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

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20006-2973

OF COUNSEL
URBAN A. LESTER

(202) 393-2266

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December 28, 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 three (3) copies of a Security Agreement-Chattel Mortgage, dated as of December 29, 1995, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

Debtor: ACF Industries, Incorporated
620 North Second Street
St. Charles, Missouri 63301

Secured Party: IBJS Commercial Corporation
One State Street
New York, New York 10004

A description of the railroad equipment covered by the enclosed document is set forth on Schedule A attached to the Security Agreement.

Secretary - Get to

Mr. Vernon A. Williams
December 28, 1995
Page 2

Also enclosed is a check in the amount of \$21.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

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

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures



Interstate Commerce Commission
Washington, D.C. 20423-0001

12/29/95

Office Of The Secretary

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW, Ste. 200
Washington, DC., 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/29/95 at 8:45AM, and assigned recordation number(s). 19852, 19853, 18827-V, 19624-E, F, G, 19625-E, F and G.

Sincerely yours,

Vernon A. Williams
Secretary

Enclosure(s)
(010091001)
(010091002)

\$ 189.00 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 and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

19852

FILED 1995

DEC 27 1995 8:17 AM

SECURITY AGREEMENT - CHATTEL MORTGAGE

BETWEEN

ACF INDUSTRIES, INCORPORATED,

DEBTOR

AND

IBJS COMMERCIAL CORPORATION,

LENDER

Dated as of December 29, 1995

Equipment and to the Equipment Leases are kept in said office. The Debtor shall give the Lender thirty (30) days advance written notice of any change of such office address.

3.08 Acquisition of Interest in the Equipment. The Debtor has acquired its interest in the Equipment for its own account and with its general corporate assets and no funds used to acquire any Item of Equipment have been furnished directly or indirectly out of the assets of or in connection with any employee benefit plan (or its related trust) or any separate account in which any employee benefit plan has any interest. As used in this Section 3.08, the terms "employee benefit plan" and "separate account" shall have the respective meanings assigned to them in ERISA.

3.09 Actions Under the Equipment Leases.

(a) All the Equipment Leases are in full force and effect and are in substantially the form of Exhibit D to the Loan Agreement and the Debtor shall not enter into any agreement amending or supplementing any Equipment Lease in any material respect, execute any waiver or modification of, or consent under the terms of the Lease, settle or compromise any claim against any Equipment Lessee arising under any Equipment Lease, or submit or consent to the submission of any dispute difference or other matter arising under or in respect of any Equipment Lease to arbitration thereunder without the prior written consent of the Lender.

(b) The Debtor shall comply, and use its best efforts to cause each of the Lessees to comply, in all material respects, with all acts, rules, regulations and orders of any legislative, administrative or judicial body or official applicable to the Collateral or any part thereof, or to the operation of the Debtor's business (including all laws of the jurisdictions in which operations involving the Equipment may extend the interchange rules of the AAR and all rules of the ICC) and the Registrar General of Canada; provided, however, that the Debtor may contest any acts, rules, regulations, orders and directions of such bodies or officials in any reasonable manner which will not, in the sole opinion of the Lender materially adversely affect the Lender's rights or the priority of its security interest in the Collateral.

3.10 Right to Inspect the Collateral. The Debtor shall at any reasonable time, at the request of the Lender, cause the Collateral to be exhibited to the Lender (or persons

designated by the Lender) for purposes of inspection, provided that the Equipment, will not be made available for inspection at any Equipment Lessee's facility.

3.11 Reports. On or before February 1, in each year, commencing with the calendar year 1997, the Debtor shall furnish to the Lender an accurate statement (i) setting forth as at the preceding January 1st the amount, description and numbers of all Items of Equipment then covered by an Equipment Lease, the amount, description and numbers of all Items of Equipment that have suffered a Casualty Loss during the preceding calendar year or, in the case of the first such statement, since the date of this Security Agreement (specifying the dates of such Casualty Loss) or to the knowledge of the Debtor are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Items of Equipment as the Lender may reasonably request and (ii) stating that, in the case of all Items of Equipment repainted or repaired during the period covered by such statement, the numbers and the marking required by Section 3.12 hereof and the Equipment Leases have been preserved or replaced. The Debtor shall keep proper books and records with respect to the Equipment and each Equipment Lease and the other Collateral covered thereby. The Lender shall have the right (but not any obligation) to inspect the Items of Equipment and the Debtor's records with respect thereto (and the right to make extracts from and to receive from the Debtor true copies of such records relating to the Collateral other than the Equipment Leases except as otherwise provided herein) at such reasonable times as the Lender may request during the continuance of this Security Agreement.

