RECORDATION NO. 20865 FILED

SEP 12 '97 12-35 PM

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ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

Counterpart - Orig.

September 12, 1997

RECEIVED
SURFACE TRANSPORTATION BOARD
SEP 12 12 34 PM '97

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

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Memorandum of Security Agreement, dated September 11, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Lender: Bank One, Illinois, N.A.
One East Old State Capitol Plaza
Springfield, Illinois 62701

Borrower: Incobrasa Industries, Ltd.
540 East U.S. Highway 24
Gilman, Illinois 60938

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

two hundred (200) covered hopper railcars bearing BRIX reporting marks and road numbers 97001 through 97200, inclusive

Also enclosed is a check in the amount of $24.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/bg
Enclosures

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MEMORANDUM OF SECURITY AGREEMENT

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") dated September 11, 1997, is made by and between BANK ONE, ILLINOIS, NA, a national banking association, with an office at One East Old State Capitol Plaza, Springfield, Illinois 62701 (the "Bank") and INCOBRASA INDUSTRIES, LTD., an Illinois corporation, with its principal office at 540 East U. S. Highway 24, Gilman, Illinois 60938 (the "Borrower").

The Borrower and the Bank hereby state the following:

1. The Borrower and the Bank are parties to that certain Loan Agreement dated September 11, 1997 (the "Loan Agreement"), whereby the Bank has agreed to loan the Borrower certain funds to provide working capital for accounts receivable and inventory.

3. To secure the payment and performance of any and all of the Borrower's obligations to the Bank, the Borrower has, pursuant to that certain Security Agreement, dated September 11, 1997, by and between the Borrower and the Bank (the "Security Agreement") (capitalized terms used herein and not otherwise defined shall have the meaning given them in the Security Agreement), granted to the Bank a continuing, first priority security interest in, and lien on, all of the Borrower's right, title and interest in and to certain collateral (the "Collateral") including, without limitation, the covered hopper and other types of railcars set forth on Exhibit A hereto (the "Railcars") to have and to hold all and every part of the Collateral unto the Bank, its successors and assigns, for its and their own use and benefit forever; such Collateral includes but is not limited to:

(a) the Railcars;

(b) all improvements, additions, modifications, accessions, equipment, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired, and all substitutions and replacements of the Railcars described above;

(c) all lease payments and lease proceeds with respect to the Railcars;

(d) all proceeds, casualty value payments or proceeds, settlement payments and requisition compensation from the sale, loss or other disposition of the Railcars;

(e) all rights, claims and causes of action, if any, that the Borrower may have now or in the future against any seller of the Railcars or any manufacturer or re-builder of the Railcars (or any component thereof) or any other party, by contract or otherwise, in respect of any defect in the Railcars or any part thereof;

(f) all damages from time to time payable to or receivable by the Borrower in respect of the Railcars;

(g) all products or proceeds (cash and non-cash) of any of the foregoing; and

(h) all books and records relating to any of the foregoing.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

WITNESS:

Cleonice M. Ribeiro
Secretary

INCOBRASA INDUSTRIES, LTD.

By: _____
Renato B. Ribeiro
President

WITNESS:

BANK ONE, ILLINOIS, NA

By: _____
J.D. Gard
Senior Vice President

STATE OF ILLINOIS)
) SS:
COUNTY OF IROQUOIS)

On this 11th day of September, 1997, before me, a Notary Public of the County and State aforesaid, personally appeared Renato B. Ribeiro, to me personally known, who being by me duly sworn, says that he is the President of Incobrasa Industries, Ltd., an Illinois corporation, that said instrument was signed 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.

WITNESS my hand and notarial seal.

Sue Hendrix
Notary Public

OFFICIAL SEAL
SUE HENDRIX
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 8/19/01

STATE OF ILLINOIS)
) SS:
COUNTY OF IROQUOIS)

On this 11th day of September, 1997, before me a Notary Public of the County and State aforesaid, personally appeared J.D. Gard, to me personally known, who being by me duly sworn, says that he is a Senior Vice President of Bank One, Illinois, NA, a national banking association, that said instrument was signed on behalf of said bank 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.

AS WITNESS my hand and notarial seal

Sue Hendrix
Notary Public

OFFICIAL SEAL
SUE HENDRIX
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 8/19/01

EXHIBIT A

RAILCARS

SEE THE LISTS OF RAILCARS ATTACHED HERETO

Exhibit A to the Security Agreement Between Incobrasa Industries, Ltd. and Bank One, Illinois, NA

Two hundred 100-ton 5,400 cubic foot covered hopper railcars (286 GRL) manufactured by Thrall Car Manufacturing Company bearing reporting marks and numbers as follows:

