

RECORDATION NO. 19685 FILED 1425

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RECORDATION NO. 19685 -A FILED 1425

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INTERSTATE COMMERCE COMMISSION

November 2, 1995

Mr. Vernon A. Williams
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) copies each of Security Supplement No. 3, dated October 24, 1995, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177, and Master Equipment Lease, dated October 16, 1995, a secondary document related thereto.

The name and address of the party to the enclosed documents are:

Security Supplement No. 3

Debtor: Financial Corporation of Michigan
7255 East Baldwin Road
Grand Blanc, Michigan 48439

Secured Party: Heller Financial Leasing, Inc.
One TransAm Plaza, Suite 222
Oakbrook Terrace, Illinois 60181

Guar.
Interstate Commerce Commission

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Master Equipment Lease

Lessor: Financial Corporation of Michigan
7255 E. Baldwin Road
Grand Blanc, Michigan 48439

Lessee: Tuscola and Saginaw Bay Railway Company, Inc.
Matthews Building, Suite 303
Owosso, Michigan 48867-0550

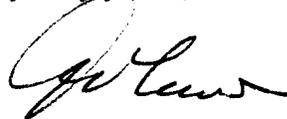
A description of the railroad equipment covered by the enclosed documents is:

Ninety-six (96) covered hopper cars bearing SOU reporting marks and road numbers as set forth on Schedule A-1 attached to the Security Supplement No. 3.

Also enclosed is a check in the amount of \$42.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return one stamped copy of each of the enclosed documents to the undersigned.

Very truly yours,

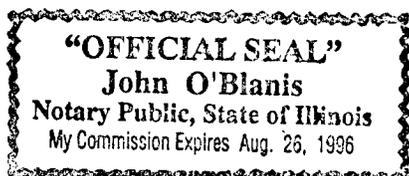


Robert W. Alvord

RWA/bg
Enclosures

I certify that this is a true and complete copy of the original document.

John O'Blanis NOVember 1st, 1995
Notary Public



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SECURITY SUPPLEMENT NO. 3

Security Supplement No. 3, dated October 24, 1995 by FINANCIAL CORPORATION OF MICHIGAN, as borrower ("Debtor") under a Loan and Security Agreement dated as of September 30, 1994 (the "Agreement") with HELLER FINANCIAL LEASING, INC., as lender ("Secured Party"). Capitalized terms used herein are used with the meaning given in the Agreement.

RECITALS

A. The Agreement provides for the execution and delivery from time to time of Security Supplements thereto substantially in the form hereof, each of which shall particularly describe Rent, Equipment, Leases, and other property to be assigned and included in the Collateral under the Agreement.

B. The Agreement relates to the Equipment, the Leases, all Rents and other payments due from Lessees thereunder, and other property described therein.

NOW THEREFORE, THIS SUPPLEMENT WITNESSETH:

1. Debtor confirms that the Equipment described in the Schedule hereto has been delivered to the Lessee(s) named in the Schedule, is located on the properties described in the relevant Leases, and is part of the Collateral under the Agreement, subject to the security interest with respect thereto granted thereby.

2. In consideration of and in order to induce Secured Party to make Loans to Debtor, and in order to secure (a) the prompt repayment of the Loans and payment of all interest accrued thereon, (b) the strict performance and observance by Debtor of the obligations to be performed by it under the Agreement and (c) all costs of litigation, collection (including attorneys fees) or other costs expended or incurred in connection with the enforcement of Secured Party's rights under the Agreement (collectively, the ("Obligations")):

GRANTING CLAUSE

Debtor hereby grants a security interest in favor of Secured Party in all of the Leases, Guaranties and Equipment described in the Schedule hereto to the full extent set forth in Section 6 of the Agreement.

3. Debtor has full power and authority to execute this Security Supplement.

4. If any assigned moneys are received by Debtor, the same will be delivered to Secured Party as provided for in the Agreement.

5. Debtor hereby confirms as of the date hereof its representations and warranties contained in Section 9 of the Agreement.

6. This Security Agreement shall be construed as supplemental to the Agreement and shall form a part thereof. As supplemented hereby, the Agreement is in all respects ratified, approved and confirmed, and the Agreement and this Security Supplement shall together constitute one and the same instrument.

7. This Supplement is being delivered in, and shall in all respects be governed by and construed in accordance with, the laws of Illinois.

8. This Security Supplement may be executed in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same Security Supplement.

IN WITNESS WHEREOF, Debtor has caused this Security Supplement to be duly executed by one of its officers thereunto duly authorized, as of the day and year first above written.

FINANCIAL CORPORATION OF MICHIGAN

By: 
Title: President

Accepted: HELLER FINANCIAL LEASING, INC.

By: 
Title: Senior Vice President

Schedule to Security Supplement No. 3

SCHEDULE A-1

This Schedule is appended to and made part of the Lease between Financial Corporation of Michigan, Lessor, and Tuscola and Saginaw Bay Railway Company, Inc., Lessee, dated October 16, 1995.

(A) EQUIPMENT

QTY. DESCRIPTION

96 4000 Cubic Feet Covered Hopper Cars Manufactured by Magor Car Corp. with the following serial numbers:

SOU96003	SOU96004	SOU96023	SOU96024
SOU96026	SOU96032	SOU96048	SOU96068
SOU96083	SOU96103	SOU96113	-----
SOU96135	SOU96162	SOU96172	SOU96176
SOU96184	SOU96188	SOU96218	-----
SOU96291	SOU96300	SOU96304	SOU96309
SOU96318	SOU96319	SOU96335	SOU96355
SOU96382	SOU96416	SOU96424	SOU96443
SOU96483	SOU96496	SOU96498	SOU96512
SOU96520	SOU96542	SOU96599	SOU96615
SOU96637	SOU96645	SOU96647	SOU96650
SOU96667	SOU96671	SOU96724	SOU96752
SOU96758	SOU96810	SOU96857	SOU96860
SOU96870	SOU96874	SOU96878	SOU96902
SOU96952	SOU96960	SOU96967	SOU96972
SOU96973	SOU96976	SOU96994	SOU97040
SOU97045	SOU97055	SOU97063	SOU97065
SOU97092	SOU97189	SOU97194	SOU97208
SOU97212	SOU97215	SOU97227	-----
SOU97273	SOU97343	SOU97346	SOU97350
SOU97353	SOU97363	-----	SOU97375
SOU97420	SOU97427	SOU97437	SOU97455
SOU97457	SOU97465	SOU97486	SOU97499
SOU97515	SOU97563	SOU97584	SOU97590
SOU97595	SOU97635	SOU97662	SOU97669

Total Equipment Cost: \$1,209,600.00

Rental Commencement Date: November 1, 1995

Rental Term: 60 Months

Periodic Rent: \$22,734.43, monthly in advance

First Rent Payment Due: On Rental Commencement Date

Partial Month Rent: \$757.81 Per Day

(B) Personal guaranties of Mr. James E. Shepherd, 796 Traingle Lake. Howell, Michigan and Larry M. McCloud, 129 E. Maple, Vassar, Michigan.

(C) The assignment of indemnification from Northfolk Southern Railway Company and The David J. Joseph Company pursuant to a Purchase and Sale Agreement dated October 24, 1995 between FCM Rail, Ltd., dba Financial Corporation of Michigan and The David J. Joseph Company.