NEW NUMBER
$10

LAW OFFICES
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200 WORLD CENTER BUILDING
918 SIXTEENTH STREET, N W
WASHINGTON, D.C.
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°ALSO ADMITTED IN OHIO
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TELEX
440367 A-AND-A

RECORDATION NO. 15222 Filed & Recorded
MAY 7 1987 12-35 PM
INTERSTATE COMMERCE COMMISSION
7-127A031

ICC OFFICE OF THE SECRETARY
MAY 7 12 30 PM '87
MOTOR OPERATING UNIT

No.
Date MAY 7 1987
Fee $ 10.00
ICC Washington, D.C.

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C.

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are fully executed copies of a Chattel Mortgage and Security Agreement dated as of May 7, 1987, a primary document as defined in the Commission's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Debtor: ACF Industries, Incorporated
3301 Rider Trail South
Earth City, Missouri 63045

Secured Party: Independent Finance, Inc.
1920 116th, N.E.
Bellevue, Washington 98004

A description of the railroad equipment covered by the enclosed document is set forth in Schedule A attached hereto and made a part hereof.

Also enclosed is a check in the amount of $10 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return stamped copies of the enclosed document not needed for your files to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

Certified — C.T. Kappler

A short summary of the enclosed primary document to appear in the Commission's Index is:

> Chattel Mortgage and Security Agreement, dated as of May 7, 1987, between ACF Industries, Incorporated, Debtor, and Independent Finance, Inc., Secured Party, covering one hundred ten (110) railroad freight cars.

Very truly yours,

Charles T. Kappler

Charles T. Kappler

Enclosures

ACF INDUSTRIES, INCORPORATED

DESCRIPTION OF EQUIPMENT

	CAR MARKS AND NUMBERS	QUANTITY	ARR DESIGN.
ACFX	39719-39743	25	C214
ACFX	39699-39718	20	C614
ACFX	39844-39855	12	C614
ACFX	51235-51237	3	C614
ACFX	51256-51265	10	C614
ACFX	51266-51267	2	C614
ACFX	51268-51270	3	C614
ACFX	71326-71327	2	T106
ACFX	71387-71393	7	T106
ACFX	71397-71401	5	T107
ACFX	71313-71322	10	T108
ACFX	77281-77291	11	T564
	Total	110	

Schedule A
(to Security Agreement)

Interstate Commerce Commission

Washington, D.C. 20423

5/7/87

OFFICE OF THE SECRETARY

Charles T. Kappler

Alvord & Alvord
918 6 16th St. N.W.
Washington,D.C. 20423

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 5/7/87 at 12:35pm , and assigned re-recordation number(s). 15222 & 15223

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. 15222 Filed & Recorded

MAY 7 1987 12-35 PM

INTERSTATE COMMERCE COMMISSION

CHATTEL MORTGAGE AND SECURITY AGREEMENT

BETWEEN

ACF INDUSTRIES, INCORPORATED

DEBTOR

AND

INDEPENDENT FINANCE, INC.

SECURED PARTY

Dated as of May 7, 1987

TABLE OF CONTENTS

Parties..... 1

Recitals..... 1

1. SECURITY..... 1

1.1. Grant of Security..... 1

2. COVENANTS AND WARRANTIES OF THE DEBTOR..... 3

2.1. Debtor's Duties..... 3
2.2. Maintenance; Insurance..... 3
2.3. Warranty of Title..... 4
2.4. Further Assurances..... 4
2.5. Recordation and Filing..... 4
2.6. Power of Attorney..... 5
2.7. Maintenance of Existence..... 5
2.8. Restrictions on Mergers, Consolidations and Sales of Assets..... 5
2.9. Inspections and Reports..... 5
2.10. Subordination of Leases..... 6
2.11. Chief Executive Office; Corporate Name Records..... 6

3. SPECIAL PROVISIONS CONCERNING LEASES..... 6

3.1. Debtor's Rights Under Assigned Leases..... 6
3.2. Interest of Secured Party..... 6
3.3. Possession of Assigned Leases..... 6

