RECORDATION NO 21490 FILED
JUL 2 '98 11-54 AM
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RECEIVED SURFACE TRANSPORTATION BOARD

July 1, 1998

Janice Fort
Surface Transportation Board
Recordation Office
1925 K Street
Suite 70
Washington D.C. 20423

Dear Janice,

Enclosed is an original plus 1 copy, both notarized. This is a Security Agreement between A & R Leasing, LLC and The Northern Trust Company dated 6/26/98. Also, enclosed is a check made payable to: Surface Transportation Board.

After recording the document, please return the acknowledgment copy to my attention. I have enclosed a FED X air bill to return the results to me.

If you have any questions regarding the filing, please feel free to call me at 800-634-9738 ext. 20254.

Thank you for your prompt assistance.

Sincerely,

Rebecca Heisler

Rebecca Heisler
Administrator

enclosure

RECORDATION NO. 21494 FILED

JUL 2 '98 11-54AM

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (herein "Agreement") dated June 26, 1998 between A & R LEASING L.L.C., an Illinois limited liability company (the "Debtor"), with its chief executive office located at 1075 Noel Avenue, Wheeling, Illinois 60090, and THE NORTHERN TRUST COMPANY (the "Secured Party"), 265 E. Deerpath Road, Lake Forest, Illinois 60045.

1. **Grant of Security Interest.** To secure the prompt and complete payment, observance and performance of all the Liabilities (as hereinafter defined), Debtor hereby gives, grants and pledges to the Secured Party a continuing security interest in and to all of the Debtor's right, title and interest in and to the following property and interests in property, whether now owned or existing or hereafter acquired or arising and wheresoever located (collectively, the "Collateral"):

One fifty (50) foot DIFCO 170-T depressed center flat railcar, Serial Number IPOX 102 (hereafter, the "Railcar"), together with all substitutions, replacements and proceeds thereof, including all proceeds of lease, sale or any other disposition, and all insurance proceeds thereof.

The security interest granted hereby shall secure all of the following (which shall collectively be referred to herein as the "Liabilities"): (1) the prompt and complete payment of that certain loan in the principal sum of $277,000.00 (the "Loan") evidenced by a Term Note of even date herewith in the principal sum of Two Hundred Seventy Seven Thousand and 00/100 ($277,000.00) Dollars (the "Note") executed by Debtor, and payable to the order of Secured Party in installments of principal and interest as therein described, and all future extensions, renewals, modifications, amendments, refinancings, and consolidations thereof or thereto; and (2) the payment of all advances made by Secured Party to pay or discharge any other lien, security interest or encumbrance upon the Collateral; and (3) the payment of all advances made by Secured Party to protect the Collateral, and/or Secured Party's security interest therein; and (4) the payment of all costs and expenses incurred by Secured Party in the enforcement of Secured Party's security interest in the Collateral and in the collection of the Liabilities and any other obligation or indebtedness secured hereby, including reasonable attorneys' fees and legal expenses.

The Note has been unconditionally guaranteed by Gerald R. Forsythe (the "Guarantor").

2. **Right of Set-Off.** Secured Party shall have the right of set-off against (and Debtor hereby grants Secured Party a first priority security interest in and to) any money, credits or property of Debtor which shall come into the possession of Secured Party. Secured Party may, at any time, for its own account, without notice to Debtor, apply towards the payment of any Liabilities, whether due or not, any money, credits or other property belonging to the Debtor which shall be in the possession or under the control of the Secured Party.

3. **Representations and Warranties.** Debtor represents and warrants to Secured Party as follows:

(a) The correct name of Debtor is set forth in the first paragraph of this Agreement. The Debtor currently conducts business under its correct legal name as set forth in the first paragraph of this Agreement. Debtor has not changed its name or used any trade or fictitious name in the last (5) five years. The chief place of business and chief executive office of the Debtor is located at the Debtor's address specified above in the first paragraph of this Agreement; and

(b) The Debtor is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Illinois, and has the power and authority to enter into and perform all of the obligations under this Agreement, the Note and all other loan documents executed by Debtor in connection with the Loan (hereafter, collectively the "Other Documents"); and

