ITEL

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

May 20, 1992

2-142A022
RECORDATION NO. 16667-K FILED 1425
MAY 21 1992 -2 39 PM
INTERSTATE COMMERCE COMMISSION

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

Re: **Release No. 5 to Security Agreement**

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 $16 recordation fee.

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.

The parties to the aforementioned instrument are listed below:

MAY 21 2 18 PM '92
MOTOR OPERATING UNIT

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

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

5/21/92

Interstate Commerce Commission

Washington, D.C. 20423

OFFICE OF THE SECRETARY

Patricia Schumacker
Itel Rail Corporation
550 California Street
San Francisco, California 94104

Dear Ms. Schumacker:

The enclosed dcoument(s) was recorded pursuant to the provisions of Section 11303 of the Insterstate Commerce Act, 49 U.S.C. 11303, on 5/21/92 at 2:20pm , and assigned recordation number(s). 16667-K

Sincerely yours,

Sidney L. Strickland, Jr.

Sidney L. Strickland, Jr.
Secretary

RECORDATION NO. 16667-K
MAY 21 1992 2 32 PM
INTERSTATE COMMERCE COMMISSION

RELEASE NO. 5, DATED AS OF APRIL 28, 1992,
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 ("I.C.C.") 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 sold Debtor after the date of the Security Agreement; and

WHEREAS, Section 9.11 of the Credit Agreement permits Debtor, under certain circumstances, to sell Collateral (as defined in the Credit Agreement); and

WHEREAS, pursuant to Release No. 1 dated as of January 24, 1991, which was filed with the I.C.C. on January 30, 1991, and given Recordation No. 16667-D, and pursuant to Release No. 2, dated as of May 15, 1991, which was filed with the I.C.C. on May 29, 1991, and given Recordation No. 16667-F, and pursuant to Release No. 3, dated as of June 3, 1991, which was filed with the I.C.C. on June 13, 1991, and given Recordation No. 16667-G, and pursuant to Release No. 4 dated as of September 27, 1991, which was filed with the I.C.C. on November 15, 1991, and given Recordation No. 16667-G, Agent has released its security interest in certain railcars and other Collateral; and

WHEREAS, Debtor intends to enter into a purchase and sale agreement and related agreements with U. S. Rail Services, Inc. ("U.S. Rail"), for the sale, by Rail to U. S. Rail, of the railcars identified on Schedule 1 attached hereto (the "Equipment"); and

WHEREAS, Debtor and Agent wish for Agent, pursuant to the Credit Agreement and the Security Agreement, to release its security interest in and to the Equipment, any and all rents and income arising therefrom, and any and all any leases or subleases or contracts or contract rights 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. To induce Agent to execute this Release No. 5, Debtor hereby represents and warrants to the Agent as follows: (a) Debtor is entitled to this Release No. 5 (without consent of the Requisite Lenders) pursuant to the last paragraph of Section 9.04, Section 9.11 and Section 13.07 of the Credit Agreement; and (b) Immediately prior to and upon giving effect to this Release No. 5 (i) no Default or Event of Default shall exist under the Credit Agreement, (ii) no "event of default" shall exist under and as defined in the Security Agreement, and (iii) the aggregate principal amount of the Loans outstanding exceeds the Borrowing Base.

3. 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 deleted from Schedule 3 of the Security Agreement.

4. Except as expressly modified hereby, the Security Agreement remains in full force and effect.

CHEMICAL BANK, AS AGENT

By C. C. Wardell
Name: C.C. Wardell
Title: Managing Director

ITEL RAIL CORPORATION

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

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

On this 15 day of MAY, 1992, before me personally appeared C.C. WARDELL personally known to me to be the person who executed the within instrument as Managing 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. 24-01PA4783321
Qualified in Kings County
Certificate filed in New York County
Commission Expires 9/30/93

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

On this 29th day of April, 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 Itel Rail Corporation, and acknowledged to me that the corporation executed it.

OFFICIAL SEAL
Patricia Schumacker
NOTARY PUBLIC - CALIFORNIA
City & County of San Francisco
My Comm. Expires Feb 28, 1995

patricia schumacker
Notary Public

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 (as and to the extent the foregoing 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; and

(E) any and all payments, rents, income, profits, revenues and other monies derived from or arising out of the Equipment.

SCHEDULE A

IDENTIFICATION OF EQUIPMENT

Reporting Mark	Description
PLWX 733160-733208	forty-nine (49) 33,600 gallon tank cars; built by Union Tank Car
PLCX 733209-733216	eight (8) 33,600 gallon tank cars; built by General American Transportation Corporation
PLCX 733217-733221	five (5) 33,600 gallon tank cars; built by Union Tank Car
PLCX 733222-733223	two (2) 33,600 gallon tank cars; built by ACF Industries, Inc.
ITLX 825000-825054	fifty-five (55) 25,740 gallon tank cars; built by Trinity Industries
TLDX 71700-71726	twenty-seven (27) 17,300 gallon tank cars; built by Richmond Tank Car
TLDX 817000-817032 TLDX 817034-817035 TLDX 817055-817065 TLDX 817067-817074 TLDX 817078 TLDX 817080-817091 TLDX 817096-817099	seventy-one (71) 17,300 gallon tank cars; built by Richmond Tank Car
TOTAL:	**217 Railcars**