4. POSSESSION AND USE OF EQUIPMENT..... 7

4.1. Possession of Collateral..... 7
4.2. Insurance Proceeds..... 7

5. SECURED PARTY'S RIGHTS..... 8

5.1. The Party's Rights..... 8
5.2. Effect of Sale..... 10
5.3. Application of Sale Proceeds..... 10
5.4. Discontinuance of Remedies..... 11
5.5. Cumulative Remedies..... 11
5.6. Indemnity..... 12

6. DEFINITIONS..... 12

6.1. Definitions..... 12

7. MISCELLANEOUS..... 14

7.1. Successors and Assigns..... 14
7.2. Partial Invalidity..... 14
7.3. Communications..... 14
7.4. Release..... 15
7.5. Governing Law..... 15
7.6. Counterparts..... 15
7.7. Headings..... 15
7.8. Definitions..... 15

Signatures..... 16

CHATTEL MORTGAGE AND SECURITY AGREEMENT

CHATTEL MORTGAGE AND SECURITY AGREEMENT (ASSIGNMENT) dated as of May 7, 1987 (the "Security Agreement") between ACF Industries, Incorporated, a New Jersey corporation (the "Debtor"), and INDEPENDENT FINANCE, INC., a Delaware corporation (the "Secured Party") parties to the Term Loan Agreement (the "Loan Agreement") dated as of May 7, 1987, as the same may be amended, modified or supplemented from time to time. Unless otherwise defined herein all capitalized terms used herein and defined in the Loan Agreement are used herein as therein defined.

RECITALS

A. Pursuant to Section 1.01 of the Loan Agreement, the Secured Party has agreed to make a loan to the Debtor in the principal amount of $5,031,542.70 (the "Secured Loan").

B. The principal of and interest on the Loan and all additional amounts and other sums at any time due and owing from or required to be paid by Debtor under the terms of the Loan Agreement with respect to the Loan, the Note of the Debtor issued pursuant thereto or this Security Agreement are hereinafter sometimes referred to as "indebtedness hereby secured."

SECTION 1. SECURITY.

1.1. Grant of Security. The Debtor, in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Secured Party and other good and valuable consideration, receipt and sufficiency whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Secured Loan according to its tenor and effect, and to secure the payment of all other indebtedness hereby secured and the performance and observance of all covenants and conditions contained in the Loan Agreement and in this Security Agreement, does hereby transfer, convey, warrant, mortgage, deliver, pledge, assign, and grant to the Secured Party, its successors and assigns, a Lien on and continuing security interest in, all and singular of the Debtor's rights, title and interest in and to the properties, rights, interests and privileges in certain railroad tank cars and covered hopper cars (collectively the "Equipment" or "Items of Equipment" and individually an "Item of Equipment") described on Schedule A hereto together with all accessories, equipment, parts and appurtenances appertaining ,or attached to such Equipment, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions,

improvements, accessions and accumulations to any and all of said Equipment, together with all the rents, issues, income, profits and avails therefrom and the proceeds thereof,

(i) subject to Section 3 hereof, paid or payable with respect to each and every lease relating to the Equipment but to and only to the extent relating to the Equipment (each such lease being an "Assigned Lease" and each such right, title or interest with respect thereto being an "Assigned Lease Right"), including but not limited to:

(a) all payments due and to become due under any Assigned Lease, whether as contractual obligations, damages or otherwise;

(b) all of its claims, rights, powers, or privileges and remedies under any Assigned Lease insofar as such rights relate to the Equipment and, to the extent permitted by the lessee under any Assigned Lease, the right to cure a default by Debtor under any Assigned Lease;

(c) subject and pursuant to Section 3, the right to hold the signed copies of the Assigned Leases; and

(d) all of its rights under any Assigned Lease to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice consent, waiver or approval together with full power, and authority with respect to any Assigned Lease to demand, receive, enforce, collect or receipt for any of the foregoing rights or any property the subject of any of the leases, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action which (in the opinion of the Secured Party) may be necessary or advisable in connection with any of the foregoing insofar, but only insofar, as such rights relate to the Equipment together with all extensions, renewals and replacements thereof, whether now owned or hereafter acquired and all income, profits and avails therefrom, all rights thereunder and all proceeds thereof (insofar as the same relate to or are derived from the Equipment) and

(ii) the Cash Collateral Account, as defined in Section 4.2, all amounts from time to time on deposit therein and all investments made with the proceeds thereof.