BRIX97001	BRIX97041	BRIX97081	BRIX97121	BRIX97161
BRIX97002	BRIX97042	BRIX97082	BRIX97122	BRIX97162
BRIX97003	BRIX97043	BRIX97083	BRIX97123	BRIX97163
BRIX97004	BRIX97044	BRIX97084	BRIX97124	BRIX97164
BRIX97005	BRIX97045	BRIX97085	BRIX97125	BRIX97165
BRIX97006	BRIX97046	BRIX97086	BRIX97126	BRIX97166
BRIX97007	BRIX97047	BRIX97087	BRIX97127	BRIX97167
BRIX97008	BRIX97048	BRIX97088	BRIX97128	BRIX97168
BRIX97009	BRIX97049	BRIX97089	BRIX97129	BRIX97169
BRIX97010	BRIX97050	BRIX97090	BRIX97130	BRIX97170
BRIX97011	BRIX97051	BRIX97091	BRIX97131	BRIX97171
BRIX97012	BRIX97052	BRIX97092	BRIX97132	BRIX97172
BRIX97013	BRIX97053	BRIX97093	BRIX97133	BRIX97173
BRIX97014	BRIX97054	BRIX97094	BRIX97134	BRIX97174
BRIX97015	BRIX97055	BRIX97095	BRIX97135	BRIX97175
BRIX97016	BRIX97056	BRIX97096	BRIX97136	BRIX97176
BRIX97017	BRIX97057	BRIX97097	BRIX97137	BRIX97177
BRIX97018	BRIX97058	BRIX97098	BRIX97138	BRIX97178
BRIX97019	BRIX97059	BRIX97099	BRIX97139	BRIX97179
BRIX97020	BRIX97060	BRIX97100	BRIX97140	BRIX97180
BRIX97021	BRIX97061	BRIX97101	BRIX97141	BRIX97181
BRIX97022	BRIX97062	BRIX97102	BRIX97142	BRIX97182
BRIX97023	BRIX97063	BRIX97103	BRIX97143	BRIX97183
BRIX97024	BRIX97064	BRIX97104	BRIX97144	BRIX97184
BRIX97025	BRIX97065	BRIX97105	BRIX97145	BRIX97185
BRIX97026	BRIX97066	BRIX97106	BRIX97146	BRIX97186
BRIX97027	BRIX97067	BRIX97107	BRIX97147	BRIX97187
BRIX97028	BRIX97068	BRIX97108	BRIX97148	BRIX97188
BRIX97029	BRIX97069	BRIX97109	BRIX97149	BRIX97189
BRIX97030	BRIX97070	BRIX97110	BRIX97150	BRIX97190
BRIX97031	BRIX97071	BRIX97111	BRIX97151	BRIX97191
BRIX97032	BRIX97072	BRIX97112	BRIX97152	BRIX97192
BRIX97033	BRIX97073	BRIX97113	BRIX97153	BRIX97193
BRIX97034	BRIX97074	BRIX97114	BRIX97154	BRIX97194
BRIX97035	BRIX97075	BRIX97115	BRIX97155	BRIX97195
BRIX97036	BRIX97076	BRIX97116	BRIX97156	BRIX97196
BRIX97037	BRIX97077	BRIX97117	BRIX97157	BRIX97197
BRIX97038	BRIX97078	BRIX97118	BRIX97158	BRIX97198
BRIX97039	BRIX97079	BRIX97119	BRIX97159	BRIX97199
BRIX97040	BRIX97080	BRIX97120	BRIX97160	BRIX97200

Exhibit A to the UCC-1 Financing Statement

Two hundred 100-ton 5,400 cubic foot covered hopper railcars (286 GRL) manufactured by Thrall Car Manufacturing Company bearing reporting marks and numbers as follows:

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BRIX97004	BRIX97044	BRIX97084	BRIX97124	BRIX97164
BRIX97005	BRIX97045	BRIX97085	BRIX97125	BRIX97165
BRIX97006	BRIX97046	BRIX97086	BRIX97126	BRIX97166
BRIX97007	BRIX97047	BRIX97087	BRIX97127	BRIX97167
BRIX97008	BRIX97048	BRIX97088	BRIX97128	BRIX97168
BRIX97009	BRIX97049	BRIX97089	BRIX97129	BRIX97169
BRIX97010	BRIX97050	BRIX97090	BRIX97130	BRIX97170
BRIX97011	BRIX97051	BRIX97091	BRIX97131	BRIX97171
BRIX97012	BRIX97052	BRIX97092	BRIX97132	BRIX97172
BRIX97013	BRIX97053	BRIX97093	BRIX97133	BRIX97173
BRIX97014	BRIX97054	BRIX97094	BRIX97134	BRIX97174
BRIX97015	BRIX97055	BRIX97095	BRIX97135	BRIX97175
BRIX97016	BRIX97056	BRIX97096	BRIX97136	BRIX97176
BRIX97017	BRIX97057	BRIX97097	BRIX97137	BRIX97177
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BRIX97033	BRIX97073	BRIX97113	BRIX97153	BRIX97193
BRIX97034	BRIX97074	BRIX97114	BRIX97154	BRIX97194
BRIX97035	BRIX97075	BRIX97115	BRIX97155	BRIX97195
BRIX97036	BRIX97076	BRIX97116	BRIX97156	BRIX97196
BRIX97037	BRIX97077	BRIX97117	BRIX97157	BRIX97197
BRIX97038	BRIX97078	BRIX97118	BRIX97158	BRIX97198
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BRIX97040	BRIX97080	BRIX97120	BRIX97160	BRIX97200

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