3.12 Marking of Equipment.

(a) Debtor will cause each Item of Equipment to be kept numbered with the identifying number set forth in Schedule A hereto, and at the request of the Lender if the Lender determines that it is necessary in order to perfect, protect or preserve its first security interest in the Collateral, the Debtor shall keep and maintain plainly, distinctly, permanently and conspicuously marked on each side of each Item of Equipment, in letters not less than one inch in height, the words, "Ownership Subject to a Security Agreement filed with the Interstate Commerce Commission". The Debtor shall not change, or permit to be changed, the identifying number of any Item of the Equipment except in

accordance with a statement of new identifying numbers to be substituted therefor after the Lender has been notified in writing and which statement shall be filed, recorded or deposited in all public offices where this Security Agreement shall have been filed, recorded or deposited. The Debtor shall forthwith furnish to the Lender an opinion of such counsel and in form and substance satisfactory to the Lender to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Lender's first Lien or security interests in such Items of Equipment and no further filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to perfect, protect, or preserve the security interest of the Lender in such Items.

(b) Except as above provided, the Debtor will not allow the name of any Person (other than the Debtor) to be placed on the Item of Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Debtor may permit the Equipment to be lettered with the names, trademarks, initials or other insignia customarily used by the user of such Equipment or its affiliates.

3.13 Use of Equipment. The Equipment will be used by a lessee, a sublessee or user incorporated in the United States of America (or any State thereof or the District of Columbia) or Canada (or any Province thereof), only upon lines of railroad owned or operated by a railroad company or companies incorporated in the United States of America (or any State thereof or the District of Columbia) or Canada (or any Province thereof) or over lines upon which such railroad company or companies have trackage rights or rights for operation of their trains, and upon connecting with other carriers in the usual interchange of traffic in the continental United States and Canada, only upon and subject to all the terms and conditions of Equipment Leases.

3.14 Replacement Units and Replacement Leases. The representations and warranties of the Debtor with respect to the Equipment and the Equipment Leases which are set forth in Section 4.01(q) of the Loan Agreement shall be true and correct with respect to each Replacement Unit and each Replacement Lease as of the date such Replacement Unit or Replacement Lease becomes subject to this Security Agreement.

"Loan Agreement" means the Term Loan Agreement of even date herewith by and between the Debtor and the Lender, as the same may be amended, supplemented or otherwise modified from time to time.

"Original Lease" shall have the meaning specified in the definition of "Replacement Lease" in this Section 1.

"Permitted Lien" shall have the meaning specified in Section 3.03 hereof.

"Replacement Lease" shall mean a lease entered into by the Debtor in an arms-length transaction that imposes no additional material obligations on the Debtor than those imposed by the Expired Lease or the Equipment Lease to which the original Item of Equipment being replaced was subject (such lease being the "Original Lease"), as the case may be, and is with a lessee that the Lender reasonably determines is comparable in creditworthiness to the lessee under the Expired Lease or the original Lease, as applicable, and which is otherwise in form and substance reasonably acceptable to the Lender.

"Replacement Unit" shall mean replacement units of New Rolling Stock of at least equal AAR Value and utility of any Item of Equipment being replaced pursuant to this Security Agreement, calculated: (i) as of the Casualty Date with respect to a replacement made pursuant to Sections 5.02(a) or (b); (ii) as of the date of release with respect to a replacement made pursuant to Section 5.02(b) hereof; or (iii) as of the expiration date of the Expired Lease with respect to a replacement made pursuant to Section 4.03.

"Secured Loan" shall have the meaning specified in the first recital hereof.

"Security Agreement" shall mean this Security Agreement as specified in the first paragraph hereof.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York unless otherwise specified, as amended.

Section 2. SECURITY

2.01 Grant of Security. The Debtor, in consideration of the premises and of the sum of Ten Dollars received by the

Debtor from the Lender and other good and valuable consideration, receipt and sufficiency whereof is hereby acknowledged, and in order to secure the due payment of the principal of and interest on the Note according to its tenor and effect, and to secure the payment of all other indebtedness and liabilities of the Debtor to the Lender and the performance and observance by the Debtor of all its obligations contained in or arising out of the Loan Agreement, this Security Agreement, the Note and the other Loan Documents (sometimes referred to herein collectively as the "Obligations"), does hereby assign, mortgage, pledge, hypothecate, transfer and set over to the Lender and grant the Lender a first priority lien on and security interest in all of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in Sections 2.02, 2.03 and 2.04 hereof (all of which properties are hereinafter collectively referred to as the "Collateral").

2.02 Equipment Collateral. The Collateral includes certain railroad tank cars and covered hopper cars which cars are more fully described in Schedule A hereto (collectively, the "Equipment" or "Items of Equipment" and individually, an "Item of Equipment") together with all accessories, equipment, parts and appurtenances appertaining or attached to such Equipment, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to or proceeds of any and all of said Equipment, together with all the records, rents, mileage credits earned, issues, income, profits, avails and other proceeds (including insurance proceeds) therefrom.