All properties hereby mortgaged, assigned and Pledged or intended so to be are hereinafter collectively referred to as the "Collateral".

SECTION 2. COVENANTS AND WARRANTIES OF THE DEBTOR.

The Debtor covenants, warrants and agrees as follows:

2.1. Debtor's Duties. The Debtor covenants and agrees well and truly to perform, abide by and to be governed and restricted by each and all of the terms, provisions, restrictions, covenants and agreements set forth in this Security Agreement and the Loan Agreement and in each and every supplement thereto or amendment thereof which may at any time or from time to time to be executed and delivered by the parties thereto or their successors and assigns, to the same extent as though each and all said terms, provisions, restrictions, covenants, amendments or supplements to the Loan Agreement were fully set out in an amendment or supplement to this Security Agreement.

2.2. Maintenance; Insurance. (a) The Debtor at its own expense will maintain and keep or cause to be maintained and kept each Item of Equipment in good order and repair and eligible for railroad interchange in accordance with the Interchange Rules of the Association of American Railroads or any other interchange rules with which it may be required to comply and in full compliance with any applicable laws, rules, regulations or standards which may be promulgated by the Department of Transportation, the Federal Railroad Administration, the Interstate Commerce Commission or other applicable regulatory body (including, without limitation, any Canadian regulatory body) or any successor, agency or party thereto and any insurance company insuring such Item, at its own cost and expense, unless and until it becomes worn out, unsuitable for use, lost or destroyed.

(b) The Debtor will maintain or cause to be maintained with responsible insurance companies, such insurance on such of its properties and against liability exposure, in such amounts and against such risks as is customarily maintained by businesses which are engaged in activities and of a size similar to the Debtor, and in any event, in an amount not less than the full fair insurable value of all of the assets and properties of the Debtor and its Subsidiaries where insurance is customarily maintained by the Debtor. For the purpose of this Section 2.2(b), insurance may include self-insurance to the extent customarily maintained by businesses which are engaged in activities and of a size similar to the Debtor, provided the Debtor maintains or causes to be maintained adequate reserves to cover the risks not otherwise insured and that risks uninsured except by self-insurance shall in no event exceed $10,000,000 in the aggregate for property and

liability coverage. Within 30 days of the end of each fiscal quarter of the Debtor, the Debtor shall furnish to the Secured Party a certificate of the chief financial officer of the Debtor evidencing the maintenance of the insurance.

2.3. Warranty of Title. The Debtor has the right, power and authority to grant a valid first priority Lien on and security interest in the Collateral to the Secured Party for the uses and purposes herein set forth; no Lien (as hereinafter defined) currently attaches to the Collateral and the Debtor will warrant and defend the title to the collateral against all claims and demands of all third persons or persons claiming by, through or under the Debtor. The Debtor will not create, assume or suffer to exist any Lien on the Collateral other than Permitted Liens (as hereinafter defined). As used herein "Lien" shall mean any mortgage, pledge, security interest, encumbrance, lease, lien or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement and the filing of or agreement to give any financing statement under the Interstate Commerce Act ("ICA") or the Uniform Commercial Code ("UCC") of any jurisdiction. As used herein, "Permitted Liens" shall mean (a) the Lien created by this Security Agreement and the Assigned Leases; (b) the Lien of taxes, assessments or governmental charges or levies which are not at the time delinquent; (c) the Lien of taxes, assessments or governmental charges or levies which are delinquent but the validity of which is being contested in good faith by appropriate action diligently pursued, if the Debtor shall have set aside on its books such reserves (segregated to the extent required by generally accepted accounting principles, if any, as deemed by it appropriate and adequate in accordance with generally accepted accounting principles), provided that such proceeding shall suspend the collection of such taxes, assessments or governmental charges and, the security interest in the Collateral, or any part thereof, would not in the opinion of the Secured Party be adversely affected of forfeited during the period of such contest; (d) Liens to secure obligations under worker's compensation laws or similar legislation to secure public or statutory obligations of the Borrower or any of its Subsidiaries; and (e) liens imposed by law.

