

*Counterparts - Kim Battman*

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
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20006-2973  
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ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

RECORDATION NO. 18722-D FILED FILED

MAY 19 '97 11-50AM

OF COUNSEL  
URBAN A. LESTER

May 19, 1997

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

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

MAY 19 11 50 AM '97

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Third Amendment to Amended and Restated Security Agreement, dated as of May 16, 1997, a secondary document as defined in the Board's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The enclosed document relates to the Security Agreement duly filed with the Commission under Recordation Number 18722.

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

Debtor: Chicago Freight Car Leasing Co.  
One O'Hare Center  
6250 North River Road  
Rosemont, IL 60018

Secured Party: The Northern Trust Company  
50 South LaSalle Street  
Chicago, IL 60675

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

three hundred (300) covered hoppers CRDX 13800 through CRDX 14099.

Mr. Vernon A. Williams  
May 19, 1997  
Page 2

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,

A handwritten signature in cursive script, appearing to read "Robert W. Alvord".

Robert W. Alvord

RWA/bg  
Enclosures

Surface Transportation Board  
Washington, D.C., 20423-0001

5/19/97

Robert W. Alvord  
Alvord and Alvord  
918 Sixteenth St., NW., Ste. 200  
Washington, DC., 20006-2973

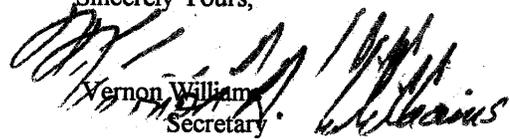
Dear: Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301

and 49 CFR 1177.3 (c), on 5/19/97 at, 11:50AM and

assigned recordation number(s). 18722-D.

Sincerely Yours,

  
Vernon Williams  
Secretary

Enclosed (s)

\$ 24.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has had an opportunity to examine your document.

Signature:



RECORDATION NO. 18722-D FILED

MAY 19 '97

11-50AM

THIRD AMENDMENT,  
DATED AS OF MAY 16, 1997,  
TO  
AMENDED AND RESTATED SECURITY AGREEMENT  
(ROLLING STOCK AND LEASES)  
DATED AS OF JUNE 30, 1995

THIS THIRD AMENDMENT, dated as of May 16, 1997 (this "Security Agreement Amendment"), to AMENDED AND RESTATED SECURITY AGREEMENT (ROLLING STOCK AND LEASES) dated as of June 30, 1995 is made and entered into between CHICAGO FREIGHT CAR LEASING CO. ("Debtor") and THE NORTHERN TRUST COMPANY, as Agent for the Lenders (as defined in the Security Agreement, as herein defined).

W I T N E S S E T H:

WHEREAS, the Debtor and the Agent are parties to that certain Amended and Restated Security Agreement (Rolling Stock and Leases) dated as of June 30, 1995 as filed and recorded on July 5, 1995 with the Interstate Commerce Commission under Recordation Number 18722-A, as amended by that certain First Amendment thereto dated as of December 1, 1995 as filed and recorded on December 14, 1995 with the Interstate Commerce Commission under Recordation Number 18722-B and that certain Second Amendment thereto dated as of July 15, 1996 as filed and recorded on July 15, 1996 with the Surface Transportation Board under Recordation Number 18722-C (as so amended and as further amended, the "Security Agreement");

WHEREAS, the Debtor, Union Leasing, Inc. ("Union"), the Agent, the Co-Agent and the Lenders are parties to that certain Credit Agreement dated as of June 30, 1995 (as amended, the "Credit Agreement"), as amended by that certain First Amendment thereto dated as of December 1, 1995, that certain Second Amendment thereto dated as of July 15, 1996 and that certain Third Amendment thereto dated as of May 16, 1997 (the "Credit Agreement Amendment");

WHEREAS, the Debtor and Union have requested that the Lenders, among other things, extend the Revolving Credit Termination Date and the Maturity Date (as defined in the Credit Agreement), increase the borrowing availability to Union and provide for the issuance of commercial and standby letters of credit, and effect certain other amendments to the Credit Agreement;

WHEREAS, as a condition to such request, the Lenders require that the Debtor execute and deliver this Security Agreement Amendment which, among other things, adds three hundred (300) units of Rolling Stock to the Collateral;

NOW, THEREFORE, in consideration of the premises, and for

other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Debtor and the Agent agree as follows:

1. Definitions.

Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to such terms in the Security Agreement.

2. Amendment.

(a) Effective as of the date hereof and subject to the conditions set forth herein, Exhibit A to the Security Agreement is hereby amended by adding thereto the description of goods appearing on Exhibit 1 hereto.