2.03 Rental Collateral.

(a) The Collateral also includes, all right, title, interest claims and demands of the Debtor in, to and under each and every lease (whether or not such lease is in writing or is for a term certain, including, without limitation, per diem leases) now or hereafter entered into relating to the Equipment but to and only to the extent relating to the Equipment (each such portion of such lease being an "Equipment Lease") including, but not limited to the Equipment Leases (including all Replacement Leases) more fully described in Schedule B hereto, or hereafter described on one or more schedules to any supplement hereto, including any extensions of the term of every Equipment Lease, all of Debtor's rights under any Equipment Lease to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent,

waiver or approval together with full power and authority with respect to any Equipment Lease to demand, receive, enforce, collect or give receipt for any of the foregoing rights or any property which is the subject of any of the Equipment Leases, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action which (in the opinion of the Lender) may be necessary or advisable in connection with any of the foregoing insofar, but only insofar, as such rights relate to the Equipment which is subject to such Equipment Leases, all records related to the Equipment Leases and all payments due and to become due under any Equipment Lease, whether as contractual obligations, damages, casualty payments, insurance proceeds or otherwise to the extent such payments are derived from the Equipment (the "Equipment Lease Proceeds")

(b) It is expressly agreed that anything herein contained to the contrary notwithstanding, the Debtor shall remain liable under the Equipment Leases to perform all of the obligations assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and none of the Lender or the Transferees shall have any obligation or liability under the Equipment Leases by reason of or arising out of the assignment hereunder, nor shall the Lender or the Transferees be required or obligated in any manner to perform or fulfill any obligations of the Debtor under or pursuant to the Equipment Leases or, except as herein expressly provided, to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim, or take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(c) The Lender shall be entitled to collect and receive the Equipment Lease Proceeds only upon the occurrence of and during the continuance of an Event of Default.

2.04 Cash Collateral Account. Collateral also includes the Cash Collateral Account, all amounts from time to time on deposit therein and all investments made with the proceeds thereof and all interest earned thereon.

Section 3. COVENANTS AND WARRANTIES OF DEBTOR

The Debtor covenants, warrants and agrees with Lender that until the Obligations are paid in full that:

3.01 Maintenance of Equipment. The Debtor shall maintain and keep, or cause to be maintained and kept, at its or the Equipment Lessees' own cost and expense, each Item of Equipment in good order and repair in compliance with all AAR mechanical regulations and industrial commercial acceptance standards for revenue interchange loading, unless and until it becomes worn out, unsuitable for use, lost or destroyed; provided that any such Item of Equipment so worn out, obsolete, lost or destroyed shall be replaced with a Replacement Unit which is subject to a Replacement Lease in accordance with the provisions of Section 5.02 hereof.

3.02 Insurance.

(a) The Debtor shall maintain, or cause to be maintained at its own expense, with responsible insurance companies acceptable to the Lender, property, liability and other insurance, on such of its properties, in such amounts, against such risks and in such form as is customarily maintained by similar businesses, and, in any event, with respect to liability insurance, in an amount not less than One Hundred Million Dollars (\$100,000,000), which insurance shall at all times include coverage for all liabilities covered under, and shall not include, any exclusions other than those set forth in the Debtor's policies of insurance as in effect on the Closing Date.

(b) For purposes of this Section 3.02, liability insurance may include a program of self-insurance for up to Five Million Dollars (\$5,000,000) of liability exposures; provided that under any such program of self-insurance the Debtor shall maintain, or cause to be maintained, adequate reserves on its books in accordance with GAAP, if applicable, to cover all risks not otherwise insured by an insurance company, and the Debtor shall, within thirty (30) days after the end of each of its fiscal quarters, deliver to the Lender a certificate of a Responsible Officer setting forth evidence of the maintenance of such sufficient reserves as required herein and any other financial statements or records as the Lender may require or request with respect to such program of self-insurance.

(c) The Debtor shall cause the Lender to be named as an additional insured and loss payee under all policies of insurance maintained pursuant to the provisions of this Section 3.02 and shall deliver to the Lender (i) on the Closing Date, evidence in form and substance satisfactory to the Lender of such insurance policies, and (ii) thereafter,

thirty (30) days prior written notice before any cancellation, expiration, cessation, reduction in amount or change in coverage thereof shall become effective.