2.4. Further Assurances. The Debtor will, at its expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest being herein provided for in the Collateral, whether now owned or hereafter acquired.

2.5. Recordation and Filing. The Debtor will cause this Security Agreement and any supplements hereto, and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at no expense to the Secured Party with the ICC and the Registrar

General of Canada in order fully to preserve and protect the rights of the Secured Party hereunder, and will at its own expense furnish to the Secured Party promptly after the execution and delivery of this Security Agreement and of any supplement to this Security Agreement opinions of Alvord & Alvord and Scott & Aylen stating that in the opinion of such counsel this Security Agreement or such supplement, as the case may be, has been properly recorded or filed for record as to make effective of record the security interest intended to be created hereby.

2.6. Power of Attorney. The Debtor does hereby irrevocably constitute and appoint the Secured Party, upon the occurrence and during the continuance of an Event of Default hereunder, its true and lawful attorney with full power of substitution for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rents, income and other sums which are assigned under Section 1.1 hereof with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such rents and other sums and the security intended to be afforded hereby.

2.7. Maintenance of Existence. The Debtor will preserve and keep in full force and effect its existence, rights and franchises and all licenses and permits necessary to the performance of its obligations hereunder.

2.8. Restrictions on Mergers, Consolidations and Sales of Assets. The Debtor will not sell, transfer or otherwise dispose of all or substantially all of its property or assets to any person, firm or corporation unless such person, firm or corporation agrees to assume its obligations under and be bound by the provisions of this Security Agreement, the Loan Agreement and the Notes.

2.9. Inspections and Reports. The Debtor will permit any representatives of the Secured Party, at such party's expense, to inspect the Assigned Leases. Not later than 30 days following each anniversary date of this Security Agreement, the Debtor will provide to the Secured Party a list identifying all lessees under any Assigned Leases which are currently in arrears as to any payment obligations under such Assigned Leases for a period of 180 days or more. If an Event of Default hereunder shall have occurred and be continuing, the Secured Party and its designated representatives shall have the right to inspect the books and records of the Debtor pertaining to the Equipment and the Assigned Leases.

2.10. Subordination of Leases. Any leasehold estate with respect to any Equipment shall be subordinate and junior to the lien on such Equipment granted by this Security Agreement and all leases with respect to any Equipment shall contain a provision to that effect substantially in the form appearing in the Assigned Leases in effect on the date hereof.

2.11. Chief Executive Office; Corporate Name Records. The chief executive office of Debtor is located at 3301 Rider Trail South, Earth City, Missouri 63045.

SECTION 3. SPECIAL PROVISIONS CONCERNING LEASES.

3.1. Debtor's Rights Under Assigned Leases. Until the occurrence and continuance of an Event of Default, Debtor may exercise all of the Debtor's rights, powers, privileges and remedies under the Assigned Leases, including without limitation, the right to receive any and all monies due or to become due under the Assigned Leases, and to retain all copies (original or duplicates) of Assigned Leases provided that without the prior written consent of the Secured Party, Debtor will not enter into any amendment, modification, waiver or termination of any provision of the Assigned Leases other than those which do not have a material adverse effect on the value of such Assigned Leases or the interest of the Secured Party therein.

3.2. Interest of Secured Party. Debtor covenants and agrees to warrant and defend the right, title and interest of the Secured Party granted and assigned hereby with respect to the Assigned Leases against the claims and demands of any Person and upon the occurrence and during the continuance of an Event of Default hereby grants the Secured Party full power and authority to take all actions as the Secured Party deems necessary to obtain the benefits of such grant and assignment with respect to the Assigned Leases including, without limitation, to make all claims, take all actions and obtain all payments with respect thereto.

3.3. Possession of Assigned Leases. So long as no Default or Event of Default shall have occurred and be continuing the Debtor shall be entitled to retain possession of the signed copies of the Assigned Leases. In the event that a Default or Event of Default shall have occurred and be continuing the Debtor shall immediately upon the request of the Secured Party deliver either (i) the signed copy of each Assigned Lease which has been designated as an original for purposes of the Uniform Commercial Code or (ii) if a signed copy of such Assigned Lease has not been designated as an original for purpose of the Uniform Commercial Code, all the signed copies of such Assigned Lease (other than the signed copy of each Assigned Lease held by the lessee thereunder) to the Secured Party.

