

LAW OFFICES

ROSS & HARDIES

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150 NORTH MICHIGAN AVENUE
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312-558-1000

WRITER'S DIRECT LINE
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January 19, 1996

TELECOPIER
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19419-E
2:05 PM
PARK AVENUE TOWER
65 EAST 55TH STREET
NEW YORK, NEW YORK 10022-3219
212-421-5555

580 HOWARD AVENUE
SOMERSET, NEW JERSEY 08873
908-563-2700

888 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006-4103
202-296-8600

VIA OVERNIGHT COURIER

Vernon A. Williams
Secretary
Surface Transportation Board
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Janice Fort, Room 2311

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303(a) are two original executed copies and two photostatic copies of a Security Agreement Supplement, dated as of January 19, 1996 ("Supplement"), relating to the Security Agreement and Mortgage, dated as of May 12, 1995, between JAIX Leasing Company and The First National Bank of Chicago, as Agent (the "Security Agreement"), duly recorded and filed with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303 on May 15, 1995 under Recordation Number 19419, which Supplement is a secondary 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:

Secured Party: The First National Bank of Chicago,
as Agent
One First National Plaza
Chicago, Illinois 60670

Borrower: JAIX Leasing Company
980 North Michigan Avenue
Suite 1000
Chicago, Illinois 60610

Vernon A. Williams
January 19, 1996
Page 2

A description of the railroad equipment covered by the enclosed document is set forth in the Schedule to the Supplement enclosed herein.

Also enclosed is a check in the amount of \$21.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped original and two stamped photostatic copies of the enclosed document and the stamped photostatic copy of this letter to Mari Y. Regnier at Ross & Hardies, 150 North Michigan Avenue, Suite 3100, Chicago, Illinois 60601.

Following is a short summary of the enclosed document and primary document to which it relates:

Document to be Recorded

Security Agreement Supplement dated January 19, 1996 between JAIX Leasing Company, as Borrower, and The First National Bank of Chicago, as Agent.

Primary Document to Which it Relates

Security Agreement and Mortgage dated May 12, 1995, between JAIX Leasing Company, as Borrower, and The First National Bank of Chicago, as Agent, recorded and filed with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303 under Recordation Number 19419.

Very truly yours,


Mari Y. Regnier

MYR
w/encl.
cc: Robert W. Kleinman
Susan G. Lichtenfeld



Interstate Commerce Commission
Washington, D.C. 20423-0001

1/22/96

Office Of The Secretary

Mari Y. Regnier
Ross & Hardies
150 North Michigan Avenue
Chicago, Illinois 60601-7567

Dear

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/22/96 at 4:00PM, and assigned recordation number(s). 19419-E.

Sincerely yours,

Vernon A. Williams
Secretary

Enclosure(s)

\$ 21/00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

19419-E

SECURITY AGREEMENT SUPPLEMENT

2 05 1996 10 PM

This Security Agreement Supplement dated as of January 19, 1996 is entered into by and between JAIX Leasing Company, a Delaware corporation (the "Borrower"), and The First National Bank of Chicago, in its capacity as agent (the "Agent") for the lenders from time to time party to the Credit Agreement referred to below.

PRELIMINARY STATEMENT

The Borrower, the Agent and various financial institutions as lenders have entered into a Credit Agreement dated as of May 12, 1995 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), and the Borrower and the Agent have entered into a Security Agreement and Mortgage dated as of May 12, 1995 (as amended, supplemented or otherwise modified from time to time, the "Security Agreement"). The Borrower is entering into this Security Agreement Supplement pursuant to the Security Agreement in order to induce the lenders from time to time party to the Credit Agreement to enter into and extend credit to the Borrower under the Credit Agreement.

ACCORDINGLY, the Borrower and the Agent, on behalf of the Lenders, hereby agree as follows:

1. This Security Agreement Supplement hereby incorporates by reference all of the terms and conditions of the Security Agreement and, unless the context otherwise requires, all terms used in this Security Agreement Supplement which are defined in the Security Agreement shall have the meanings assigned to them in the Security Agreement.