3.03 Preservation of Collateral.

(a) The Debtor will warrant and defend the title to the Collateral against all claims and demands of all Persons except Persons claiming by, through or under the Lender or the Transferees. The Debtor will not assign, sell, lease, transfer or otherwise dispose of, nor will the Debtor suffer or permit any of the same to occur with respect to the Collateral except as provided in Section 5.02(b). The Debtor will not create, assume or suffer to exist any Lien on the Collateral other than Permitted Liens (as hereinafter defined) and the Debtor shall pay or discharge, at its own cost and expense, any and all claims, liens or charges other than Permitted Liens. As used herein, "Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind. As used herein, "Permitted Liens" shall mean:

(i) the Liens created by this Security Agreement and by the Equipment Leases;

(ii) the Liens arising from taxes, assessments or governmental charges or levies either not yet assessed or, if assessed not yet due or contested in good faith by appropriate proceedings (and for which adequate reserves have been made in the Debtor's books in accordance with GAAP consistently applied);

(iii) mechanics', materialmen's, suppliers', warehousemen's, workmen's, repairmen's, employees', or other like Liens arising by operation of law in the ordinary course of business for amounts which are either not yet due or are not yet overdue for more than fifteen (15) days or are being contested in good faith by appropriate proceedings (and for which adequate reserves have been made in the Debtor's books in accordance with GAAP consistently applied or when required in order to pursue such proceedings, an adequate bond has been obtained) so long as such proceedings do not involve any danger of sale, forfeiture or loss, of Equipment; and

(iv) Liens arising out of judgments or awards against the Debtor which are being contested in good faith by appropriate proceedings (and for the payment of

which an adequate bond has been obtained) and with respect to which there shall have been secured a stay of execution pending such appeal or proceedings for review, so long as such proceedings, in the judgment of the Lender, do not involve any danger of sale, forfeiture or loss, of Equipment.

(b) The Debtor shall advise the Lender promptly, in reasonable detail, of any Lien or claim made or asserted against any of the Collateral and of any event affecting the Lender's security interest in the Collateral.

3.04 Further Assurances. The Debtor will, at its own expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary for the perfection and maintenance of the perfection of the security interests in the Collateral, whether now owned or hereafter acquired, with the ICC, pursuant to the UCC and ICA, and with the Registrar General of Canada pursuant to the Railway Act (Canada) and as the Lender may consider necessary or desirable.

3.05 Recordation and Filing.

(a) The Debtor will (i) cause this Security Agreement and any supplements hereto at all times to be executed, recorded and filed, at no expense to the Lender, with the ICC and with the Registrar General of Canada, and all financing and continuation statements to be filed with the Secretary of State of the States of Missouri and New York and with the County Clerks in St. Louis County, Missouri, New York County and Westchester County in the State of New York, and cause such documents and all similar notices required by applicable law to be filed in such other jurisdictions and with such other Federal, state, provincial or local government or agency thereof where the Lender deems it necessary or desirable to perfect, protect, or preserve its lien on the Collateral, in order to fully preserve and protect the rights of the Lender hereunder; and (ii) at its own expense, furnish to the Lender promptly after the execution and delivery of any supplement to this Security Agreement, opinions of: (A) Gordon Altman Butowsky Weitzen Shalov & Wein, counsel to the Debtor, (B) Alvord & Alvord, special ICC counsel to the Debtor, and (C) Aird & Berlis, special Canadian counsel to the Debtor, or such other counsel as the Lender may reasonably request, which opinions shall cover the matters set forth in paragraphs (e), (f), (j) and (k) of Exhibit C to the Loan Agreement, in accordance with the terms of such Exhibit C, and shall

otherwise be in form and substance reasonably satisfactory to the Lender.

(b) The Debtor hereby authorizes the Lender to take all action (including, without limitation, the filing of this Security Agreement and any supplements thereto and any Uniform Commercial Code financing statements or amendments thereto without the signature of the Debtor) which the Lender may deem necessary or desirable to perfect, protect, or preserve the liens and security interests created hereunder and to obtain the benefits of this Security Agreement.

3.06 Power of Attorney.

(a) The Debtor does hereby irrevocably constitute and appoint the Lender and its successors and assigns, upon the occurrence and during the continuance of an Event of Default, its true and lawful attorney with full power of substitution for it and in its name, place and stead, to ask, demand, collect, receive, receipt for and sue for any and all Equipment Lease Proceeds hereof with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all instruments or commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Lender may deem necessary or appropriate in its sole and complete discretion to perfect, protect and preserve the right, title and interest of the Lender in and to such Equipment Lease Proceeds and the security intended to be afforded hereby.

(b) The parties acknowledge that the powers conferred on the Lender hereunder are solely to protect its interest in the Collateral and that anything herein contained to the contrary notwithstanding, neither the Lender nor its successors or assigns shall have any duty, obligation or liability by reason of or arising out of this Security Agreement to make any inquiry as to the nature or sufficiency of, to present or file any claim with respect to, or to take any action to collect or enforce the payment of, any amounts to which it may be entitled at any time by virtue of this Security Agreement.

