Executive Offices
The East Tower, Suite 900
2550 Golf Road
Rolling Meadows, IL 60008

Telephone: 312/640-7000

EVANS PRODUCTS COMPANY / UNITED STATES RAILWAY LEASING CO.
A DIVISION OF EVANS TRANSPORTATION COMPANY

RECORDATION NO. 0958 Filed 1425

OCT 29 1979 -3 10 PM

INTERSTATE COMMERCE COMMISSION

October 26, 1979

9-302A077

OCT 29 1979
Date
Fee $ 50.00
ICC Washington, D. C.

Office of the Secretary
Interstate Commerce Commission
Washington, D. C.

RE: Security Agreement dated as of September 15, 1979

Gentlemen:

Pursuant to 49USC §11303(a) of the Interstate Commerce Act and the rules and regulations promulgated thereunder, we hand you herewith for filing seven (7) executed counterparts of the above referenced Security Agreement, all as more fully described below:

Debtor: United States Railway Leasing Company
The East Tower, Suite 1000
2550 Golf Road
Rolling Meadows, Illinois 60008

Secured Party: Mellon Bank, N.A.
Mellon Square
Pittsburgh, Pennsylvania 15230

A description of the cars and the leases covered by the Security Agreement is set forth in Schedule I attached hereto.

Enclosed is Rosenthal and Schanfield Check No. 24451 in the amount of $50.00 in payment of the applicable recording and filing fees.

C. Dunlop and — C. T. Hannle

Since the above mentioned documents are being delivered to you by hand, we would appreciate it if you would return to the person delivering the same duly stamped copies of the documents not required to be kept by you. If this is not possible, please return the same by mail to:

Mr. I. Walter Deitch
ROSENTHAL AND SCHANFIELD
55 East Monroe Street
Suite 4620
Chicago, Illinois 60603

Very truly yours,

UNITED STATES RAILWAY
LEASING COMPANY

BY: _____
Assistant Secretary

IWD:nev
Enclosures

DESCRIPTION OF CARS AND LEASES

SCHEDULE I

TYPE OF CAR	QUANTITY	LESSEE	LEASE DATE	SCHEDULE NO.	SCHEDULE DATE	TERM (YEARS)	CAR NUMBERS (BOTH INCLUSIVE)
50'6" 70 ton Box Cars	100	Itel Corporation	7/16/79	1	7/16/79	15	WVRC 8100-8199
50'6" 70 ton Box Cars	100	Itel Corporation	7/16/79	2	7/23/79	15	NLG 5701-5800
50'6" 70 ton Box Cars	200	Itel Corporation	7/16/79	3	7/23/79	15	GBW 7450-7649

Interstate Commerce Commission
Washington, D.C. 20423

10/29/79

OFFICE OF THE SECRETARY

Mr. I.Walter Deitch
Rosenthal And Schanfield
55 East Monroe Street,Suite 4620
Chicago, Illinois 60603

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 10/29/79 at 3:10pm , and assigned recordation number(s) 10958

Sincerely yours,

Agatha L. Mergenovich

Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

10958
RECORDATION NO. Filed 1425

OCT 29 1979-3 10 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

dated as of September 15, 1979

between

UNITED STATES RAILWAY LEASING COMPANY,
Debtor,

and

MELLON BANK, N.A.
Secured Party.

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of September 15, 1979, from UNITED STATES RAILWAY LEASING COMPANY, an Illinois corporation, with its principal offices at The East Tower, Suite 1000, 2550 Golf Road, Rolling Meadows, Illinois 60008 (the "Debtor") to MELLON BANK, N.A., Mellon Square, Pittsburgh, Pennsylvania 15230 (the "Secured Party").