2. As of the date hereof, pursuant to the terms and conditions of the Security Agreement and in order to secure the prompt and complete payment and performance of the Secured Obligations, the Borrower hereby pledges, assigns and grants to the Agent, on behalf of and for the ratable benefit of the Lenders, a security interest in all of the Borrower's right, title and interest in and to (i) the railroad cars described on the attached Schedule(s) of Equipment and all accessories, equipment, parts and appurtenances appertaining or attached thereto, (ii) the lease(s) described on the attached Schedule(s) of Leases, and (iii) all accounts, contract rights, instruments, documents and chattel paper from time to time arising from or related to such railroad cars and lease(s), including, without limitation, (1) all amendments and modifications made from time to time to such lease(s), (2) the right to receive all rent payable in connection with the use of such railroad cars, (3) all claims for damages arising out of the breach of any such lease, (4) the right, if any, to terminate any such lease, to perform thereunder and to compel performance of the terms thereof, and (5) the right to take possession of any of such railroad cars; provided that, to the extent set forth in Section 8.17 of the Security Agreement, the Agent's security interest in the Equipment shall be subject to the rights of the Lessees under the Leases.

3. In order to induce the Lenders to extend credit to the Borrower pursuant to the Credit Agreement, the Borrower hereby represents and warrants to the Agent and the Lenders as follows:

(a) On and as of the date of this Security Agreement Supplement, there exists no Default or event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

(b) The representations and warranties of the Borrower contained in Article III of the Security Agreement and Article V of the Credit Agreement are true and correct in all material respects on and as of the date of this Security Agreement Supplement except to the extent such representations and warranties relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date.

(c) The information concerning the Equipment set forth in the attached Schedule(s) of Equipment is true and correct.

(d) The information concerning the Lease(s) set forth in the attached Schedule(s) of Leases is true and correct.

IN WITNESS WHEREOF, the Borrower and the Agent have executed this Security Agreement Supplement as of the date first above written.

JAIX LEASING COMPANY

By: 

Title: Treasurer

THE FIRST NATIONAL BANK OF CHICAGO,
as Agent

By: 

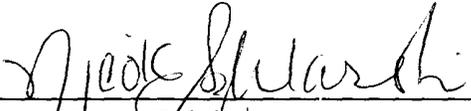
Cheryl A. McCabe
Assistant Vice President

STATE OF ILLINOIS)

: ss.:

COUNTY OF COOK)

On this 16th day of January, 1996, before me, personally appeared David W. Resneper to me personally known, who being by me duly sworn, says that he/~~she~~ is a Treasurer of JAIX Leasing Company, a Delaware corporation, that the foregoing instrument was signed 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.



Notary Public

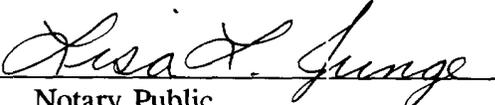
[NOTARY SEAL]

STATE OF ILLINOIS)

: ss.:

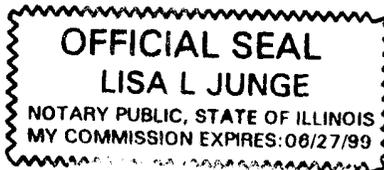
COUNTY OF COOK)

On this 17th day of January, 1996, before me, personally appeared Cheryl A. McCabe to me personally known, who being by me duly sworn, says that he/she is a Assistant Vice President of The First National Bank of Chicago, a national banking association, that the foregoing instrument was signed on behalf of said national banking association 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 national banking association.



Notary Public

[NOTARY SEAL]



SCHEDULE OF EQUIPMENT

<u>Type of Railroad Cars</u>	<u>Number of Railroad Cars</u>	<u>Marks</u>	<u>Car Numbers</u>
52' 6" Mill Gondola Cars built by Johnstown America Corporation	70	IC	294900 - 294969 (inclusive)

SCHEDULE OF LEASES

Railcar Equipment Lease dated as of December 1, 1995 by and between Illinois Central Railroad Company, as lessee and JAIX Leasing Company, a Delaware corporation and successor in interest to Johnstown America Industries, Inc., a Delaware corporation, as lessor, together with Rider 1 dated as of December 1, 1995, to such Railcar Equipment Lease and the Certificates of Acceptance (including, without limitation, those dated November 10, 1995, December 8, 1995, December 22, 1995, December 27, 1995 and December 28, 1995) executed by Illinois Central Railroad Company with respect to a deliveries of Cars under such Railcar Equipment Lease.