(b) Section 7(a) of the Security Agreement is hereby amended by deleting it in its entirety and inserting the following in lieu thereof:

"(a) The Debtor will at all times maintain the Rolling Stock (other than obsolete Rolling Stock) in good order and repair at its own expense. Except for transfers of items of Rolling Stock effected in the ordinary course of the Debtor's business following substantial damage thereto, the Debtor will not sell, transfer or otherwise dispose of any Rolling Stock without the Agent's prior written consent. In the event that any unit of the Rolling Stock shall be worn out, lost, stolen, destroyed, irreparably damaged, transferred as provided in the preceding sentence, or otherwise rendered permanently unfit for use from any cause whatsoever, or taken or requisitioned by a condemnation or otherwise (such occurrences being hereinafter called "Casualty Occurrences"), the Debtor shall inform the Agent in regard thereto; such information shall be provided at least annually, and shall also be provided promptly after any time that the number of serviceable units of Rolling Stock falls below 2,700. If at any time the number of serviceable units of Rolling Stock aliened to Agent hereunder falls below 2,700, the Debtor will within 10 days thereafter identify to Agent substitute items of equipment, which must have a value equivalent to or greater than the affected Rolling Stock and be otherwise satisfactory to Agent in all respects, for inclusion in the Rolling Stock aliened hereunder, so that the total number of serviceable units of Rolling Stock aliened to Agent hereunder shall thereupon equal or exceed 2,825. The Debtor will deliver to Agent all supplements hereto and other documents, and take all such other actions, as Agent may require in connection with substitute items of equipment to be included in the Rolling Stock aliened hereunder."

3. Acknowledgment.

The Debtor reaffirms and acknowledges that this Security Agreement Amendment amends the Security Agreement, and the Debtor further confirms and reaffirms the continuing security interest granted in the Collateral subject to Section 7(a) of the Security Agreement. All obligations secured pursuant to the Security Agreement shall continue to be outstanding under the Notes.

4. Representations and Warranties.

To induce the Lenders to enter into the Credit Agreement Amendment, the Debtor hereby makes the following representations and warranties to the Agent and the Lenders, each of which shall survive the execution and delivery of this Security Agreement Amendment, and shall continue to be true until termination hereof:

- a. The Debtor is a corporation duly organized and existing under the laws of the State of Delaware and is qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified and where failure so to qualify might materially affect its business or assets, and has all requisite power and authority, corporate and otherwise, to conduct its business, to own its property, and to execute, deliver and perform all of its obligations under the Security Agreement (as amended hereby), the Guaranty and the Credit Agreement (as amended by the Credit Agreement Amendment).
- b. The execution, delivery and performance of this Security Agreement Amendment and the creation of the liens and security interests provided for hereunder are within the Debtor's corporate power, have been duly authorized by all necessary or proper corporate action, including the consent of the Debtor's shareholders, if required, are not in contravention of any provision of law or of any agreement or other instrument (including without limitation any lease) by which the Debtor is bound or of Debtor's Certificate of Incorporation or By-Laws, and do not require the consent or approval of any governmental body, agency, authority or other person which has not been obtained and a copy thereof furnished to the Agent. This Security Agreement Amendment constitutes the Debtor's valid and binding obligation, enforceable against the Debtor in accordance with its terms.
- c. The Debtor is the legal and equitable owner of, and has the authority to grant a security interest in, the Collateral and holds the same free and clear of all liens, charges, encumbrances and security interests and

the Debtor has good right and legal authority to grant a security interest in, the Collateral in the manner hereby done and will defend its title thereto against the claims of all persons whomsoever. None of the Leases contain any term or provision that prohibits granting a security interest therein to the Agent.

- d. The Debtor's principal place of business and principal executive office are located at the address set forth after the Debtor's name on the signature page of this Security Agreement Amendment. All Rolling Stock is and will be used, located and kept solely within the United States, except for temporary use in Canada and Mexico.
- e. The Debtor has concurrently with delivery of this Security Agreement Amendment provided to the Agent a letter listing all lessees of each item of Rolling Stock described on Exhibit 1 hereto and will advise the Agent on an annual basis (or more often, as the Agent may reasonably request) in writing of any new lessees of any Rolling Stock and any new information relative to existing lessees of any Rolling Stock.
- f. The Debtor is in compliance with all of the terms and provisions set forth in the Security Agreement, on its part to be observed or performed, and no Default or Event of Default has occurred and is continuing.
- g. The representations and warranties set forth in Section 3 of the Security Agreement are true and correct with the same effect as though such representations and warranties had been made on the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date.
- h. This Security Agreement Amendment constitutes the legal, valid and binding obligation of the Debtor, fully enforceable against the Debtor in accordance with its terms.

