

LAW OFFICES

RECORDATION NO 21424 FILED

ROSS & HARDIES

MAY 19 '98

2-47 PM

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

150 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601-7567

312-558-1000

WRITER'S DIRECT LINE
(312) 750-8655

PARK AVENUE TOWER
65 EAST 55TH STREET
NEW YORK, NEW YORK 10022-3219
212-421-5555

580 HOWARD AVENUE
SOMERSET, NEW JERSEY 08873
732-563-2700

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

TELECOPIER
312-750-8600

SUSAN G. LICHTENFELD

May 18, 1998

VIA OVERNIGHT COURIER

Mr. Vernon A. Williams
Secretary
Office of the Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Attention: Janice Fort, Room 704

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 48 U.S.C. Section 11301(a) is one original executed copy and four photostatic copies of a Memorandum of Railcar Security Agreement, dated as of May 1, 1998, between Freight Car Services, Inc. ("FCS") and Newcourt Capital USA, Inc. ("Newcourt"), a primary document as defined in the Commissioner's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed Memorandum of Railcar Security Agreement are:

Secured Party: Freight Car Services, Inc.
2313 Cannon Street
Danville, Illinois 61832

Debtor: Newcourt Capital USA, Inc.
Three First National Plaza
70 West Madison Street
Suite 5360
Chicago, Illinois 60602

A description of the railroad equipment covered by the enclosed document is set forth in the Memorandum of Railcar Security Agreement.

Counter part - J. O. Bell

RECEIVED
SURFACE TRANSPORTATION
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Mr. Vernon A. Williams
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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 one stamped original copy and three stamped photostatic copies of the enclosed document and the stamped photostatic copy of this letter to Susan G. Lichtenfeld at Ross & Hardies, 150 North Michigan Avenue, Suite 2500, Chicago, Illinois 60601.

Following is a short summary of the enclosed document:

Document to be Recorded

Memorandum of Railcar Security Agreement, dated as of May 1, 1998 between Freight Cars Services, Inc., as Secured Party, and Newcourt Capital USA, Inc., as Debtor.

Very truly yours,


Susan G. Lichtenfeld

SGL/vgc
w/encl.

cc: Robert W. Kleinman
Joseph A. McQuade

MAY 19 '98

2-47 PM

MEMORANDUM OF RAILCAR SECURITY AGREEMENT

This Memorandum of Railcar Security Agreement is made and entered into as May 1, 1998, by and between FREIGHT CAR SERVICES, INC. (hereinafter referred to as "Secured Party") and NEWCOURT CAPITAL USA, INC. (hereinafter referred to as "Debtor").

Pursuant to the Railcar Manufacturing Agreement dated as of March 24, 1998, as amended (the "Manufacturing Agreement") between Secured Party and Commonwealth Edison Company ("ComEd"), and subject to the terms and conditions therein set forth, which Manufacturing Agreement was assigned in part by ComEd to Debtor, Secured Party has agreed to manufacture and sell to Debtor, and Debtor has agreed to purchase from Secured Party, the railcars identified on Schedule A hereto (the "Railcars").

As security for the payment and fulfillment of its obligations to Secured Party under the Manufacturing Agreement pursuant to Sections 2, 6 and 29 of the Manufacturing Agreement, Debtor granted to Seller a security interest in the Railcars and the products, proceeds and accessions of and to any of the Railcars, together with all right, title and interest of Debtor therein and all rights and remedies which Debtor might exercise with respect thereto but for the execution of the Manufacturing Agreement.

As contemplated by the Manufacturing Agreement, Secured Party and Debtor hereby make this Memorandum of Railcar Security Agreement to confirm and perfect Secured Party's security interest in the Railcars. Secured Party and Debtor further acknowledge and confirm that this Memorandum of Railcar Security Agreement is not a summary of the Manufacturing Agreement nor a complete recitation of the terms and provisions thereof. Accordingly, Secured Party and Debtor agree that in the event of a conflict between this Memorandum of Railcar Security Agreement and the provisions of the Manufacturing Agreement, the provisions of the Manufacturing Agreement shall control.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Railcar Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

SECURED PARTY:

FREIGHT CAR SERVICES, INC.

DEBTOR:

NEWCOURT CAPITAL USA, INC.

By: *Alan W. Morganst*
Name: Alan W. Morganst
Title: Controller

By: *John Fields*
Name: John Fields
Title: Managing Director + SVP

STATE OF ILLINOIS)

COUNTY OF Vermilion)

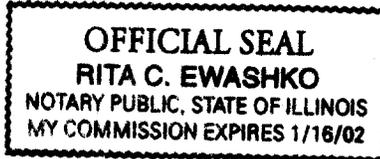
SS:

On this 15 day of May, 1998, before me personally appeared Alan W. Margot, to me personally known, who being duly sworn, says that he is a Controller of FREIGHT CAR SERVICES, INC., a Delaware 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.

Rita C. Ewashko
Notary Public

[NOTARIAL SEAL]

My Commission Expires:



STATE OF Illinois)
COUNTY OF Cook) :SS

On this 14th day of May, 1998, before me personally appeared Jack Wehner, to me personally known, who being by me duly sworn, says that he is a Managing Director of NEWCOURT CAPITAL USA, INC., a corporation, that said instrument was signed on behalf of said corporation by an officer duly authorized to sign said instrument, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Robert C. Hamilton, Jr.
Notary Public

[NOTARIAL SEAL]

My Commission expires: 6/8/2000



SCHEDULE A
TO MEMORANDUM OF RAILCAR SECURITY AGREEMENT

240 Aluminum BethGon Coalporter Cars bearing road marks
and numbers (all inclusive):

CWEX 6116 through CWEX 6355