

RECORDATION NO. 20636-118 d,
FILED

OCT 31 '97

12-00PM

ALVORD AND ALVORD
ATTORNEYS AT LAW
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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

Parti.
Counterpart -

October 31, 1997

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

OCT 31 12 00 PM '97

RECEIVED
SURFACE TRANSPORTATION
BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are three (3) copies of the following secondary documents: Supplement No. 3 to Security Agreement-Chattel Mortgage, dated as of October 31, 1997, and two separate Bills of Sale and Assignment and Assumption Agreements, all dated as of October 31, 1997.

The enclosed documents relate to the Security Agreement previously filed with the Board under Recordation Number 20636.

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

Supplement No. 3
to
Security Agreement-Chattel Mortgage

Debtor: Shippers First LLC
980 Kelly Johnson Drive
Las Vegas, NV 89119

Secured Party: The Industrial Bank of Japan Trust Company
1251 Avenue of the Americas
New York, NY 10020

Mr. Vernon A. Williams
October 31, 1997
Page 2

With respect to the 14 railcars being ADDED to the Security Agreement, the parties are:

Bill of Sale
and
Assignment and Assumption Agreement

Transferor/
Assignor: ACF Industries, Incorporated
620 North Second Street
St. Charles, MO 63301

Transferee/
Assignee: Shippers First LLC
980 Kelly Johnson Drive
Las Vegas, NV 89119

With respect to the 59 railcars being RELEASED from the Security Agreement, the parties are:

Transferor/
Assignor: Shippers First LLC
980 Kelly Johnson Drive
Las Vegas, NV 89119

Transferee/
Assignee: ACF Industries, Incorporated
620 North Second Street
St. Charles, MO 63301

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

fifty-nine (59) ACFX railcars identified on Schedule A-1 attached to the Supplement and fourteen (14) SHPX railcars identified on Schedule A-2 to the Supplement.

Mr. Vernon A. Williams

October 31, 1997

Page 3

Also enclosed is a check in the amount of \$120.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return two stamped copies of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

OCT 31 '97

12-00 PM

SUPPLEMENT NO. 3
TO
SECURITY AGREEMENT - CHATTEL MORTGAGE

SUPPLEMENT No. 3 dated as of October 31, 1997, to Security Agreement - Chattel Mortgage dated as of April 15, 1997 (as supplemented by Supplement No. 1 dated as of June 20, 1997 and Supplement No. 2 dated as of September 12, 1997, the "Security Agreement") between SHIPPERS FIRST LLC, a Delaware limited liability company (the "Debtor"), and THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY, a corporation organized under the laws of New York, acting both on its own behalf as Administrative Agent and as the agent for and representative (within the meaning of Section 9-105(m) of the Uniform Commercial Code) of the Banks (the "Secured Party")(undefined terms used herein shall have the meanings set forth in the Security Agreement or by reference therein).

1. This Supplement No. 3 is executed and delivered pursuant to the Security Agreement in order to: (i) release the Equipment more fully described on Schedule A-1 hereto and the related Equipment Leases (as more fully described in Schedule A-1 to Supplement No. 3 to Loan Agreement) from the Lien of the Security Agreement, and (ii) subject the Equipment more fully described on Schedule A-2 hereto and the related Equipment Leases (as more fully described in Schedule A-2 to Supplement No. 3 to Loan Agreement) to the Lien of the Security Agreement.

2. The Collateral is hereby amended by deleting therefrom, and the Secured Party hereby releases, and terminates its Lien on and security interest in, and all of its right, title and interest, in and to, the Equipment more fully described on Schedule A-1 hereto and the related Equipment Leases (as more fully described in Schedule A-1 to Supplement No. 3 to Loan Agreement).

3. (a) Section 2.02 of the Security Agreement shall be amended by inserting the words "and Schedule A-2 to Supplement No. 3 to the Security Agreement" after the word "hereto" in the third line thereof.

(b) Section 2.03 of the Security Agreement shall be amended by inserting the words "and Schedule A-2 to Supplement No. 3 to Loan Agreement" after the words "Loan Agreement" in the tenth line thereof.

4. The Debtor and the Borrower hereby agree that Section 2.01 of the Security Agreement shall apply to Section 2.02 and Section 2.03 of the Security Agreement as these Sections have been amended by this Supplement.

5. All references to "Equipment," "Item of Equipment" or "Items of Equipment" in any of the Loan Documents shall be deemed to include the Equipment described on Schedule A-2 hereto.
6. All provisions of the Security Agreement are hereby incorporated in this Supplement and made a part hereof. Schedule A-1 hereto shall be deemed a deletion from, and the properties described thereon shall cease to be a part of, Schedule A to the Security Agreement. Schedule A-2 hereto shall be deemed an addition to, and part of, Schedule A to the Security Agreement. By their execution and delivery of this Supplement, the parties hereto hereby reaffirm all of the provisions of the Security Agreement.
7. Except as expressly amended and supplemented herein (which supplement shall be effective only in the specific instances and for the specific purposes provided herein) wherever the term "Security Agreement" is used in the Security Agreement, it shall be deemed to refer to and mean the Security Agreement as amended supplemented by this Supplement No. 3 and that the same may be subsequently amended or supplemented from time to time.
8. This Supplement No. 3 may be executed in any number of counterparts, each of which, when executed, shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.
9. This Supplement No. 3 will be governed by and construed in accordance with the laws of the State of New York, without giving effect to the principles of conflicts of law thereof.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Supplement in one or more counterparts as of this 31 day of October, 1997.