W I T N E S S E T H

WHEREAS, the Debtor is justly indebted to the Secured Party in a principal amount not in excess of $11,500,000 as evidenced by that certain 10.75% Equipment Promissory Note, Issue AT of the Debtor (the "Note") payable to the order of the Secured Party and expressed to bear interest at the rate of interest of 10.75% per annum and to mature November 1, 1987, issued pursuant to that certain Loan Agreement dated as of September 15, 1979 (the "Loan Agreement") among the Debtor, Evans Transportation Company ("ETC") and the Secured Party; and

WHEREAS, said Note and the principal and interest thereon and any and all amendments, waivers, extensions or renewals thereof in whole or in part and all other sums at any time due or owing from or required to be paid by the Debtor under the terms hereof or of the Note are hereinafter referred to as "indebtedness hereby secured";

NOW, THEREFORE, the Debtor, to secure the payment of all the indebtedness hereby secured and the performance and observance of all the covenants and agreements in the Note or in this Security Agreement ("Security Agreement") provided to be performed or observed by the Debtor, does hereby grant, assign, transfer, mortgage and set over unto the Secured Party, its successors and assigns, forever, and does hereby grant to the Secured Party a security interest in, all and singular the following described properties, rights and interests, and all of the estate, right, title and interest of the Debtor therein, whether now owned or hereafter acquired (all of which properties, rights and interests hereby transferred, conveyed and mortgaged or intended so to be is hereinafter collectively referred to as the "Mortgaged Property") that is to say:

I

The 400 railroad cars described in Schedule I hereto and any other railcars substituted therefor in accordance with the terms hereof (the "Cars").

II

All accessories, equipment, parts and appurtenances appertaining or attached to any of the Cars hereinabove described, whether now owned or hereafter acquired, and all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to any and all of said Cars, including all additions thereto which are now or shall hereafter be incorporated therein, together with all the rents, issues, income, profits and avails thereof.

III

All right, title and interest of the Debtor as lessor in and to the leases and schedules or exhibits to leases described in Schedule I hereto as the same pertain and relate to the Cars and in and to any and all leases and schedules or exhibits to leases as the same pertain and relate to the Cars from time to time hereafter entered into by the Debtor as lessor (the "Leases").

SUBJECT, HOWEVER, to all the rights, powers, titles and interests of the lessees under the Leases and any party claiming by, through or under the rights of such lessees (together the "Lessees") in and with respect to the Cars arising under any of the Leases.

TO HAVE AND TO HOLD said Mortgaged Property unto the Secured Party, its successors and assigns, forever, for the uses and purposes herein set forth; provided, however, that if the Debtor performs the covenants herein and pays to the Secured Party, its successors or assigns the full amount of both principal and interest on the indebtedness hereby secured then this instrument shall be and become void and of no further force and effect; otherwise this Security Agreement to remain in full force and effect.

SECTION 1. Covenants and Warranties:

1.1. The Debtor is the owner, has title to and is lawfully seized and possessed of the Mortgaged Property in

existence and has or will so have good right, full power and authority to convey, transfer and mortgage the same to the Secured Party, and such Mortgaged Property is free from any and all liens and encumbrances (excepting only any lien for ad valorem taxes not now due and owing, and the rights, titles and interests of the Lessees under the Leases) and the Debtor will warrant and defend such title thereto against all claims and demands whatsoever.

1.2. The Debtor will promptly cause this Security Agreement and each supplement or amendment hereto to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 11303 of Title 49 of the United States Code. The Debtor will do, execute, acknowledge, deliver, file, register and record all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the better assuring, conveying, assigning and confirming unto the Secured Party all of the Mortgaged Property or property intended so to be, whether now owned or hereafter acquired.

1.3. The Debtor will promptly pay the indebtedness hereby secured as and when the same or any part thereof becomes due (whether by lapse of time, acceleration, demand or otherwise) and will not prepay any part or all of said indebtedness except as herein permitted.

1.4. Subject to the rights of the Lessees, the Debtor will cause the Cars and each and every part thereof to be maintained, preserved and kept in safe and good repair, working order and condition and acceptable for use in interchange, and will from time to time make or cause to be made all necessary and proper repairs, renewals, and replacements so that the value and efficiency of such property shall not be impaired.