3.07 Chief Executive Office. The chief executive office of the Debtor is located at 3301 Rider Trail South, Earth City, Missouri 63045 and all the records related to the

Equipment and to the Equipment Leases are kept in said office. The Debtor shall give the Lender thirty (30) days advance written notice of any change of such office address.

3.08 Acquisition of Interest in the Equipment. The Debtor has acquired its interest in the Equipment for its own account and with its general corporate assets and no funds used to acquire any Item of Equipment have been furnished directly or indirectly out of the assets of or in connection with any employee benefit plan (or its related trust) or any separate account in which any employee benefit plan has any interest. As used in this Section 3.08, the terms "employee benefit plan" and "separate account" shall have the respective meanings assigned to them in ERISA.

3.09 Actions Under the Equipment Leases.

(a) All the Equipment Leases are in full force and effect and are in substantially the form of Exhibit D to the Loan Agreement and the Debtor shall not enter into any agreement amending or supplementing any Equipment Lease in any material respect, execute any waiver or modification of, or consent under the terms of the Lease, settle or compromise any claim against any Equipment Lessee arising under any Equipment Lease, or submit or consent to the submission of any dispute difference or other matter arising under or in respect of any Equipment Lease to arbitration thereunder without the prior written consent of the Lender.

(b) The Debtor shall comply, and use its best efforts to cause each of the Lessees to comply, in all material respects, with all acts, rules, regulations and orders of any legislative, administrative or judicial body or official applicable to the Collateral or any part thereof, or to the operation of the Debtor's business (including all laws of the jurisdictions in which operations involving the Equipment may extend the interchange rules of the AAR and all rules of the ICC) and the Registrar General of Canada; provided, however, that the Debtor may contest any acts, rules, regulations, orders and directions of such bodies or officials in any reasonable manner which will not, in the sole opinion of the Lender materially adversely affect the Lender's rights or the priority of its security interest in the Collateral.

3.10 Right to Inspect the Collateral. The Debtor shall at any reasonable time, at the request of the Lender, cause the Collateral to be exhibited to the Lender (or persons

designated by the Lender) for purposes of inspection, provided that the Equipment, will not be made available for inspection at any Equipment Lessee's facility.

3.11 Reports. On or before February 1, in each year, commencing with the calendar year 1997, the Debtor shall furnish to the Lender an accurate statement (i) setting forth as at the preceding January 1st the amount, description and numbers of all Items of Equipment then covered by an Equipment Lease, the amount, description and numbers of all Items of Equipment that have suffered a Casualty Loss during the preceding calendar year or, in the case of the first such statement, since the date of this Security Agreement (specifying the dates of such Casualty Loss) or to the knowledge of the Debtor are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Items of Equipment as the Lender may reasonably request and (ii) stating that, in the case of all Items of Equipment repainted or repaired during the period covered by such statement, the numbers and the marking required by Section 3.12 hereof and the Equipment Leases have been preserved or replaced. The Debtor shall keep proper books and records with respect to the Equipment and each Equipment Lease and the other Collateral covered thereby. The Lender shall have the right (but not any obligation) to inspect the Items of Equipment and the Debtor's records with respect thereto (and the right to make extracts from and to receive from the Debtor true copies of such records relating to the Collateral other than the Equipment Leases except as otherwise provided herein) at such reasonable times as the Lender may request during the continuance of this Security Agreement.

3.12 Marking of Equipment.

(a) Debtor will cause each Item of Equipment to be kept numbered with the identifying number set forth in Schedule A hereto, and at the request of the Lender if the Lender determines that it is necessary in order to perfect, protect or preserve its first security interest in the Collateral, the Debtor shall keep and maintain plainly, distinctly, permanently and conspicuously marked on each side of each Item of Equipment, in letters not less than one inch in height, the words, "Ownership Subject to a Security Agreement filed with the Interstate Commerce Commission". The Debtor shall not change, or permit to be changed, the identifying number of any Item of the Equipment except in

accordance with a statement of new identifying numbers to be substituted therefor after the Lender has been notified in writing and which statement shall be filed, recorded or deposited in all public offices where this Security Agreement shall have been filed, recorded or deposited. The Debtor shall forthwith furnish to the Lender an opinion of such counsel and in form and substance satisfactory to the Lender to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Lender's first Lien or security interests in such Items of Equipment and no further filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to perfect, protect, or preserve the security interest of the Lender in such Items.