(c) The making and performance by Debtor of this Agreement, the Note and the Other Documents have been duly authorized by all necessary limited liability company action and will not violate any provision of law, or its operating agreement or articles of organization, or result in the breach of or constitute a default or require any consent under, or result in the creation of any lien, charge, or encumbrance (except the security interest of the Secured Party) upon any property or assets of Debtor pursuant to any indenture or other agreement or instrument to which Debtor is a party or by which Debtor or its property may be bound or affected; and

(d) This Agreement, the Note and the Other Documents are the legal, valid and binding obligations of Debtor enforceable against Debtor in accordance with their respective terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting creditors' rights generally and by general principles of equity; and

(e) No authorization, approval or other action by, and no notice to or filing with, any governmental authority that have not already been taken or made and which are in full force and effect, is required (i) for the grant by the Debtor of the security interest in the Collateral granted hereby; or (ii) Debtor's execution, delivery or performance of this Agreement, the Note or the Other Documents; and

(f) There are no suits or proceedings pending, or to the knowledge of Debtor threatened against or affecting Debtor which, if adversely determined, would have an adverse effect on the financial condition or business of Debtor or its ability to perform its obligations under this Agreement, the Note or the Other Documents, and there are no proceedings by or before any court, governmental commission, board, bureau, or other administrative agency pending or, to the knowledge of Debtor, threatened against Debtor; and

(g) To the best of Debtor's knowledge, the Debtor is in compliance with all statutes, ordinances, governmental rules and regulations to which it is subject and has not and shall not

fail to obtain any licenses, permits, franchises, or other governmental authorizations necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain would adversely affect the business, prospects, profits, properties, condition (financial or otherwise) of the Debtor, or the security interest, liens, or rights of the Secured Party in the Collateral; and

(h) The Debtor has satisfied all judgments and is not in default with respect to any judgment, writ, injunction, decree, rule, or regulation of any court, arbitrator, or federal, state, municipal, or other governmental authority, commission, board, bureau, agency, or instrumentality, domestic or foreign; and

(i) The Debtor has filed all tax returns (federal, state and local) required to be filed and has paid all taxes, assessments, and governmental charges and levies thereon due, including interest and penalties; and

(j) The balance sheets and statements of income of Debtor, and all accompanying financial information heretofore furnished to the Secured Party, are complete and correct in all material respects and fairly represent the financial condition of Debtor as at the dates of said financial statements and the results of its operations for the periods ending on said dates; and

(k) The Debtor is the sole lawful owner of the Collateral, and has the sole right and lawful authority to deliver this Agreement. The Collateral and every part thereof is, and will hereafter remain, free and clear of all security interests, liens, attachments, levies, and encumbrances of every kind, nature and description, except for the security interest of the Secured Party and the leasehold rights of Indeck Power Equipment Company (the "Lessee") under that certain Lease Agreement dated May 15, 1997 between Debtor as lessor and Lessee. No financing statement or other security document covering the Collateral or any part thereof, is on file in any public office. The security interest granted in the Collateral is valid and enforceable under the laws of the State of Illinois and constitutes a first priority security interest therein.

4. **Affirmative Covenants.** Debtor agrees that until the Liabilities have been paid in full and the Secured Party's security interest in the Collateral terminated, Debtor will:

(a) Keep its chief place of business and chief executive office at the Debtor's address specified above in the first paragraph of this Agreement, or, upon thirty (30) days prior written notice to the Secured Party, at such other location in the State of Illinois; and

(b) Debtor will not create, permit or suffer to exist, and will defend the Collateral against, and take such other action as is necessary to remove, any lien, security interest or encumbrance on the Collateral, other than the security interest of Secured Party, and Debtor will defend the right, title and interest of the Secured Party in and to Debtor's rights to the

Collateral, including, without limitation, the proceeds thereof, against the claims and demands of all Persons whatsoever; and

(c) Debtor will advise the Secured Party promptly, in reasonable detail, of (i) any lien, security interest, encumbrance, or claim made by or asserted against the Collateral, and (ii) the occurrence of any other event which would have a material adverse effect on the aggregate value of the Collateral or on the security interests and liens with respect to the Collateral created hereunder; and

(d) Preserve and maintain, its limited liability company existence and good standing in the State of Illinois; and

(e) Execute, or cause to be executed, upon Secured Party's request, any documents necessary to perfect Secured Party's security interest in the Collateral; and