1.5. The Debtor will from time to time duly pay and discharge or cause to be paid and discharged all taxes, assessments and governmental charges lawfully imposed upon or against the Mortgaged Property or any part thereof, and will not suffer to exist any mechanics', laborers', statutory or other lien on the Mortgaged Property or any part thereof; provided, however, that nothing herein contained shall be deemed to require the Debtor to pay any tax, assessment, charge or lien, or any claim or demand of mechanics, laborers or others, prior to the due date thereof, or to

require the Debtor to pay or discharge any tax, assessment, lien, claim or charge (whether or not due or delinquent) the validity or amount of which is being contested in good faith by appropriate proceedings and which has been adequately reserved against; provided, however, that the Debtor will pay or discharge such tax, assessments, lien, claim or charge if seizure of the Mortgaged Property is imminent.

1.6. The Debtor will at its own expense duly comply with and perform all the covenants and obligations of the Debtor under the Leases and will at its own expense seek to cause the Lessees to comply with and observe all the terms and conditions of the Leases and, without limiting the foregoing, at the request of the Secured Party, the Debtor will at its own expense take such action with respect to the enforcement of the Leases, and the duties and obligations of the Lessees thereunder, as the Secured Party may from time to time direct. Notwithstanding anything to the contrary in this Security Agreement contained, so long as Debtor is not in default hereunder, Debtor shall have the right, without Secured Party's prior consent, to amend, modify and terminate any of the Leases and to settle, adjust, compound and compromise any claims of the Debtor against any of the Lessees thereunder. The Secured Party shall have the right to receive all rentals and other sums due and to become due under the Leases, provided that unless and until an event of default under Section 3 hereof has occurred and is continuing, all rentals and other sums from time to time payable on account of the Leases shall be payable to the Debtor. Debtor at its sole cost and expense will appear and defend every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of Debtor as lessor under the Leases.

1.7. The Debtor shall not, without the prior written consent of Secured Party, consent to the creation or existence of any mortgage, security interest or other lien other than the lien hereof on the Leases, the rentals due thereunder or any of the Cars.

1.8. So long as any indebtedness under the Note remains unpaid, the Debtor will deliver or cause to be delivered to Secured Party, as soon as available and in any event within 120 days after the end of each fiscal year, copies in comparative form with the preceding fiscal year, of the audited consolidated and consolidating balance sheet of ETC and its subsidiaries as at the end of such fiscal year, and of the audited consolidated and consolidating statement of income and surplus of ETC and its subsidiaries for such fiscal year. Such balance sheets and statements of income and surplus shall be prepared in reasonable detail,

in accordance with generally accepted accounting principles, and shall be accompanied by a report and opinion of independent certified public accountants of nationally recognized standing selected by ETC, which report and opinion shall be based upon an examination made in accordance with generally accepted auditing standards. Together with each delivery of the financial statements hereinabove required, Debtor will deliver to Secured Party an officer's certificate stating that to such officer's knowledge there exists no default under this Security Agreement, Loan Agreement or the Note, or if such default exists, stating the nature thereof, the period of existence thereof and what action, if any, the Debtor proposes to take with respect thereto.

1.9 If the Debtor shall fail to observe and perform any of the covenants set forth in this Section 1, the Secured Party may, but shall not be obligated to, advance sums to, and may, perform the same, and all advances made by the Secured Party shall, with interest thereon at a rate of 11.75% per annum, be added to the indebtedness hereby secured and shall be payable forthwith; but no such act or expenditure by the Secured Party shall relieve the Debtor from the consequence of any default.

1.10. It shall be lawful for the Debtor to retain possession of the Mortgaged Property, and at its own expense to keep and use the same, until an event of default as hereinafter defined shall occur hereunder.

1.11. Debtor shall from time to time do all such acts and execute all such instruments of further assurance as it shall be necessary so to do or execute for the purpose of fully carrying out and effectuating this Security Agreement and the intent hereof including, but not by way of limitation promptly filing with the Interstate Commerce Commission of an amendment hereto with respect to any lease which at any time is added to or substituted for any lease which is part of the Mortgaged Property.

1.12. The Debtor will permit Secured Party to examine its books and records with respect to the Mortgaged Property during regular business hours upon reasonable notice to the Debtor.