SECTION 4. POSSESSION AND USE OF EQUIPMENT.

4.1. Possession of Collateral. So long as there is no Event of Default hereunder or an event which, with the giving of notice or lapse of time or both, would constitute such an Event of Default, the Debtor and lessee under an Assigned Lease shall be suffered and permitted to remain in full possession, enjoyment and control of the Collateral, including each Assigned Lease, and to manage, operate and use the Equipment and each part thereto with the rights and franchises appertaining thereto; provided that the Debtor or its lessees shall use the Equipment only within the continental United States and Canada and that no more than 20% of the Items of Equipment may be located in Canada at any time.

4.2. Insurance Proceeds. (a) In the event that any Item of Equipment is destroyed, lost, stolen, irreparably damaged or missing for a period in excess of sixty (60) days, taken by any governmental entity (including without limitation condemnation, confiscation, requisition, taking of title or use by any governmental entity) or otherwise becomes unusable in the business of the Debtor (a "Casualty Loss") then, at the option of the Debtor, either (i) the Debtor shall replace such Item of Equipment with a replacement unit of standard gauge railroad equipment of like model and of equal or greater value and utility within thirty (30) days from such Casualty Loss and any proceeds payable to the Debtor or to the Secured Party as a result of each such Casualty Loss whether in respect of insurance proceeds, condemnation awards or otherwise (collectively, "Casualty Loss Proceeds") shall, so long as no Default or Event of Default shall have occurred and be continuing, be retained by or paid to the Debtor as reimbursement for the costs of such replacement or (ii) the Debtor shall pay or cause to be paid to the Secured Party a sum equal to the amount by which the Casualty Value of the Item of Equipment suffering such Casualty Loss exceeds the amount of the Casualty Loss proceeds and the Secured Party shall retain, and hold as additional Collateral hereunder in accordance with the following provisions the amount of such excess and any Casualty Loss Proceeds (except to the extent that the aggregate amount of such Casualty Loss Proceeds does not exceed $50,000, which amount may be retained by Debtor).

(A) To the extent that the Debtor shall receive any Casualty Loss Proceeds, such proceeds shall be held in trust for the benefit of the Secured Party and shall be promptly turned over to the Secured Party in the exact form received (except for any necessary endorsements) to be held by the Secured Party as Collateral as aforesaid.

(B) All such Casualty Loss Proceeds shall be deposited by the Secured Party into a special cash collateral account (the "Cash Collateral Account") with

the Secured Party at Seattle First National Bank, Overlake Park Branch, Redmond, Washington 98052 in the name of and under the sole control and dominion of the Secured party.

(C) All amounts from time to time on deposit in the Cash Collateral Account shall, so long as no Default or Event of Default shall have occurred and be continuing, be invested by the Secured Party at the direction of Debtor in certificates of deposit of investment grade with such maturities as Debtor shall request.

(D) Except as otherwise provided herein, amounts on deposit in the Cash Collateral Account shall not be released by the Secured Party except to the extent that all or any part of such amount is to be applied, at the option of Debtor, to prepay, or satisfy, in whole or in part, any scheduled amortization of the Secured Loan.

(b) Upon the occurrence and during the continuance of any Event of Default, all Casualty Loss Proceeds, including any portion of the cash Collateral Account deemed appropriate by the Secured Party, shall be paid or released to the Secured Party and applied by the Secured Party as specified in Section 5.3.

(c) So long as no Event of Default shall have occurred and be continuing, upon the request of Debtor, the Secured Party shall execute and deliver releases in a form reasonably satisfactory to Debtor releasing (i) all the Secured Party's interest in and to any Item of Equipment, and (ii) such Item of Equipment from the Lien of this Agreement, provided, however, that no Item of Equipment shall be so released unless simultaneously there shall be subject to the Lien of this Agreement and the interest of the Secured Party other Equipment of not less than the aggregate value of any Item or Items of Equipment to be so released, the value of which as of the date of such release shall be certified to by an officer of the Debtor. The foregoing shall not be deemed in any way to limit the Debtor's right to purchase any replacement Items of Equipment in the event of a Casualty Loss or Casualty Losses pursuant to this Section 4.2.