(f) Take all actions necessary or required by law to protect and preserve the Collateral, the rights of the Debtor and Secured Party thereunder, and the priority of the lien granted thereby, including, without limitation, the payment of all amounts required for that purpose; and

(g) Maintain, keep and preserve all of its tangible assets in good condition and repair. Debtor will not commit or permit damage to or destruction of its tangible assets, or any portion thereof; and

(h) Continue to engage in a business of the same general type as conducted by it on the date of this Agreement; and

(i) Pay when due all taxes, assessments and liens upon the Collateral (and all other assets now or hereafter owned by it), its use or operation, upon this Agreement, the Note or upon any of the Other Documents; and

(j) Procure and maintain "all risks" fire and extended casualty insurance, and comprehensive public liability insurance, together with such other insurance as the Secured Party may require with respect to the Collateral, in form, amounts, coverages, and basis acceptable to Secured Party and issued by a company or companies acceptable to Secured Party. Prior to closing and from time to time thereafter, Debtor shall deliver to Secured Party certificates of insurance naming Secured Party as an "additional insured" with respect to public liability coverage and as a "loss payee" with respect to the casualty coverage. Debtor will also provide to Secured Party: (i) a Lender's Loss Payable Endorsement and such other endorsements as Secured Party shall require, and (ii) upon the request of Secured Party, copies of the aforesaid insurance policies; and

(k) Promptly notify Secured Party of any loss or damage to the Collateral exceeding $20,000.00. Secured Party may make proof of loss if Debtor fails to do so within fifteen (15)

days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Secured Party as part of the Collateral. Provided Debtor shall not then be in default in the payment of any indebtedness to Secured Party or in the performance of any other obligation to Secured Party hereunder or under any related loan document, Secured Party shall consent to the repair or replacement of the damaged or destroyed Collateral, and Secured Party, shall, upon satisfactory proof of expenditure, pay or reimburse Debtor from the proceeds for the reasonable cost of repair or restoration. If Debtor shall be in default in the payment or performance of any such indebtedness or obligation, Secured Party, at its option, may apply the insurance proceeds toward payment of the remaining Liabilities, with the remainder, if any, being paid to Debtor, or such other person legally entitled thereto; and

(l) Deliver financial statements to Secured Party within fifteen (15) days after Secured Party's request, from time to time during the term of the Loan, together with such other information, financial or otherwise, concerning the Debtor, as the Secured Party may reasonably request from time to time; and

(m) Promptly after the commencement thereof, give the Secured Party notice of all actions, suits and proceedings before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Debtor, which, if determined adversely to the Debtor, could have a material adverse effect on the financial condition, properties or operations of Debtor; and

(n) Give Secured Party written notice thirty (30) days prior to any change in Debtor's name, mailing address, principal place of business, chief executive office, or location of the Collateral or Debtor's books and records.

5. **Negative Covenants.** Debtor agrees that until the Liabilities shall have been paid in full and the Secured Party's security interest in the Collateral terminated, Debtor will not:

(a) Grant, assign, pledge, hypothecate, create or permit to exist, any lien on or security interest in the Collateral to or in favor of anyone other than Secured Party, or sell, transfer, lease (other than to Lessee and any other party approved by Secured Party), convey or otherwise dispose of the Collateral; or

(b) Wind up, liquidate, or convey, sell, assign, transfer, lease, or otherwise dispose of (whether in one transaction or a series of transactions) all or substantially all of it assets (whether now owned or hereafter acquired) to any Person. As used in this agreement, the term "Person" shall mean an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, or other entity of whatever nature.

6. **Additional Financing Statements and Documents.** The Debtor shall execute and deliver to Secured Party, concurrently with the execution of this Agreement, and at any time or times thereafter at the reasonable request of Secured Party, all financing statements and other documents as the Secured Party may request, in a form reasonably satisfactory to the Secured Party, to perfect and keep perfected the security interest in the Collateral granted by the Debtor to the Secured Party or to otherwise protect and preserve the Collateral and the Secured Party's security interest therein. Should the Debtor fail to do so, the Secured Party is authorized to sign any such financing statements as Debtor's agent. The Debtor further agrees that a carbon, photographic, photostatic or other reproduction of this Security Agreement or of a financing statement is sufficient as a financing statement.

