

RECORDATION NO. 21399 FILED

MAY 12 '98 11-25 AM

ALVORD AND ALVORD
ATTORNEYS AT LAW
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SUITE 200
WASHINGTON, D.C.

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ELLSWORTH C. ALVORD (1964)

20006-2973

OF COUNSEL
URBAN A. LESTER

(202) 393-2266

FAX (202) 393-2156

May 12, 1998

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 Railcar Security Agreement, dated as of May 8, 1998, 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:

Debtor: Keywell, L.L.C.
11900 South Cottage Grove Ave.
Chicago, Illinois 60628

Secured Party/
Collateral Agent: Bank of America National Trust and
Savings Association
231 South LaSalle Street
Chicago, Illinois 60697

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

Set forth on Schedule I attached to the Security Agreement

Country Club - G.W.

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RECEIVED
SURFACE TRANSPORTATION
BOARD

Mr. Vernon A. Williams
May 12, 1998
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Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "R. Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/bg
Enclosures

MAY 12 '98

11-25 AM

RAILCAR SECURITY AGREEMENT

THIS RAILCAR SECURITY AGREEMENT (this "Railcar Security Agreement"), dated as of May 8, 1998, between KEYWELL L.L.C., an Illinois limited liability company (the "Debtor"), and BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, as collateral agent for the Creditor Parties referred to below (the "Collateral Agent").

W I T N E S S E T H:

WHEREAS, the Debtor has acknowledged and agreed to an Intercreditor Agreement, dated as of May 8, 1998 (together with all amendments and other modifications, if any, from time to time thereafter made thereto, the "Intercreditor Agreement"), among Bank of America National Trust and Savings Association, LaSalle National Bank and The Prudential Insurance Company of America (each, together with any other holder of Creditor Obligations as defined in the Intercreditor Agreement and each of their respective successors, transferees and assigns, a "Creditor Party"), which Intercreditor Agreement relates to the provision and administration of collateral being provided by the Debtor; and

WHEREAS, as a condition precedent to amendments to be effected by the Financing Agreements referred to in the Intercreditor Agreement, the Debtor is required to execute and deliver this Railcar Security Agreement; and

WHEREAS, the Debtor has duly authorized the execution, delivery and performance of this Railcar Security Agreement; and

WHEREAS, it is in the best interests of the Debtor to execute this Railcar Security Agreement inasmuch as the Debtor will derive substantial direct and indirect benefits from the loans made and letters of credit issued from time to time to or for the account of the Debtor by the Creditor Parties pursuant to the Financing Agreements;

WHEREAS, the Debtor is party to that certain Security Agreement, dated as of May 8, 1998 (the "Security Agreement") among the Debtor, Keywell Corporation and the Collateral Agent, pursuant to which the Debtor grants to the Collateral Agent, for the benefit of the Creditor Parties a security interest in the Collateral (as that term is defined in the Security Agreement);

WHEREAS, this Railcar Security Agreement is a Collateral Document under the Intercreditor Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Railcar Security Agreement, including its preamble and recitals, have the meanings ascribed to such terms in the Security Agreement.

SECTION 2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of the Senior Obligations, the Debtor does hereby mortgage, pledge and hypothecate to the Collateral Agent, and grant to the Collateral Agent a security interest in, for its benefit and the benefit of the Creditor Parties, the railroad cars or locomotives described in Schedule I hereto (hereinafter referred to as the "Equipment"), together with all accessories, equipment parts and appurtenances appertaining or attached to any of such Equipment, and all substitutions, renewals and replacements of, and additions, improvements, accessories and accumulations to, any and all of such Equipment, and all proceeds of any of the foregoing (all of the foregoing property being hereinafter referred to as the "Rail Collateral").

SECTION 3. Representations, Warranties and Covenants. The Debtor hereby represents, warrants and covenants to the Collateral Agent and the Creditor Parties that:

(a) The Debtor shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. The Debtor shall, at its own cost and expense, maintain and keep the Equipment in good order, condition and repair, ordinary wear and tear excepted. Except as required or permitted by the provisions of Section 3(b) hereof, the Debtor shall not materially modify any Equipment without the prior written authority and approval of the Collateral Agent, which shall not be unreasonably withheld, it being understood that up to 40 railcars having car numbers in the range of KEYX #5000 to KEYX #5119 may be cut down from approximately 4,000 cubic feet per railcar to approximately 2,800 cubic feet per railcar.