SECTION 5. SECURED PARTY'S RIGHTS.

5.1. The Party's Rights. The Debtor agrees that when any Event of Default as defined in the Loan Agreement has occurred and is continuing, the Secured Party shall have the rights, options, duties and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under the ICA and under the UCC of the State of Missouri (regardless of whether such UCC or law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted), as applicable, and the Secured Party shall have the following rights and remedies:

(a) Upon the occurrence of any Event of Default and during the existence thereof, the Secured Party shall have all the rights of a secured party under the ICA or the UCC to enforce the assignments and security interests contained herein and in addition shall have the right (i) to enforce all remedies, rights, powers, and privileges of Debtor under any or all of the leases, and/or (ii) to substitute itself or any nominee or agent in lieu of Debtor as party to any of the Assigned Leases and to notify the obligor of any Assigned Lease Rights (Debtor hereby agreeing to deliver any such notice at the request of the Secured Party) that all payments and performance under the relevant Assigned Leases shall be made or rendered to the Secured Party or such other Person as it may designate.

(b) 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 Collateral, 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, if this can be done without breach of the peace, and search for, take possession, remove, keep and store the Collateral, or use and operate or lease the Collateral until sold.

(c) Any Collateral repossessed by the Secured Party under or pursuant to this Section 5.1 may be sold, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Secured Party may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Secured Party or after any overhaul or repair which the Secured Party shall determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceedings permitted by such requirements shall be made upon not less than 10 days' written notice to Debtor specifying the times at which such disposition is to be made and the intended sale price or other consideration therefor, and shall be subject, for 10 days after the giving of such notice, to the right of Debtor or any nominee of Debtor to acquire the Collateral involved at a price or for such other consideration so specified. Any such disposition which shall be a public sale permitted by such requirements shall be made upon not less than 10 days' written notice to Debtor specifying the time and place of such sale and, in the absence of applicable requirements of law, shall be by public auction (which may, at the Secured Party's option, be subject to reserve) after publication of notice of such auction

not less than 10 days prior thereto in two newspapers in general circulation in the City of St. Louis. To the extent permitted by any such requirement of law, the Secured Party may itself bid for and become the purchaser of the Collateral or any item thereof, offered for sale in accordance with this Section without accountability to Debtor (except to the extent of surplus money received as provided in Section 5.3). In the payment of the purchase price therefor, the Secured Party shall be entitled to have credit on account of the purchase price thereof of amounts owing to the Secured Party on account of the indebtedness hereby secured and the Secured Party may deliver the claims for interest on or principal of the Secured Loan or other indebtedness hereby secured in lieu of cash up to the amount which would, upon distribution of the net proceeds of such sale, be payable thereon. If, under mandatory requirements of applicable law, the Secured Party shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to Debtor as hereinabove specified, the Secured Party need give Debtor only such notice of disposition as shall be reasonably practicable in view of such mandatory requirements of applicable law.

(d) The Secured Party may proceed to protect and enforce this Security Agreement by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of 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 Collateral or any part thereof, for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other property, legal or equitable remedy available under applicable law.

5.2. Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold and shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all persons claiming the property sold, or any part thereof under, by or through the Debtor, its successors or assigns.

5.3. Application of Sale Proceeds. The proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

(a) First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all property expenses, liability and advances, including legal expenses and reasonable attorneys' fees, incurred or made hereunder by the Secured Party, and of all taxes,

assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) Second, to the payment of the amount then owing or unpaid on the Secured Loan for principal and interest and any other amounts then owing under the Agreement in respect of the Secured Loan; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Secured Loan, then first to unpaid interest thereon, and second, to unpaid principal thereof; and

(c) Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whosoever may be lawfully entitled to receive the same it being understood that Debtor shall remain liable to the Secured Party to the extent of any deficiency between the amount of the proceeds of such disposition and the aggregate amount of the sums referred to in clauses (a) and (b) of this Section 5.3.