SECTION 2. Application of Proceeds of Lease and Certain Prepayments:

2.1 Without regard to whether an event of default under Section 3 hereof has occurred and is continuing, the Debtor agrees that it will either pay over to Secured Party

all monies ("settlement monies") paid to it pursuant to any Lease as settlement for the loss, theft, destruction or damage beyond economical repair of any Car or Cars leased thereunder or make a substitution therefor, all as follows: commencing with the first settlement relating to any Car covered by any Lease, Debtor will retain and accumulate the settlement monies received from a settlement or succeeding settlements under such Lease until such time as the Debtor has accumulated an amount in excess of $200,000 at which time either all such settlement monies then held by the Debtor will be applied against the indebtedness due under the Note as hereinafter provided or Debtor shall subject to the lien of the Security Agreement Substitute Cars (as hereinafter defined) of a Value (as hereinafter defined) not less than the settlement monies. The foregoing procedure for accumulating and paying over settlement monies in excess of $200,000 or substituting Cars may be repeated from time to time as Cars are lost, stolen, destroyed or damaged beyond economical repair. The Secured Party shall apply each payment of settlement monies on the next succeeding date on which interest is payable to the prepayment of principal of the Note. Such prepayment of principal shall be applied in inverse order of principal installments coming due on the Note. From and after the date hereof the Debtor shall promptly transmit to the Secured Party any notice or information it receives concerning loss, theft, destruction or damage beyond economical repair to Cars covered by the Leases requiring settlement payment under the Leases. With respect to all Cars for which the Secured Party has received settlement monies paid to the Debtor as required by the Leases, the Secured Party shall execute and deliver to the Debtor, if requested, a release of the lien of this Security Agreement with respect to such Car or Cars.

2.2. At any time and from time to time so long as the Debtor is not in default hereunder, the Debtor shall have the right to obtain a release from the lien of the Security Agreement covering those of the Cars the Debtor shall designate in writing to the Secured Party (the "Released Cars"), provided that the Debtor shall prior to or contemporaneously with such release deliver to the Secured Party the following documents:

(a) An executed, recorded amendment to this Security Agreement pursuant to which the Debtor grants a security interest in standard gauge railroad equipment (other than passenger cars or work equipment) (the "Substitute Cars") which (i) were manufactured not earlier than January 1, 1979, (ii)

are under lease and (iii) have a Value in the aggregate not less than the Value in the aggregate of the Released Cars;

(b) A photocopy of the lease or leases under which the Substitute Cars are leased; and

(c) An opinion of counsel of the Debtor covering the title to the Substitute Cars and the lien of the Security Agreement with respect thereto, in substantially the form and substance set forth in Exhibit D to the Loan Agreement.

As used in Section 2, the term "Value" shall mean the Cost of the Cars in question as such term is defined in the Loan Agreement, all as certified by the president, any vice president, the treasurer or any assistant treasurer of the Debtor.

2.3. Under the terms of the Loan Agreement and upon satisfaction by the Debtor and ETC of their respective obligations thereunder, the Secured Party is obligated to make loans equal to 85% of the Cost of Delivered Cars (in no event to exceed $11,500,000), provided, however, that the Secured Party is not obligated to make any loans after November 2, 1979. In the event that (i) all of the Cars have not been delivered to the lessees thereof by November 2, 1979 and (ii) the aggregate amount disbursed by the Secured Party pursuant to the Loan Agreement is less than $11,500,000, the Secured Party shall, at the request of the Company, release from the lien of this Security Agreement those of the Cars described in Schedule I hereto which have not been delivered by the Debtor to the lessees thereof by November 2, 1979.

2.4. On or after May 1, 1986, the Debtor may at any time and from time to time prepay the Note, in whole or in part; provided, however, that any partial prepayment of the Note shall be in the inverse order of the installments coming due thereunder. Any prepayment in full of the Note shall include accrued interest thereon. Accrued interest to the date of prepayment of any partial prepayment of the Note shall be payable on the next succeeding interest payment date. Any such prepayment shall be subject to a premium of 1% on the full amount of such prepayment.

