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OF COUNSEL
URBAN A. LESTER

October 18, 2002

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

RECORDATION NO. 10777-B FILED

OCT 18 '02 12:34 PM

SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Release of Lien and Security Interest, dated as of October 10, 2002, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document is a complete release of the Assignment of Lease previously filed with the Commission under Recordation Number 10777-A.

The name and address of the party to the enclosed document are:

Secured Party: The Bank of New York
(successor to Mercantile-Safe
Deposit and Trust Company)
48 Wall Street
New York, NY 10005

[Debtor: Southwestern Electric
Power Company
5552 Perking Road
Alliance, NE 69301]

A description of the railroad equipment covered by the enclosed document is:

363 gondola railcars within the series SEPX 108545 – SEPX 112135

Mr. Vernon A. Williams
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Page Two

A short summary of the document to appear in the index follows:

Release of Lien and Security Interest

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anr
Enclosures

RELEASE OF LIEN AND SECURITY INTEREST

WHEREAS, MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY ("Mercantile") has a lien on and security interest in the railcars identified on Exhibit A hereto (the "Railcars") by virtue of the filings described in Exhibit B hereto (the "Filings") previously made by Mercantile with the Interstate Commerce Commission (the "ICC") pursuant to the provisions of former 49 U.S.C. Section 11303(a) (reenacted as 49 U.S.C. Section 11301(a)) and the regulations thereunder (the "Recordation Procedures");

WHEREAS, THE BANK OF NEW YORK ("Bank of New York") is the successor by acquisition to Mercantile (as such successor, the "Secured Party") and is authorized to execute and deliver this Release of Lien and Security Interest in the name of and on behalf of Mercantile and to cause the same to be filed with the Surface Transportation Board (successor to the ICC) in accordance with the Recordation Procedures; and

WHEREAS, SOUTHWESTERN ELECTRIC POWER COMPANY ("SWEPCO"), the debtor described in the Filings, has requested that the Secured Party release its lien on and security interest in the Railcars;

NOW THEREFORE, the Secured Party does hereby confirm that (i) it no longer claims any lien on or security interest in any of the Railcars or any leases or proceeds thereof, (ii) it terminates, releases and discharges its lien and security interest in the Railcars and any leases or proceeds thereof, and (iii) it acknowledges and confirms that each of the Filings shall be of no further force or effect and each shall be terminated and released. This is a release of lien on collateral only and no release is granted to SWEPCO of its obligations to Mercantile or the Secured Party under any loan or other agreements previously entered into between SWEPCO and Mercantile or the Secured Party, if any, and all such obligations shall remain enforceable against SWEPCO.

IN WITNESS WHEREOF, the Secured Party has caused this Release of Lien and Security Interest to be executed on and as of the 10 day of October, 2002.

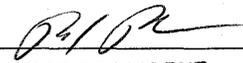
MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY

By: THE BANK OF NEW YORK,
successor by acquisition to Mercantile-Safe Deposit
and Trust Company

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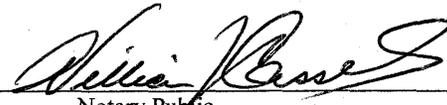
SURFACE TRANSPORTATION BOARD

By: 
Title: VICE PRESIDENT

State of New York)
) SS
County of NEW YORK

On this 10 day of October, 2002, before me personally appeared REMO J. REALE, to me personally known, who being by me duly sworn, said that he/she is a VICE PRESIDENT of The Bank of New York, that said instrument was signed on such date on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]



Notary Public
My Commission expires: _____

WILLIAM J. CASSELES
Notary Public, State of New York
No. 01CA5027729
Qualified in Bronx County
Commission Expires May 18, 2006

EXHIBIT A

RAILCARS

363 100-ton steel gondola cars described in the Conditional Sale Agreement identified on Exhibit B hereto, as amended pursuant to the amendments and agreements identified on Exhibit B hereto.

EXHIBIT B

FILINGS

1. Conditional Sale Agreement dated as of July 1, 1979 among Thrall Car Manufacturing Company ("Thrall"), Cason Car Corporation ("Cason"), and Southwestern Electric Power Company ("SEP") was recorded at the Thrall Car Manufacturing Company ("Thrall"), Cason Car Corporation ("Cason"), and Southwestern Electric Power Company ("SEP") on August 30, 1979 under Recordation No. 10776 for 363 100-ton steel gondola cars.
2. Agreement and Assignment dated as of July 1, 1979, from Thrall, as assignor, to Mercantile, as agent and assignee, was recorded at the ICC on August 30, 1979 under Recordation No. 10776-A.
3. Letter Amendment dated December 16, 1982 by SEP was recorded at the ICC on December 17, 1982 under Recordation No. 10776-B, deleting seven destroyed cars numbered SEPX 109142, 109321, 109339, 110213, 110761, 110833, and 111155 and adding seven cars numbered SEPX 115657, 115665, 115673, 115681, 115690, 115703, and 115720.
4. Supplemental Agreement dated as of October 19, 1984 between Mercantile and SEP was recorded at the ICC on October 26, 1984 under Recordation No. 10776-C, deleting 12 destroyed cars numbered SEPX 108855, 108979, 109355, 110027, 110108, 110671, 111121, 111287, 111538, 111864, 111937, and 112020 and adding 12 cars numbered SEPX 116343, 116289, 116351, 116297, 116271, 116335, 116301, 116262, 116319, 116246, 116254, and 116327.
5. Supplemental Agreement dated as of January 24, 1985 between Mercantile and SEP was recorded at the ICC on January 17, 1985 under Recordation No. 10776-D, deleting four destroyed cars numbered SEPX 109380, 110442, 110906, and 110655 and adding four cars numbered SEPX 116408, 116416, 116424, and 116378.
6. Supplemental Agreement dated as of July 1, 1985 between Mercantile and SEP was recorded at the ICC on June 28, 1985 under Recordation No. 10776-E, deleting three destroyed cars numbered SEPX 111805, 109673, and 109789 and adding three cars numbered SEPX 116866, 116882, and 116891.
7. Supplemental Agreement dated as of January 2, 1986 between Mercantile and SEP was recorded at the ICC on December 30, 1985 under Recordation No. 10776-F, deleting nine destroyed cars numbered SEPX 111392, 108707, 109011, 111201, 111228, 111341, 111929, 110159, and 112089 and adding nine cars numbered SEPX 116432, 116441, 116459, 116467, 116475, 116491, 116505, 116513, and 116521.
8. Supplemental Agreement dated as of July 1, 1986 between Mercantile and SEP was recorded at the ICC on June 26, 1986 under Recordation No. 10776-G, deleting four

destroyed cars numbered SEPX 109088, 109363, 110850, and 111350 and adding four cars numbered SEPX 116556, 116564, 116572, and 116581.

9. Supplemental Agreement dated as of July 1, 1987 between Mercantile and SEP was recorded at the ICC on June 30, 1987 under Recordation No. 10776-H, deleting eight destroyed cars numbered SEPX 109215, 109550, 110060, 111023, 111457, 111627, 111996, and 112097 and adding eight cars numbered SEPX 116670, 116688, 116696, 116700, 116718, 116726, 116734, and 116742.
10. Lease of Railroad Equipment, dated as of July 1, 1979, between Cason, as lessor, and SEP, as lessee, was recorded at the ICC on August 30, 1979 under Recordation No. 10777 for 363 100-ton steel gondola cars.
11. Assignment of Lease and Agreement, dated as of July 1, 1979, from Cason, as assignor, to Mercantile, as assignee, was recorded at the ICC on August 30, 1979 under Recordation No. 10777-A.