SHIPPERS FIRST LLC, as Debtor

By: ACF Industries, Incorporated,
Managing Member

By: Umesh Choksi

Name: Umesh Choksi

Title: Treasurer

THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY,
as Administrative Agent for the Banks and Secured Party

By: _____

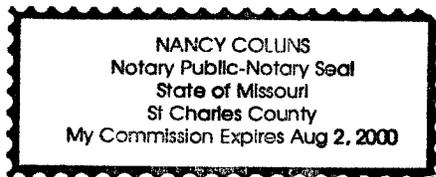
Name: John V. Veltri

Title: Senior Vice President

[Signature Page to Supplement No. 3 to Security Agreement]

STATE OF MISSOURI)
) ss.:
COUNTY OF ST. CHARLES)

On this 29th day of October, 1997, before me, personally appeared Umesh Choksi, to me known, who being by me duly sworn, says that he resides in Chesterfield, MO and is Treasurer of ACF INDUSTRIES, INCORPORATED, which is the Managing Member of SHIPPERS FIRST LLC; that said instrument was signed on behalf of said limited liability company on the date hereof by authority of its members; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.



Nancy Collins

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this ____ day of October, 1997, before me, personally appeared John V. Veltri, to me known, who being by me duly sworn, says that he resides in West Milford, NJ and is Senior Vice President of THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY; that said instrument was signed on behalf of said corporation on the date hereof 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 bank.

Notary Public

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Supplement in one or more counterparts as of this 31 day of October, 1997.

SHIPPERS FIRST LLC, as Debtor

By: ACF Industries, Incorporated,
Managing Member

By: _____
Name: Umesh Choksi
Title: Treasurer

THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY,
as Administrative Agent for the Banks and Secured Party

By:  _____
Name: John V. Veltri
Title: Senior Vice President

[Signature Page to Supplement No. 3 to Security Agreement]

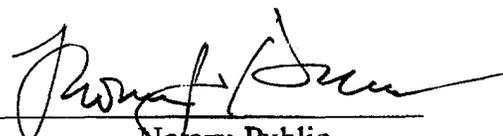
STATE OF MISSOURI)
) ss.:
COUNTY OF ST. CHARLES)

On this ____ day of October, 1997, before me, personally appeared Umesh Choksi, to me known, who being by me duly sworn, says that he resides in Chesterfield, MO and is Treasurer of ACF INDUSTRIES, INCORPORATED, which is the Managing Member of SHIPPERS FIRST LLC; that said instrument was signed on behalf of said limited liability company on the date hereof by authority of its members; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 29th day of October, 1997, before me, personally appeared John V. Veltri, to me known, who being by me duly sworn, says that he resides in West Milford, NJ and is Senior Vice President of THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY; that said instrument was signed on behalf of said corporation on the date hereof 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 bank.



Notary Public

THOMAS J. DREVES
Notary Public, State of New York
No. 02DR5015291
Qualified in New York County
Commission Expires July 19, 1998

Rptg Mark	Car Number	AAR Desg	Rptg Mark	Car Number	AAR Desg
ACFX	52063	C214	ACFX	78205	T104
ACFX	52090	C214	ACFX	78208	T104
ACFX	52097	C214	ACFX	78210	T104
ACFX	52294	C214	ACFX	78211	T104
ACFX	53021	C214	ACFX	78212	T104
ACFX	53089	C214	ACFX	78215	T104
ACFX	53091	C214	ACFX	78217	T104
ACFX	53092	C214	ACFX	78218	T104
ACFX	53094	C214	ACFX	78219	T104
ACFX	53096	C214			
ACFX	53098	C214		59 Cars	
ACFX	53101	C214			
ACFX	53102	C214			
ACFX	53104	C214			
ACFX	53105	C214			
ACFX	53106	C214			
ACFX	53108	C214			
ACFX	53111	C214			
ACFX	53112	C214			
ACFX	53113	C214			
ACFX	53114	C214			
ACFX	53116	C214			
ACFX	53121	C214			
ACFX	53122	C214			
ACFX	53124	C214			
ACFX	53226	C214			
ACFX	53230	C214			
ACFX	53231	C214			
ACFX	53233	C214			
ACFX	53906	C214			
ACFX	53920	C214			
ACFX	54335	C214			
ACFX	54603	C214			
ACFX	78173	T104			
ACFX	78174	T104			
ACFX	78175	T104			
ACFX	78176	T104			
ACFX	78178	T104			
ACFX	78179	T104			
ACFX	78181	T104			
ACFX	78182	T104			
ACFX	78183	T104			
ACFX	78185	T104			
ACFX	78189	T104			
ACFX	78190	T104			
ACFX	78192	T104			
ACFX	78193	T104			
ACFX	78194	T104			
ACFX	78195	T104			
ACFX	78197	T104			

<u>Rptg</u> <u>Mark</u>	<u>Car</u> <u>Number</u>	<u>AAR</u> <u>Desg</u>
SHPX	220539	T389
SHPX	220547	T389
SHPX	220548	T389
SHPX	220549	T389
SHPX	220550	T389
SHPX	220551	T389
SHPX	201035	T104
SHPX	201036	T104
SHPX	201037	T104
SHPX	201039	T104
SHPX	201040	T104
SHPX	201041	T104
SHPX	201042	T104
SHPX	201043	T104

14 Cars