(b) Without limiting the foregoing subsection (a), the Debtor agrees to comply, in all material respects, with all insurance policies covering the Equipment and all governmental laws, regulations, requirements and rules

(including, without limitation, the rules of the United States Department of Transportation and the Surface Transportation Board) as the same may be in effect from time to time with respect to the use, maintenance and operation of the Equipment. In case any equipment or appliance is reasonably interpreted as being required to be installed on any Equipment in order to comply with such laws, regulations, requirements and rules, the Debtor agrees to make such changes, additions and replacements at its own expense; provided, however, that the Debtor may, in good faith and by appropriate legal proceedings, contest the validity or application of any such law, regulation, requirement or rule in any reasonable manner which does not in the opinion of the Collateral Agent adversely affect the security interest of the Collateral Agent hereunder.

(c) At the request of any Creditor Party, the Debtor shall plainly and permanently stencil a legend on each side of each unit of Equipment in letters not less than one (1) inch in height indicating the Collateral Agent's interest therein, as follows:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE SURFACE TRANSPORTATION BOARD".

(d) The Collateral Agent shall have at all times (with reasonable advance notice during normal business hours, unless a Default exists, in which case at any time without any prior notice required) the right to enter into and upon any premises under the control of the Debtor where any of the Equipment is located for the purposes of inspecting the same, observing its use or otherwise protecting Collateral Agent's interest therein.

(e) The Debtor will keep at its address shown below its signature hereto all records concerning the Rail Collateral or such other address permitted under the Security Agreement, which records will be of such character as will enable the Collateral Agent or its designees to determine at any time the status thereof.

SECTION 4. Security Agreement. This Railcar Security Agreement has been executed and delivered by the Debtor for the purpose of registering the security interest of the Collateral Agent in the Rail Collateral with the Surface Transportation Board and to set forth the terms upon which the security interest in the Rail Collateral is granted. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Collateral Agent for its benefit and the benefit of the Creditor Parties under the Security Agreement. The Security Agreement (and all rights and

remedies of the Collateral Agent and the Creditor Parties thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 5. Release of Security Interest. Upon final indefeasible payment in full of all Senior Obligations and termination of all commitments of the Creditor Parties which would give rise to Senior Obligations (other than potential indemnification or other similar obligations which survive the payment of all other Senior Obligations), the Collateral Agent shall, at the Debtor's expense, execute and deliver to the Debtor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Rail Collateral which has been granted hereunder.

SECTION 6. Acknowledgement. The Debtor does hereby further acknowledge and affirm that the Collateral Agent shall have all of the rights, benefits and remedies with respect to the security interest in the Rail Collateral granted hereby as it does with respect to the collateral under the Security Agreement, and all of such rights, benefits and remedies shall be available to the Collateral Agent as though set forth herein in full.

SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Railcar Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

KEYWELL L.L.C.

By: 
Title: Sr. VP Treasurer

Address: 11900 South Cottage Grove Ave.
Chicago, Illinois 60628
Attention: Michael C. Sheffieck
Fax No.: (773) 660-2064

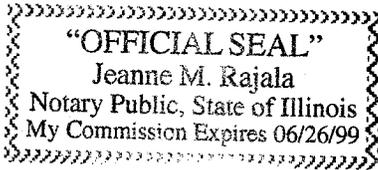
BANK OF AMERICA NATIONAL TRUST AND SAVINGS
ASSOCIATION
as Collateral Agent

By: 
Title: David A. Johanson
Vice President

Address: 231 South LaSalle Street
Chicago, Illinois 60697
Attention: David A. Johanson
Fax No.: (312) 974-9102

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 8th day of MAY, 1998, before me personally appeared Michael J. Heck to me personally known, who being by me duly sworn, said that he/she is the Sr. V.P. - Treasurer of KEYWELL L.L.C., an Illinois limited liability company, that the seal affixed to the foregoing instrument is the corporate seal of said company, that said instrument was signed and sealed on such date on behalf of said company by authority of its managers, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said company.



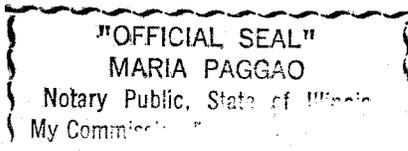
Jeanne M. Rajala
Notary Public

[NOTARIAL SEAL]

My commission expires: _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 11th day of May, 1998, before me personally appeared David A. Johanson, to me personally known, who being by me duly sworn, said that he/she is a Vice President of BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a national banking association, and that said instrument was signed on such date on behalf of said 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 association.



Maria L. Paggao
Notary Public

[NOTARIAL SEAL]

My commission expires: 12/31/2000

SCHEDULE I

Description of Equipment

The Equipment includes rolling stock consisting of 281 railcars having car numbers as follows:

KEYX #2220 to #2239
KEYX #2240 to #2249
KEYX #3000 to #3095
KEYX #4000 to #4024
KEYX #5000 to #5119
KEYX #7000 to #7009