7. **Expenditures of Secured Party to Preserve or Protect Collateral.** If not discharged or paid when due, Secured Party may (but shall not be obligated to) discharge or pay any amounts required to be discharged or paid by Debtor under this Agreement, including, without limitation, all taxes, liens, security interests, encumbrances, and other claims, at any time levied or placed on the Collateral. Secured Party may also (but shall not be obligated to) pay all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Secured Party for such purposes will then bear interest at the default rate charged under the Note from the date incurred or paid by Secured Party to the date of repayment by Debtor. All such expenses shall automatically become a part of the Liabilities secured hereby, and, at Secured Party's option, will be payable on demand.

8. **Default and Remedies.** The Liabilities shall, at the option of Secured Party and notwithstanding any maturity to the contrary, become immediately due and payable, without notice or demand, upon the occurrence of any of the following events of default (each an "Event of Default"):

(a) Debtor shall default in the payment, when due, of any principal of or interest on the Note or any of the other Liabilities; or

(b) Debtor shall default in the due observance or performance of any other term, covenant, condition, obligation or representation contained herein or in any of the Other Documents; or

(c) Any statement, warranty, or representation made by the Debtor in this Agreement or by Debor or Guarantor in any of the Other Documents shall prove to have been incorrect, incomplete or misleading in any material respect on the date when made; or

(d) Filing of a petition in bankruptcy by or against Debtor or Lessee, or institution of any proceeding by Debtor or Lessee for corporate reorganization, readjustment, or similar arrangement under any insolvency statute, filing of any proceeding by or against Debtor, Lessor or Guarantor for appointment of a receiver, trustee or liquidator of it or him, or all or any substantial part of its or his assets or properties, filing of a petition for dissolution or

liquidation of Debtor or Lessee, or making by Debtor, Lessee or Guarantor of an assignment for the benefit of creditors, or filing or imposition of any tax lien against the Collateral or property of Debtor, or Debtor admits in writing its inability to pay its debts as they become due, or Debtor ceases doing business as a going concern; or

(e) The Secured Party, in good faith, deems itself reasonably insecure for any reason due to any material adverse change in the business, assets or liabilities, financial condition, results of operations or business prospects of Debtor or Guarantor; or

(f) There shall occur any uninsured damage to or loss, theft, or destruction of any portion of the Collateral exceeding $20,000.00; or

(g) The Collateral is attached, seized, levied upon or subjected to a writ or distress warrant, or comes within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors; or an application is made by the Debtor or any other person or entity for the appointment of a receiver, trustee, or custodian for the Collateral; or

(h) A notice of lien, levy or assessment is filed of record with respect to all or any substantial portion of Debtor's assets by the United States, or any department, agency or instrumentality thereof, or by any state, county, municipal or other governmental agency, or any taxes or debts owing to any of the foregoing becomes a lien or encumbrance upon all or any portion of Debtor's assets; or

(i) Creation by the Debtor of a security interest in any Collateral now existing or hereafter acquired by Debtor in favor of any person other than the Secured Party; or

(j) The Debtor is enjoined, restrained, or in any way prevented by the order of any court or any administrative or regulatory agency from conducting all or any substantial part of its business affairs; or

(k) Any judgment or order requiring the payment of money exceeding $100,000.00 shall be rendered against the Debtor and such judgment or order shall remain unsatisfied or undischarged and in effect for thirty (30) consecutive days without a stay of enforcement or execution, provided, however, this subparagraph shall not apply to any judgment for which the Debtor is fully insured, and with respect to which the insurer has admitted liability in writing; or

(l) This Security Agreement shall at any time after its execution and delivery and for any reason cease (i) to create a valid and perfected first priority security interest in the Collateral; or (ii) to be in full force and effect or shall be declared null and void, or the validity or enforceability hereof shall be contested by the Debtor or Debtor shall deny it has any further liability or obligation hereunder, or the Debtor shall fail to perform any of its obligations hereunder; or

(m) Insolvency of the Guarantor, or Guarantor shall file a petition in bankruptcy or shall be adjudicated a bankrupt, or Guarantor shall die, or become incompetent, or Guarantor shall terminate, repudiate, revoke or disavow any of his obligations under his guaranty of the Note of even date herewith (the "Guaranty") or breach any of the terms of such guaranty; or

(n) The Guaranty shall at any time after its execution and delivery and for any reason cease to be in full force and effect or shall be declared null and void, or the validity or enforceability thereof shall be contested by Guarantor.