SECTION 3. Defaults and Remedies:

3.1. The term "event of default" for the purpose hereof shall mean any one or more of the following:

(a) Default in the payment of interest on the Note, and the continuance of such default for five days after such payment is due;

(b) Default in the payment of any installment of principal of the Note at maturity, whether by acceleration or otherwise, and the continuance of such default for five days after such payment is due;

(c) Default in the due observance or performance of any other covenant, condition or agreement required to be observed or performed by the Debtor in the Note or this Security Agreement or by ETC, under any guaranty of the Note and continuance of such default for a period of 30 days after notice thereof has been given to the Debtor or ETC, as the case may be;

(d) Any representation or warranty made by the Debtor or ETC to the Secured Party in writing in the Loan Agreement or this Security Agreement or in any statement or certificate furnished by the Debtor or ETC to the Secured Party or in connection with the making or securing of any loan evidenced by the Note proves untrue in any material respect as of the date of the issuance or making thereof;

(e) The Debtor or ETC becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors or applies or consents to the appointment of a trustee or receiver for the Debtor or ETC or for the major part of the property of any of such parties;

(f) A trustee or receiver is appointed for the Debtor or ETC or for the major part of the property of the Debtor or ETC;

(g) the Guaranty (as defined in the Loan Agreement) shall fail to remain in full force and effect with regard to ETC or any agent or trustee on behalf of ETC shall contest or question the legal validity or enforceability of the Guaranty as to ETC; and

(h) bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings, or other proceedings for relief under any bankruptcy law or

similar law for the relief of debtors, are instituted by or against the Debtor or ETC (and if instituted against the Debtor or ETC are not dismissed or stayed within 30 days of the date of filing of such proceedings).

3.2. When any such event of default has happened and is continuing, the Secured Party may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(a) The Secured Party may, upon the occurrence of a default under Section 3.1(a), (b), (c), (d) or (g), by notice in writing to the Debtor, declare the entire unpaid balance of said Note to be immediately due and payable, and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable; provided, however, that upon the occurrence of a default under Section 3.1(e), (f) or (h), the entire unpaid balance of the Note, together with all accrued interest thereon, shall be and become immediately due and payable without notice by the Secured Party;

(b) Subject always to then existing rights, if any, of the Lessees under the Leases, the Secured Party, personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Mortgaged Property, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, and search for, take possession of, remove, keep, assemble and store the same, or use and operate the same until sold; it being understood, without limiting the foregoing, that the Secured Party may, and is hereby given the right and authority to, keep and store said Mortgaged Property, or any part thereof at the expense of the Debtor, on the premises of the Debtor, and that the Secured Party shall not thereby be deemed to have surrendered, or to have failed to take, possession of such Mortgaged Property;

(c) Subject always to then existing rights, if any, of the Lessees under the Leases, the Secured Party may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession, and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Debtor once at least 10 days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of said Mortgaged Property, or any part thereof, at public auction or private sale, and any other notice which may be required by law, sell and dispose of said Mortgaged Property, or any part thereof, at public auction or private sale to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Secured Party may determine, and at any place (whether or not it be the location of the Mortgaged Property or any part thereof) designated in the notice above referred to. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further published notice; and the Secured Party or the holder or holders of the Note, or of any interest therein, may bid and become the purchaser at any such sale;

(d) The Secured Party may proceed to protect and enforce this Security Agreement and the Note by suit or suits or proceedings in equity, at law or in bankruptcy or reorganization proceedings, and whether for the specific performance or any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Mortgaged Property or any part thereof, or for the recovery of judgment for the indebtedness hereby secured, or for the enforcement of any other proper legal or equitable remedy available under applicable law;

(e) The Secured Party may proceed to exercise in respect of the Leases and the property covered

thereby and the duties, obligations and liabilities of the Lessees thereunder all rights, privileges and remedies in said Leases or by applicable law permitted or provided to be exercised by the Debtor, including but not limited to the right to receive and collect all rent and other monies due or to become due thereunder and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Debtor for the use and benefit of the Secured Party; and

(f) The Secured Party may sell the rentals reserved under the Leases, and all right, title and interest of the Secured Party with respect thereto, at public auction or private sale and either for cash or on credit, the Secured Party to give the Debtor 10 days' prior written notice of the time and place of holding any such sale, and provided always that the Secured Party shall also comply with any applicable mandatory legal requirements in connection with such sale.