5. General Provisions.

- a. Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Security Agreement Amendment.
- b. This Security Agreement Amendment has been negotiated, executed and delivered in and is to be performed in the State of Illinois. The validity of this Security Agreement Amendment and of all transactions

provided for herein shall be governed by, interpreted and construed under, and in accordance with, the internal laws (and not the law of conflicts) of the State of Illinois, provided, however, that the parties shall be entitled to all rights conferred by the Interstate Commerce Act, as amended by the ICC Termination Act of 1995 and as further amended from time to time, and such additional rights arising out of the filing, recording or deposit hereof, if any, and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Security Agreement Amendment or any assignment hereof or any financing statement shall be filed, recorded or deposited.

c. If any provision contained in this Security Agreement Amendment is in conflict with, or inconsistent with, any provision in the Credit Agreement, the provisions contained in the Credit Agreement shall govern and control.

d. This Security Agreement Amendment may be executed by the parties in any number of separate counterparts, and by each party on separate counterparts; each counterpart shall be deemed an original instrument; and all of the counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement Amendment as of the date first written above.

CHICAGO FREIGHT CAR LEASING CO.  
One O'Hare Center  
6250 North River Road, Suite 5010  
Rosemont, Illinois 60018

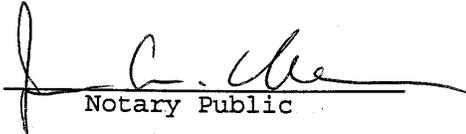
By: Fred L. Lane  
Title: PRESIDENT

THE NORTHERN TRUST COMPANY,  
as Agent for the Lenders  
50 South LaSalle Street  
Chicago, Illinois 60675

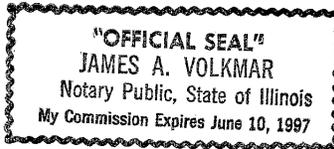
By: \_\_\_\_\_  
Title: \_\_\_\_\_

State of Illinois )  
 )  
County of Cook )

On this 15th day of May, 1997, before me personally appeared Fred R. Sasser, to me personally known to be the President of Chicago Freight Car Leasing Co., who being by me duly sworn, acknowledged that he, as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such President.

  
Notary Public

Notary Seal:



State of Illinois )  
 )  
County of Cook )

On this \_\_\_ day of May, 1997, before me personally appeared \_\_\_\_\_, to me personally known to be the \_\_\_\_\_ of The Northern Trust Company, who being by me duly sworn, acknowledged that he, as such \_\_\_\_\_, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

Notary Seal:

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement Amendment as of the date first written above.

CHICAGO FREIGHT CAR LEASING CO.  
One O'Hare Center  
6250 North River Road, Suite 5010  
Rosemont, Illinois 60018

By: \_\_\_\_\_  
Title: \_\_\_\_\_

THE NORTHERN TRUST COMPANY,  
as Agent for the Lenders  
50 South LaSalle Street  
Chicago, Illinois 60675

By: Joseph M. Kunz  
Title: \_\_\_\_\_

State of Illinois )  
 )  
County of Cook )

On this 15th day of May, 1997, before me personally appeared Fred R. Sasser, to me personally known to be the President of Chicago Freight Car Leasing Co., who being by me duly sworn, acknowledged that he, as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such President.

\_\_\_\_\_  
Notary Public

Notary Seal:

State of Illinois )  
 )  
County of Cook )

On this <sup>15<sup>th</sup></sup> day of May, 1997, before me personally appeared JOSEPH M. KUNZE, to me personally known to be the VICE PRESIDENT of The Northern Trust Company, who being by me duly sworn, acknowledged that he, as such VICE PRESIDENT, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such VICE PRESIDENT.

Dawn M. Hill  
Notary Public

Notary Seal:

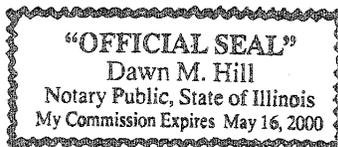


EXHIBIT 1 TO SECURITY AGREEMENT AMENDMENT

Three hundred (300) covered hopper cars built by National Steel Car Ltd. bearing reporting numbers CRDX 13800 through CRDX 14099, inclusive.