In the event any Event of Default has occurred, the Secured Party may declare the Liabilities, including, without limitation, all principal of and interest accrued on the Note and all other indebtedness due to the Secured Party, to be forthwith due and payable, whereupon the same shall become forthwith due and payable, notwithstanding the maturity date or dates expressed in any evidence thereof. Debtor waives presentment and protest of any instruments and notice thereof, notice of default and all other notices to which Debtor might otherwise be entitled except as specifically provided herein. The Secured Party may pursue any and all remedies available to it hereunder, and under all other loan documents, including, but not limited to, the remedies available to a Secured Party under the Uniform Commercial Code, or any other applicable law. The Secured Party may require Debtor to make the Collateral and the records pertaining to the Collateral available to the Secured Party at a place designated by the Secured Party which is reasonably convenient or may take possession of the Collateral and the records pertaining thereto without the use of any judicial process and without any prior notice thereof to Debtor. Except as otherwise provided by law, the Secured Party may, at its option, and in its sole discretion, sell the Collateral at public or private sale upon such terms and conditions as the Secured Party may reasonably deem proper (and the Secured Party may purchase the Collateral at any such sale) and apply the net proceeds, after deducting all reasonable costs, expenses and attorneys' fees incurred at any time in the collection of the Liabilities and in the protection and sale of the Collateral, to the payment of the Liabilities. Debtor and Guarantor shall remain liable for any deficiency remaining after such application. In addition to all other sums due the Secured Party, the Debtor shall pay the Secured Party all costs and expenses incurred by the Secured Party, including a reasonable allowance for attorneys' fees and court costs, to obtain, liquidate and/or enforce payment of the Collateral or the Liabilities, or in the prosecution or defense of any action or proceeding either against the Secured Party or against Debtor concerning any matter arising out of or connected with the Collateral, this Agreement, or the Liabilities.

In addition to any other rights or remedies available to Secured Party hereunder or under applicable law, after an Event of Default shall have occurred hereunder:

(a) Secured Party shall have the right to take control of all proceeds of the Collateral with or without legal process, and shall notify Debtor if it exercises such right; and,

(b) Secured Party may reduce its claims, notes, and instruments to judgment or otherwise enforce this Security Agreement and all debts and obligations of Debtor by any available judicial or statutory procedure.

The enumeration of the foregoing rights and remedies is not intended to be exhaustive and the exercise of any right or remedy shall not preclude the exercise of any other rights or remedies all of which shall be cumulative. It is expressly agreed by Debtor that the requirements of reasonable notice shall be met if notice is mailed to Debtor at the address of Debtor shown herein (or to such other address that Debtor may hereafter designate to Secured Party in writing, provided such address change notice is sent by Debtor to Secured Party by certified mail, return receipt requested at least twenty [20] days prior to the applicable Event of Default) not less than ten (l0) days prior to the sale or other disposition of the Collateral.

Debtor agrees to pay Secured Party interest on all costs and expenses (including legal fees and expenses) incurred by Secured Party in connection with this Agreement following an Event of Default (including, without limitation, costs and expenses incurred by Secured Party in the collection of the Liabilities and/or any other obligation or indebtedness secured hereby, the protection and defense of the Collateral or Secured Party's security interest therein, the sale or other disposition of the Collateral, and all other costs and expenses, of every kind whatsoever, incurred by Secured Party as a result of any Event of Default hereunder) from the date such costs and expenses are paid by Secured Party to the date Debtor reimburses Secured Party therefor, calculated at the default rate set forth in the Note.

To the extent that the Liabilities are now or hereafter secured by property other than the Collateral or by the guarantee, endorsement or property of any other person, firm or corporation, then Secured Party shall have the right in its sole discretion to determine which rights, security, liens, security interests or remedies Secured Party shall at any time pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of them or any of Secured Party's rights hereunder.

