Itel Rail Corporation (the "Debtor"), Chemical Bank and certain lenders (collectively, the "Lenders") and Chemical Bank, as agent for the Lenders (the "Agent"), are parties to a Credit Agreement dated as of December 21, 1989, as amended (as amended, the "Credit Agreement"); and

WHEREAS, to secure the payment and performance of Debtor's obligations under the Credit Agreement, Debtor and Agent have entered into a Security Agreement, as amended (as amended, the "Security Agreement"), dated as of December 21, 1989, which was filed with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303(a) on December 26, 1989, and given Recordation No. 16667; and

WHEREAS, pursuant to the Security Agreement, Debtor has granted to Agent a security interest in certain Collateral (as defined in the Credit Agreement), including certain railcars and other property that may be acquired by Debtor after the date of the Security Agreement; and

WHEREAS, Sections 9.02 and 9.04 of the Credit Agreement permit Debtor, under certain circumstances, to incur Indebtedness (as defined in the Credit Agreement) and to grant liens in certain property of the Debtor to secure such Indebtedness and, Agent has agreed, in such event, to release its security interest in such property; and

WHEREAS, Debtor intends to enter into a Note Purchase Agreement, a Security Agreement and related agreements with, and to issue secured notes to, NMB Lease nv (all such agreements and documents collectively, the "NMB Agreement"), to finance the acquisition of the railcars as identified on Schedule 1 attached hereto (the "Equipment"); and

WHEREAS, Debtor and Agent wish for Agent, pursuant to the Credit Agreement, to release its security interest in and to the Equipment, any lease or sublease or contract or contract right relating thereto and any and all additions, substitutions, accessions and proceeds thereto or thereof and proceeds of proceeds.

NOW, THEREFORE, pursuant to the premises and the covenants and promises contained in the Credit Agreement and in the Security Agreement, the parties agree as follows:

1. All capitalized terms used herein shall have the meanings assigned to them in the Security Agreement, unless otherwise stated.
2. Agent hereby fully, completely and irrevocably releases any security interest or lien it has or might have in the property listed on Schedule 1 attached hereto. The Equipment listed on Schedule 1 hereto shall be deemed to be added to Schedule 4 of the Security Agreement.
3. Except as expressly modified hereby, the Security Agreement remains in full force and effect.

CHEMICAL BANK, AS AGENT

By C.C. Ward

Title Managing Director

Date January 28, 1991

ITEL RAIL CORPORATION

By Robert Keel

Title Vice President and Treasurer

Date January 25, 1991

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

On this 25th day of January, 1991, 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 Itel Rail Corporation, and acknowledged to me that the corporation executed it.



Patricia Schumacker
Notary Public

STATE OF ILLINOIS NEW YORK)
) ss.
COUNTY OF COOK NEW YORK)

On this 29 day of January, 1991, before me personally appeared C.C. WARDL personally known to me to be the person who executed the within instrument as MANAGER DIRECTOR of CHEMICAL BANK and acknowledged to me that the corporation executed it.

Frances Passik
Notary Public

FRANCES PASSIK
Notary Public, State of New York
No. 24 017 4783521
Qualified in Kings County
Certificate filed in New York County
Commission Expires 9/30/91

SCHEDULE 1

- (A) the railcars listed on Schedule 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 the Debtor 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 (collectively, the "Leases"); and
- (C) any and all proceeds of the Equipment or the Leases, including without limitation any and all proceeds of insurance, indemnity, warranty or guaranty payable with respect to the Equipment; any and all payments (in any form whatsoever) made or due and payable in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any of the Equipment by any governmental body, authority, bureau or agency; and all payments, rents, issues, profits, revenues and other monies due and to become due under, and all claims for damages arising out of the breach of, any Lease, as and to the extent such Lease relates to the Equipment; and
- (D) any and all property and interests in property, now owned or hereafter acquired, all accessions and additions thereto, substitutions therefor, and replacements and products thereof, cash, and all other cash and non-cash proceeds, solely to the extent the foregoing are derived from the Equipment.

SCHEDULE A

IDENTIFICATION OF EQUIPMENT

<u>Reporting Mark</u>	<u>Description</u>
ITLX 40000-40238, ITLX 40240-40303	three hundred three (303) 4,750 cubic foot, 100-ton covered hoppers; built by Trinity
PLCX 47745-47802, PLCX 47805-47865, PLCX 47867-47899	one hundred fifty-two (152) 5,851 cubic foot, 100-ton covered hoppers; built by Trinity
ITLX 30000-30207 GBW 6000-6074 SFLC 351050-351069	three hundred three (303) 3,000 cubic foot, 100-ton covered hoppers; built by Trinity
SRY 73000-73025, SRY 73027-73034 SRY 73036-73061	sixty (60) 73 foot, 100-ton centerbeam flatcars; built by Thrall