(b) Except as above provided, the Debtor will not allow the name of any Person (other than the Debtor) to be placed on the Item of Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Debtor may permit the Equipment to be lettered with the names, trademarks, initials or other insignia customarily used by the user of such Equipment or its affiliates.

3.13 Use of Equipment. The Equipment will be used by a lessee, a sublessee or user incorporated in the United States of America (or any State thereof or the District of Columbia) or Canada (or any Province thereof), only upon lines of railroad owned or operated by a railroad company or companies incorporated in the United States of America (or any State thereof or the District of Columbia) or Canada (or any Province thereof) or over lines upon which such railroad company or companies have trackage rights or rights for operation of their trains, and upon connecting with other carriers in the usual interchange of traffic in the continental United States and Canada, only upon and subject to all the terms and conditions of Equipment Leases.

3.14 Replacement Units and Replacement Leases. The representations and warranties of the Debtor with respect to the Equipment and the Equipment Leases which are set forth in Section 4.01(q) of the Loan Agreement shall be true and correct with respect to each Replacement Unit and each Replacement Lease as of the date such Replacement Unit or Replacement Lease becomes subject to this Security Agreement.

Section 4. SPECIAL PROVISIONS CONCERNING LEASES

4.01 Debtor's Rights Under Equipment Leases. Until the occurrence and continuance of an Event of Default, and subject to any limitations set forth herein or in the Loan Agreement, the Debtor may exercise all of the Debtor's rights, powers, privileges and remedies under the Equipment Leases, including, without limitation, the right to receive any and all monies due or to become due under the Equipment Leases, and to retain all copies (original or duplicates) of Equipment Leases.

4.02 Equipment Lease Location and Legend. The Debtor shall keep the original Equipment Leases at its chief executive offices and shall mark all Equipment Leases with the following language:

The rights and interests of ACF Industries, Incorporated under this Lease and all amendments, and riders hereto relating to certain railcars listed herein, and in such railcars, have been assigned to one or more financial institutions or banks listed on the page or pages at the end of this Lease and are subject to a first priority perfected security interest in favor of such financial institutions or banks. To the extent that this Lease constitutes chattel paper, no security interest in this Lease may be created or perfected through the transfer or possession of this counterpart.

The Lender shall have the right from time to time to require the Debtor to mark on the page or pages at the end of the Equipment Leases describing the Equipment in which the Lender has interests hereunder and require the Debtor to place notations of the Lender's interests in the Collateral. The Lender shall have the right from time to time to periodically audit the lease records of the Debtor as to the status of the Equipment and Equipment Leases.

4.03 Expired Leases. In the event that any Equipment Lease expires prior to the maturity of the Note (each, an "Expired Lease") the Debtor shall promptly notify the Lender, and on that date which is ninety (90) days after such expiration if neither the Expired Lease has been renewed nor the Item of Equipment covered by such Expired Lease been made subject to a Replacement Lease, the Debtor shall, upon the request of the Lender, replace the Equipment leased under such

Expired Lease with Replacement Units which are subject to Replacement Leases, and the Debtor shall execute and deliver to the Lender a supplement to this Security Agreement and take all such other actions as are required pursuant to Section 3.05(a) hereof such that the Replacement Units and Replacement Leases shall be subject to the first Lien of this Security Agreement.

Section 5. COLLATERAL

5.01 Possession of Collateral. So long as no Event of Default has occurred and is continuing, the Debtor and each Equipment Lessee party to an Equipment Lease shall be suffered and permitted to remain in full possession, enjoyment and control of the Collateral including without limitation the Equipment Leases itself, and to manage, operate and use the Collateral and each part thereof with the rights and franchises pertaining to the Collateral, provided always that the possession, enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of this Security Agreement.

5.02 Casualty Loss; Insurance Proceeds; Cash Collateral Account.

(a) In the event and at such time (a "Casualty Date") that any Item of Equipment, is destroyed, lost, stolen, irreparably damaged, or missing for a period in excess of thirty (30) days, taken by any governmental entity (including, without limitation, condemnation, confiscation, requisition, taking of title or use by any governmental entity) or otherwise becomes unusable in the business of the Debtor (such event or condition, a "Casualty Loss"), the Debtor shall promptly inform the Lender of the Casualty Loss. At such date (a "Casualty Total Date") that a Casualty Loss has occurred with respect to a total of either (in each case, a "Casualty Total"): (i) any five (5) Items of Equipment, or (ii) Items of Equipment having an aggregate AAR Value of Two Hundred Fifty Thousand Dollars (\$250,000), and in the case of (i) or (ii), whether such Casualty Losses are the result of one occurrence or several occurrences, the Debtor shall promptly notify the Lender, and at the option of the Debtor, within ten (10) days after such Casualty Total Date, either (A) the Debtor shall deposit into the Cash Collateral Account (defined below) in respect of each Item of Equipment which has become a Casualty Loss an amount in Dollars (as to each such Item, the "Casualty Loss Proceeds") equal to the product of the outstanding principal amount of the Loan multiplied by a fraction, (1) the

that, so long as no Event of Default, or event or condition that with the giving of notice, the lapse of time or both may become an Event of Default, has occurred and is continuing, the Debtor shall be permitted to use such monies to acquire Replacement Units under this Security Agreement.