To the extent that Debtor makes a payment or payments to Secured Party or Secured Party receives any payment or proceeds of the Collateral for Debtor's benefit, which payment(s) or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy act, state or federal law, common law or equitable cause, then, to the extent of such payment(s) or proceeds received, the Liabilities or part thereof intended to be satisfied shall be revived and shall continue in full force and effect, as if such payment(s) or proceeds had not been received by Secured Party.

The Secured Party's failure at any time or times hereafter to require strict performance by the Debtor of any provision of this Security Agreement shall not waive, affect or diminish any right of the Secured Party thereafter to demand strict compliance and performance therewith. Any suspension or waiver by the Secured Party of a default by the Debtor under this Security

Agreement shall not suspend, waive or affect any other default by Debtor under this Security Agreement, whether the same is prior or subsequent thereto and whether of the same or of a different kind or character. None of the undertakings, agreements, warranties, covenants and representations of the Debtor contained in this Security Agreement and no default by the Debtor hereunder shall be deemed to have been suspended or waived by the Secured Party unless such suspension or waiver is in writing signed by an officer of the Secured Party and directed to the Debtor specifying such suspension or waiver.

9. **Miscellaneous:**

(a) Debtor agrees to indemnify, pay and hold the Secured Party and its officers, directors, employees, agents and affiliates (collectively, the "Indemnitees") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees are designated parties thereto) that may be imposed on, incurred by, or asserted against the Indemnitees, in any manner relating to or arising out of this Agreement, the Note, the Other Documents, or the Liabilities (collectively, the "Indemnified Liabilities"); provided, however, that the Debtor shall have no obligation to an Indemnitee hereunder with respect to Indemnified Liabilities arising from gross negligence or willful misconduct of that Indemnitee.

(b) This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

(c) All notices required to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered personally or two (2) business days after mailing by United States certified mail, return receipt requested, first class mail, postage prepaid, addressed to the parties hereto at their addresses hereinbefore set forth or to such other and different address as Debtor or Secured Party may designate pursuant to a written notice sent in accordance with the provisions hereof.

(d) Whenever possible, each provision of this Security Agreement shall be interpreted in such a manner as to be effective and valid pursuant to applicable law; provided, however, that if any part hereof shall be prohibited by or invalid thereunder, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remaining provisions of this Security Agreement.

(e) The captions and headings of the various sections used in this Agreement are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof.

(f) This Agreement shall inure to the benefit of and be binding upon the parties, their respective successors and assigns, except that Debtor may not assign this Agreement, without the prior written consent of the Secured Party.

(g) ANY DISPUTE AMONG THE SECURED PARTY AND DEBTOR, ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED IN ACCORDANCE WITH THE INTERNAL LAWS AND NOT THE CONFLICTS OF LAW PROVISIONS OF THE STATE OF ILLINOIS.

(h) EXCEPT AS PROVIDED IN SUBSECTION (i) BELOW, THE SECURED PARTY AND DEBTOR AGREE THAT, ALL DISPUTES BETWEEN THEM ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED ONLY BY STATE OR FEDERAL COURTS LOCATED IN LAKE COUNTY, ILLINOIS. DEBTOR WAIVES IN ALL DISPUTES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT CONSIDERING THE DISPUTE.

(i) DEBTOR AGREES THAT THE SECURED PARTY SHALL HAVE THE RIGHT TO PROCEED AGAINST DEBTOR OR ITS PROPERTY IN A COURT IN ANY LOCATION TO ENABLE THE SECURED PARTY TO OBTAIN A JUDGMENT AGAINST THE DEBTOR OR TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE LIABILITIES, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF THE SECURED PARTY. DEBTOR WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH THE SECURED PARTY HAS COMMENCED A PROCEEDING DESCRIBED IN THIS PARAGRAPH.

(j) DEBTOR AND THE SECURED PARTY EACH WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN THE SECURED PARTY AND DEBTOR ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT. INSTEAD, ANY DISPUTES RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of June 26, 1998.

DEBTOR:

A & R LEASING L.L.C.

By: Michelle Fawcett
Michelle Fawcett
Title: Manager

SECURED PARTY:

THE NORTHERN TRUST COMPANY

By: James A. Duatt
Title: V.P.

"OFFICIAL SEAL"
REBECCA J. HEISLER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 9/12/99

Rebecca J. Heisler