5.4. Discontinuance of Remedies. In case the Secured Party shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then, and in every such case, the Debtor and Secured Party shall be restored to their former positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

5.5. Cumulative Remedies. No delay or omission of the Secured Party to exercise any right or power arising from any default on the part of the Debtor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided herein. The Secured Party may exercise any one or more or all of the remedies hereunder and no remedy is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing now or hereafter at law or in equity; 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.

5.6. Indemnity. The Debtor agrees to indemnify, protect and hold harmless the Secured Party from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof (except arising from the wilful misconduct or gross negligence of the Secured Party), and expenses in connection therewith, including, but not limited to, reasonable counsel fees and expenses, penalties and interest, arising out of or as the result of the entering into or the performance of this Security Agreement, the retention by the Secured Party of a security interest in the Collateral, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or repossession of any of the Equipment, any accident, in connection with the operation, use, condition, possession, storage or repossession of any of the Collateral resulting in damage to property or injury or death to any person during the period while a security interest therein remains in the Secured Party or during the period of the transfer of such security interest in the Collateral by the Secured Party pursuant to any of the provisions of this Security Agreement and all fees, taxes, levies, assessments, charges or withholdings of any nature imposed against the Secured Party by any federal, state or local government or taxing authority directly relating to the Equipment, the Secured Party's interest therein, or any Assigned Lease or use of the Equipment except taxes measured by the income, receipts, capital, purchases, profits or conduct of the business of the Secured Party (other than taxes which are in the nature of sales or use taxes, base taxes or property taxes). This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the indebtedness in respect of the Secured Loan, and the release of the security interest in the Collateral, as provided in Section 7.4 hereof, or the termination of this Security Agreement in any manner whatsoever.

SECTION 6. DEFINITIONS.

6.1. As used herein, the following terms shall have the meanings herein specified unless the context otherwise requires. Defined terms in this Security Agreement shall include in the singular number the plural and in the plural number the singular.

"AAR" shall mean the Association of American Railroads.

"AAR Destroyed Value" shall have the meaning specified in Section 5.1(c) hereof.

"Assigned Leases" shall have the meanings specified in Section 1.1 hereof.

"Assigned Lease Rights" shall have the meaning specified in Section 1.1 hereof.

"Cash Collateral Account" shall have the meaning specified in Section 4.2.

"Casualty Loss" shall have the meaning specified in Section 4.2.

"Casualty Loss Proceeds" shall have the meaning specified in Section 4.2.

"Casualty Value" shall mean with respect to any Item of Equipment having an AAR Designation noted below during the year ending on the first anniversary date of this Security Agreement the sum set forth opposite such designation and for each subsequent year thereafter, such sum minus the product of the amount of yearly reduction set forth in the next following column times the number of full year periods which have then passed following the date of this Security Agreement:

AAR Designation	First Year Casualty Value	Yearly Reduction After First Year
C214	$47,591	$3,173
C614	67,271	4,306
T106	43,827	2,875
T107	38,531	2,569
T108	35,458	2,364
T564	44,962	2,997

"Collateral" shall have the meaning specified in Section 1 hereof.

"Debtor" shall mean ACF Industries, Incorporated.

"Default" shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"Equipment" shall have the meaning specified in Section 1.1.

"ICA" shall mean the Interstate Commerce Act.

"Indebtedness hereby secured" shall have the meaning specified in the second recital hereof.

"Item of Equipment" shall have the meaning specified in Section 1.1 hereof.

"Lien" shall have the meaning specified in Section 2.3 hereof.

"Loan Agreement" shall mean the Term Loan Agreement dated as of May 7, 1987 between the parties of this Security Agreement.

"Permitted Lien" shall have the meaning specified in Section 2.3 hereof.

"Rolling Stock" shall mean standard gauge freight train cars.

"Secured Loan" shall have the meaning specified in the first recital hereof.

"Secured Party" shall mean Independent Finance, Inc., a California corporation.

"Security Agreement" shall mean this Security Agreement as specified in the first paragraph hereof.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of Missouri.

SECTION 7. MISCELLANEOUS.