(b) In the event that Items of Equipment have been the subject of a Casualty Loss and the Debtor in consequence thereof has deposited Casualty Loss Proceeds in respect thereof pursuant to clause (A) of paragraph (a) of this Section 5.02, the Debtor may at any time substitute Replacement Units which are subject to Replacement Leases as provided in clause (B) of paragraph (a) of this Section 5.02, and so long as no Event of Default, or event or condition that with the giving of notice, the lapse of time or both may become an Event of Default, has occurred and is continuing, the Debtor shall be entitled to release of the Casualty Loss Proceeds attributable to Items of Equipment being replaced and any earnings attributable thereto from the Cash Collateral Account, at such time as the Debtor has replaced the Item or Items of Equipment with respect to which the Casualty Loss Proceeds were paid with Replacement Units which are subject to Replacement Leases and the Debtor has otherwise complied with the provisions of this Section 5.02 and Section 3.05(a) hereof. In the event the Debtor elects to replace an Item of Equipment under an Equipment Lease with a Replacement Unit pursuant to this Section 5.02, such Replacement Unit and the Replacement Lease covering such Replacement Unit shall become subject to the perfected Lien of this Agreement and the security interest of the Lender.

(c) Upon the occurrence and during the continuance of any Event of Default, all Casualty Loss Proceeds and all other amounts standing to the credit of the Cash Collateral Account shall be paid to the Lender and applied by the Lender as specified in Section 6.03.

Section 6. SECURED PARTY'S RIGHTS

6.01 Secured Party's Rights. The Debtor agrees that when any Event of Default as defined in the Loan Agreement has occurred and is continuing, the Lender shall have the rights, options, duties and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under the ICA and under the UCC (regardless of whether such UCC or a law similar thereto has been enacted in a jurisdiction wherein the

rights or remedies are asserted) as applicable, and the Lender shall have the following rights and remedies:

(a) The Lender shall have all the rights of a secured party under the ICA and under the UCC to enforce the security interests contained herein.

(b) The Lender personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the Collateral, or use and operate or lease the Collateral until sold, and the Debtor shall deliver, or cause to be delivered, possession of the Equipment to the Lender or its agents where the same may be found or at such place or places as the Lender may reasonably require. Notwithstanding anything hereunder to the contrary, so long as no Event of Default has occurred and is continuing unremedied, the original Equipment Leases delivered to the Debtor shall remain at the chief executive offices of the Debtor; provided, however, that in the event an Event of Default has occurred and is continuing, the Debtor shall provide to the Lender the original Equipment Leases or, in case originals are not available because one or more lenders have an interest in leases reflected in the same document as such Equipment Leases, duplicate copies of the Equipment Leases and the Equipment Schedules to master Equipment Leases and, in all cases, all relevant information that the Lender may request regarding all other leases and all other lenders, and if requested by all lenders with a security interest in any Equipment Lease, deliver such Equipment Leases to a trustee designated by the Lender and all the other lenders.

(c) Any Collateral repossessed by the Lender under or pursuant to this Section 6.01 may be sold, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Lender may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Lender or after any overhaul or

repair which the Lender shall determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceedings permitted by such requirements shall be made upon not less than ten (10) days' written notice to Debtor specifying the times at which such disposition is to be made and the intended sale price or other consideration therefor. Any such disposition which shall be a public sale permitted by such requirements shall be made upon not less than ten (10) days' written notice to Debtor specifying the time and place of such sale and, in the absence of applicable requirements of law, shall be by public auction after publication of notice of such auction not less than ten (10) days prior thereto in two newspapers in general circulation in the City of New York. To the extent permitted by any such requirement of law, the Lender may itself bid for and become the purchaser of the Collateral or any item thereof, offered for sale in accordance with this Section 6.01 without accountability to Debtor (except to the extent of surplus money received as provided in Section 6.03). In the payment of the purchase price therefor, the Lender shall be entitled to have credit on account of the purchase price thereof of amounts owing to the Lender on account of the indebtedness hereby secured and the Lender may deliver the claims for interest on or principal of the Secured Loan or other indebtedness hereby secured in lieu of cash up to the amount which would, upon distribution of the net proceeds of such sale, be payable thereon. If, under mandatory requirements of applicable law, the Lender shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to Debtor as hereinabove specified, the Lender need give Debtor only such notice of disposition as shall be reasonably practicable in view of such mandatory requirements of applicable law.