3.3. If the Secured Party shall be receiving or shall have received monies under the Leases pursuant hereto, it may from time to time, but no less frequently than on the next succeeding date on which interest or any installment payment of principal is payable, apply such monies against the sums payable on the Note as principal and/or as interest, as the case may be, on such date, or if proceedings have been commenced for the sale of the Mortgaged Property then all sums so received and the purchase money proceeds and avails of any sale of the Mortgaged Property or any part thereof, and the proceeds and avails of any other remedy hereunder, or other realization of the security hereby given, and the proceeds of any sale pursuant to subparagraph Section 3.2(f) hereof, shall be applied:

(a) First, to the payment of the cost and expenses of the sale, proceeding or other realization, including all costs and expenses and charges for pursuing, searching for, removing, keeping, storing, advertising and selling such Mortgaged Property or, as the case may be, said rentals and the reasonable fees and expenses of the attorneys and agents of the Secured Party in connection

therewith, and to the payment of all taxes, assessments or similar liens on the Mortgaged Property which may at that time be superior to the lien of this Security Agreement (unless such sale or other realization is subject to any such superior lien);

(b) Second, to the payment of all advances made hereunder by the Secured Party pursuant to Section 1.9 hereof, together with all interest therefor;

(c) Third, to the payment of the whole amount remaining unpaid on the Note, both for principal and interest, and to the payment of any other indebtedness of the Debtor hereunder or secured hereby, so far as such proceeds may reach; and

(d) Fourth, to the payment of the surplus, if any, to the Debtor or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

The Secured Party shall not be liable for interest on any sums held by it pursuant to this Section 3.3. If there be a deficiency the Debtor shall remain liable therefor and shall forthwith pay the amount of any such deficiency to the Secured Party, together, to the extent permitted by applicable law, with interest thereon at the default rate specified in the Note.

3.4. Any sale or sales pursuant to the provisions hereof, whether under the power of sale granted hereby or pursuant to any legal procedings, shall operate to divest the Debtor of all right, title, interest, claim and demand whatsoever, either at law or in equity, of, in and to the Mortgaged Property so sold, and shall be free and clear of any and all rights of redemption by, through or under the Debtor, the Debtor hereby covenanting and agreeing that it will not at any time insist upon or plead, or take the benefit or advantage of or from, any law now or hereafter in force providing for a valuation of appraisement of the Mortgaged Property prior to any sale or sales thereof or providing for any right to redeem the Mortgaged Property or any part thereof. The receipt by the Secured Party, or by any person authorized under any judicial proceeding to make any such sale, shall be a sufficient discharge to any purchaser

of the Mortgaged Property, or of any part thereof, sold as aforesaid; and no such purchaser shall be bound to see to the application of such purchase money, or be bound to inquire as to the authorization, necessity or propriety of any such sale. In the event at any such sale the holder or holders of the Note is or are the successful purchaser or purchasers, such holder or holders of said Note shall be entitled, for the purpose of making settlement or payment, to use and apply said Note by crediting thereon the amount apportionable and applicable thereto out of the net proceeds of such sale.

SECTION 4. Miscellaneous.

4.1. Any notice provided for hereby or by any applicable law to be given hereunder by either party hereto to the other shall be in writing and shall be deemed to have been given when delivered personally or when deposited in the United States mail, registered, postage prepaid, or in the case of telegraphic notice, when delivered to the telegraph company, addressed to such party as provided in Section 4.6 hereof.