7.1. Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Debtor or by or on behalf of the Secured Party, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

7.2. Partial Invalidity. 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.

7.3. Communications. All communications provided for herein shall be in writing and shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when delivered personally or when deposited in the United States certified mails, first class, postage prepaid, addressed as follows:

If to the Debtor --

ACF Industries, Incorporated
3301 Rider Trail South
Earth City, MO 63045
Attention: President

with a copy to its office at:

1370 Avenue of the Americas
New York, NY 10019
Attention: Treasurer

If to the Secured Party --

1920 116th N.E.
Bellvue, Washington 98004
Attention: President

7.4. Release. At the expense of the Debtor, the Secured Party shall release this Security Agreement and the security interest granted hereby by proper instrument or instruments upon presentation of satisfactory evidence that all indebtedness secured hereby has been fully paid or discharged.

7.5. Governing Law. This Security Agreement shall be construed in accordance with and governed by the laws of the State of Missouri; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303 and such additional rights, arising out of the filing, recording or deposit hereof, if any, and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Security Agreement or any assignment hereof may be filed, recorded or deposited.

7.6. Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together constituting only one Security Agreement.

7.7. Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

7.8. Definitions. Except as otherwise provided herein, all terms used herein and defined in the Agreement shall be used herein as so defined.

IN WITNESS WHEREOF, the Debtor and the Secured Party have executed this Security Agreement as of the day and year first above written.

(CORPORATE SEAL)

ATTEST:

Janet L. Zimmerman

ACF INDUSTRIES, INCORPORATED

By: Umesh Chokshi
Title: Asst. Treasurer

By: _____
Title:

INDEPENDENT FINANCE, INC.

By: _____
Title:

IN WITNESS WHEREOF, the Debtor and the Secured Party have executed this Security Agreement as of the day and year first above written.

(CORPORATE SEAL)

ATTEST:

_____

ACF INDUSTRIES, INCORPORATED

By: _____
Title:

By: _____
Title:

INDEPENDENT FINANCE, INC.

By: Claes Ol Pres.
Title: Claes Olsson, President

STATE OF Missouri)
: ss.:
COUNTY OF St Louis)

On this 6th day of May, 1987, before me, personally appeared Umesh Chokshi to me personally known, who being by me duly sworn, says that (s)he is a Assistant Treasurer of ACF Industries, Incorporated, that one of the seals 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 (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Janet L. Zimmerman
Notary Public

(SEAL)

JANET L. ZIMMERMAN
NOTARY PUBLIC—STATE OF MISSOURI
COUNTY OF ST. CHARLES
MY COMMISSION EXPIRES DEC. 2, 1988

My commission expires:

STATE OF _____)
: ss.:
COUNTY OF _____)

On this _____ day of May, 1987, before me, personally appeared _____ to me personally known, who being by me duly sworn, says that (s)he is a _____ of United States Leasing Corporation, that one of the seals 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 (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

(SEAL)

My commission expires:

STATE OF _____)
: ss.:
COUNTY OF _____)

On this _____ day of May, 1987, before me, personally appeared _____ to me personally known, who being by me duly sworn, says that (s)he is a _____ of ACF Industries, Incorporated, that one of the seals 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 (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

(SEAL)

My commission expires:

STATE OF WASHINGTON)
: ss.:
COUNTY OF KING)

On this 4th day of May, 1987, before me, personally appeared CLAES OLSSON to me personally known, who being by me duly sworn, says that (s)he is a THE PRESIDENT of INDEPENDENT FINANCE, INC. that one of the seals 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 (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Constance D. Davis
Notary Public

(SEAL)

My commission expires: 3/11/90

15222

ACF INDUSTRIES, INCORPORATED

DESCRIPTION OF EQUIPMENT

	CAR MARKS AND NUMBERS	QUANTITY	ARR DESIGN.
ACFX	39719-39743	25	C214
ACFX	39699-39718	20	C614
ACFX	39844-39855	12	C614
ACFX	51235-51237	3	C614
ACFX	51256-51265	10	C614
ACFX	51266-51267	2	C614
ACFX	51268-51270	3	C614
ACFX	71326-71327	2	T106
ACFX	71387-71393	7	T106
ACFX	71397-71401	5	T107
ACFX	71313-71322	10	T108
ACFX	77281-77291	11	T564
	Total	110	

Schedule A
(to Security Agreement)