2-153A051

ITEL

June 1, 1992

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

RECORDATION NO. 16667-A FILED 1425

JUN 1 1992 -2 05 PM
INTERSTATE COMMERCE COMMISSION

$16.00 filing fee

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

Re: **Full Release and Termination Agreement ("Full 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 $16 recordation fee.

Please record this Full 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:

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

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

This Full Release terminates in its entirety the Security Agreement between the Debtor and the Secured Party.

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

JUN 1 2 29 PM '92
MOTOR OPERATING UNIT

Interstate Commerce Commission

Washington, D.C. 20423

6/1/92

OFFICE OF THE SECRETARY

Patricia Schumacker

Legal Assistant

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 6/1/92 at 2:35pm , and assigned recordation number(s). 16667-L

Sincerely yours,

Sidney L. Strickland, Jr.

Sidney L. Strickland, Jr.
Secretary

16667
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INTERSTATE COMMERCE COMMISSION

FULL RELEASE AND TERMINATION AGREEMENT

FULL RELEASE AND TERMINATION AGREEMENT ("RELEASE") dated as of June 1, 1992, between **CHEMICAL BANK**, as Agent ("Agent"), on behalf of the Lenders (as defined below), and **ITEL RAIL CORPORATION** ("Rail").

WHEREAS, pursuant to that certain Credit Agreement dated as of December 21, 1989, among Rail, the lender parties thereto (the "Lenders"), and the Agent, as heretofore amended, modified or supplemented (as amended, modified or supplemented, the "Credit Agreement"), the Lenders agreed to make loans from time to time (the "Loans") to Rail; and

WHEREAS, the Loans were guaranteed pursuant to that certain guaranty dated as of December 21, 1989, by Itel Corporation, a Delaware corporation, as heretofore amended, modified or supplemented (as amended, modified or supplemented, the "Guaranty"); and

WHEREAS, to secure the repayment of the Loan, Rail entered into a Security Agreement dated as of December 21, 1989, made by Rail to the Agent, on behalf of the Lenders, as heretofore amended, modified or supplemented (as amended, modified or supplemented, the "Security Agreement") which was filed and recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303(a), on December 26, 1989, and given Recordation No. 16667; and

WHEREAS, to further secure repayment of the Loans, (i) Rail granted a security interest in all Future Collateral (as defined in the Credit Agreement); (ii) Rail mortgaged certain real estate owned by Rail pursuant to certain mortgages (the "Mortgages"); (iii) Rail pledged all of the stock held by Rail in certain subsidiaries (the "Shares") pursuant to a Pledge Agreement (the "Pledge Agreement"); (iv) Rail pledged all of the stock held by Rail in certain other subsidiaries (the "Additional Shares") pursuant to a Future Pledge Agreement (the "Future Pledge Agreement"); (v) Signal Capital Holdings Corporation ("Signal"), the parent company of Rail, pledged all of the common stock of Rail pursuant to a Parent Pledge Agreement (the "Parent Pledge Agreement"); (vi) Itel HG, Inc. ("HG"), parent of Signal, and Itel Rail Holdings Corporation, parent of HG, pledged all the preferred stock of Rail pursuant to the HG Pledge Agreement (the"HG Pledge Agreement") and the Holdings Pledge Agreement (the

"Holdings Pledge Agreement", and together with the Credit Agreement and all of the foregoing documents collectively called the "Credit Documents"), respectively; and

WHEREAS, the Agent has received payment from Rail of its obligations under the Credit Agreement, in respect of all outstanding principal, all accrued interest thereon and certain fees and expenses to the date hereof; and

WHEREAS, the Agent, on behalf of the Lenders, has agreed to release the liens granted to it pursuant to the Credit Agreement, the Guaranty, the Security Agreement, the Mortgages, the Pledge Agreement, the Future Pledge Agreement, the Parent Pledge Agreement, the HG Pledge Agreement and the Holdings Pledge Agreement, all as more fully set forth below.

NOW, THEREFORE, in consideration of the foregoing and the terms of this Release:

(1) The Agent on behalf of the Lenders, hereby acknowledges that it has received on behalf of the Lenders payment of the entire outstanding principal balance, plus accrued interest thereon, plus certain accrued fees and expenses, to the date of this Release, of funds advanced pursuant to the Credit Agreement. It is understood, however, that in accordance with the provisions of Section 13.02 of the Credit Agreement, Rail shall continue to be obligated to pay and hold any Indemnitee (as defined in the Credit Agreement) harmless from all Indemnified Liability (as defined in the Credit Agreement) of which Rail receives notice from such Indemnitee within three years after the date hereof and which have been imposed upon, incurred by or asserted against such Indemnitee. Rail further agrees to continue to be obligated to pay any amounts (if any) owing to the Lenders computed in accordance with Section 5.08 or 12.01 of the Credit Agreement. Rail further agrees to continue to be obligated to pay all reasonable out-of pocket costs and expenses (including, without limitation, all legal fees) of the Agent and the Lenders in connection with the Credit Agreement or this Release.

(2) The Agent, on behalf of the Lenders, hereby expressly relinquishes and releases all of the liens and security interests in favor of the Agent under the Credit Documents, or any filings pertaining to any thereof.

(3) The Agent, on behalf of the Lenders, hereby agrees to deliver all certificates evidencing the Shares and Additional Shares to Rail free and clear of any claim, charge or security

interest for the benefit of the Agent or the Lenders; and the Agent on behalf of the Lenders, agrees to promptly so deliver all such certificates evidencing the Shares and Additional Shares.

(4) The Agent, on behalf of the Lenders, hereby agrees to effect such other documents as are reasonably required by Rail (at Rail's sole cost and expenses) to carry out the intent of this Release, including the execution and filing of Uniform Commercial Code termination statements and Interstate Commerce Commission filings.

(5) In case any provision in or obligation under this Release shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provisions or obligations in any other jurisdiction shall not in any way be affected or impaired thereby.

(6) Notwithstanding anything herein to the contrary, it is understood and agreed that (i) the release by the Agent of its security interest in or lien upon any and all collateral security under the Credit Documents is without representation or warranty of any kind by the Agent (except the Agent warrants that the collateral security so released is released free of all security interest or liens created by the Agent), (ii) the commitments of the Lenders to make Loans under the Credit Documents have terminated and (iii) nothing herein shall relieve Rail from, and Rail shall continue to be obligated with respect to, all provisions of the Credit Documents which by their terms survive termination or payment thereof.

IN WITNESS WHEREOF, the Agent, on behalf of the Lenders, has executed and delivered this Release as of the date first above written.

CHEMICAL BANK, as Agent

By C. C. Wardell
Name: Christopher C. Wardell
Title: M.D.

STATE OF New York
COUNTY OF N.Y.) ss.

On this 28th day of MAY, 1992, before me personally appeared Christopher C. Wardell to me known to be the person who executed the within instrument as Managing Director of Chemical Bank, and acknowledged to me that the association executed it.

Frank J. Forlenza
Notary Public

FRANK J. FORLENZA
Notary Public, State of New York
No. 52-4848972
Qualified in Suffolk County
Certificate Filed In New York County
Commission Expires November 30, 1993

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