4.2 The failure or delay of the Secured Party to insist in any one or more instances upon the performance of any of the terms, covenants or conditions of this Security Agreement, or to exercise any right, remedy or privilege herein conferred, shall not impair, or be construed as thereafter waiving, any such covenants, remedies, conditions, or provisions; but every such term, condition and covenant shall continue and remain in full force and effect. Nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder; nor shall the Secured Party be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

4.3. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

4.4. The Debtor agrees to pay all costs and expenses in connection with this transaction and the preparation,

execution, delivery and recording of any documents in connection therewith, including the fees of special counsel to Secured Party.

4.5. No modification or waiver of any provisions of this Security Agreement or the Guaranty, nor consent to any departure therefrom, shall in any event be effective unless the same shall be in writing and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Debtor in any case shall entitle it to any other or further notice or demand on account of the continuance of the same circumstances.

4.6. All notices, requests and demands required or permitted to be given pursuant to this Security Agreement or by any applicable law shall be given to or made upon the respective parties hereto as follows:

if to the Debtor and/or ETC:	The East Tower, Suite 1000 2550 Golf Road Rolling Meadows, Illinois 60008 Attention: Paul R. Leak, Vice President
if to the Secured Party:	Mellon Square Pittsburgh, Pennsylvania 15230 Attention: Kirk Gorman, Assistant Vice President National Department

or, as to each party, at such other address as shall be designated by such party in a written or telegraphic notice to the other party.

4.7. The Debtor agrees to pay, and save the Secured Party harmless from all liability for, any stamp or other taxes which may be payable with respect to the execution or delivery of this Security Agreement or the issuance of the Note, which obligation of the Debtor shall survive the termination of this Agreement.

4.8. This Security Agreement shall be construed in accordance with and shall be governed by the laws of the State of Illinois.

4.9. This Security Agreement and the covenants and agreements herein contained shall be binding upon the Debtor and the Secured Party and their respective successors and assigns, and shall inure to the benefit of the Debtor and the Secured Party and the successors and assigns of the Secured Party, whether so expressed or not.

IN WITNESS WHEREOF, the Debtor has caused its corporate name to be hereunto subscribed and its corporate seal to be hereunto affixed by its officers thereunto duly authorized all as of the day, month and year first above written.

UNITED STATES RAILWAY LEASING COMPANY

BY: _____
Vice President

(Corporate Seal)

ATTEST:

Thomas L. Schoenbeck
Assistant Secretary

ACCEPTED:

MELLON BANK, N.A.

BY: _____
Vice President

(Corporate Seal)

ATTEST:

_____
Assistant Secretary

STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)

On this 18th day of October, 1979, before me personally appeared Paul R. Leak, to me personally known, who being by me duly sworn, says that he is a Vice President of UNITED STATES RAILWAY LEASING COMPANY, an Illinois corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Neva C. Klein
Notary Public
NEVA C. KLEIN

(NOTARIAL SEAL)

My Commission expires: My Commission Expires Sept. 22, 1982

STATE OF PENNSYLVANIA)
) SS
COUNTY OF)

On this 23rd day of OCTOBER, 1979, before me personally appeared J. WOOD OLIVER, JR., to me personally known, who being by me duly sworn say that he is a Vice President of MELLON BANK, N.A., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Ralph E. Raynor
Notary Public

(NOTARIAL SEAL)

My Commission expires:

RALPH E. RAYNOR, Notary Public
Pittsburgh, Allegheny County, PA
My Commission Expires May 27, 1983

DESCRIPTION OF CARS AND LEASES

SCHEDULE I

TYPE OF CAR	QUANTITY	LESSEE	LEASE DATE	SCHEDULE NO.	SCHEDULE DATE	TERM (YEARS)	CAR NUMBERS (BOTH INCLUSIVE)
50'6" 70 ton Box Cars	100	Itel Corporation	7/16/79	1	7/16/79	15	WVRC 8100-8199
50'6" 70 ton Box Cars	100	Itel Corporation	7/16/79	2	7/23/79	15	NLG 5701-5800
50'6" 70 ton Box Cars	200	Itel Corporation	7/16/79	3	7/23/79	15	GBW 7450-7649