(d) The Lender may proceed to protect and enforce this Security Agreement by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other legal or equitable remedy available under applicable law.

6.02 Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and

demand whatsoever, either at law or in equity, of the Debtor in and to the property sold and shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all persons claiming the property sold, or any part thereof under, by or through the Debtor, its successors or assigns.

6.03 Application of Sale Proceeds. The proceeds of any sale of the Collateral, or any part thereof, and the proceeds of any remedy hereunder shall be paid to and applied as follows:

(a) First, to the payment of all costs and expenses including those of foreclosure or suit, if any, and of such sale, and of all proper expenses, liability and advances, including legal expenses and reasonable attorneys' fees, incurred or made hereunder, under the Note, or under the Loan Agreement or the other Loan Documents, by the Lender;

(b) Second, to the payment of the amounts then owing or unpaid in respect of the Note and any other amounts owed to the Lender in accordance with the provisions of the Loan Documents; and

(c) Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whosoever may be lawfully entitled to receive the same.

6.04 Discontinuance of Remedies. In case the Lender shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then, and in every such case, the Debtor and the Lender shall be restored to their former positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

6.05 Cumulative Remedies. No delay or omission of the Lender to exercise any right or power arising from any default on the part of the Debtor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Lender of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided herein. The Lender may exercise any one or more or all of the remedies hereunder and no remedy is intended to be exclusive

of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing now or hereafter at law or in equity; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Lender be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

6.06 Indemnity. The Debtor agrees to indemnify, protect and hold harmless the Lender and its assigns, directors, officers, employees, agents or representatives (each an "Indemnified Party") from and against all losses, damages, injuries, liabilities, claims, suits, obligations, penalties, actions, judgments, costs, interest and demands of any kind or nature whatsoever (all the foregoing losses, damages etc. are the "indemnified liabilities"), and expenses in connection therewith (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnified Party in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnified Party shall be designated a party thereto, and the expenses of investigation by engineers, environmental consultants and similar technical personnel) arising out of, in connection with, or as the result of any claim for personal injury or property damage arising from the operation, use, condition, possession, storage or repossession of any of the Collateral, or any claim relating to any laws, rules or regulations, including, without limitation, environmental control, noise and pollution laws, rules or regulations entering into or the performance of this Security Agreement, the Loan Agreement, the Note, and the other Loan Documents, the enforcement of any rights thereunder, the retention by the Lender of a security interest in the Collateral, or arising during the period of any delivery, rejection, storage or repossession of any of the Equipment while a security interest therein remains in the Lender or during the period of the transfer of such security interest in the Collateral by the Lender pursuant to any of the provisions of this Security Agreement; provided, however, that the Debtor shall have no obligation to so indemnify any Indemnified Party for any indemnified liabilities arising solely from its willful misconduct or gross negligence. The foregoing indemnity shall survive the termination of this Security Agreement and the Loan Agreement and payment in full of the Obligations.

7.04 Notices. All notices and communications provided for herein shall be given to such parties, at such addresses and in such manner as is provided in the Loan Agreement.

7.05 Termination. This Security Agreement and the security interest granted hereby shall terminate when the Obligations have been fully paid or discharged, at which time the Lender shall, at the Debtor's expense, execute and deliver to the Debtor at its expense all Uniform Commercial Code termination statements and such similar documents or proper instrument or instruments which the Debtor shall reasonably request to evidence such termination and the release of Collateral including releases in recordable form under the ICA and the Railway Act (Canada). Upon the release of this Security Agreement, all amounts in the Cash Collateral Account shall be under the sole dominion and control of the Debtor.

7.06 GOVERNING LAW. THIS SECURITY AGREEMENT SHALL BE DEEMED TO HAVE BEEN MADE UNDER, CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (OTHER THAN THE LAWS OF THE STATE OF NEW YORK GOVERNING THE CHOICE OF LAW); PROVIDED, HOWEVER, THAT THE PARTIES SHALL BE ENTITLED TO ALL RIGHTS CONFERRED BY 49 U.S.C. SECTION 11303 AND SUCH ADDITIONAL RIGHTS, ARISING OUT OF THE FILING, RECORDING OR DEPOSIT HEREOF, IF ANY.

7.07 Submission to Jurisdiction. Each of the Debtor and the Lender hereby irrevocably submits to the nonexclusive jurisdiction of the Supreme Court of the State of New York, New York County, and to the jurisdiction of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Security Agreement or the subject matter hereof brought by any party or its successors or assigns, and each party hereto hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by law, in such Federal court, and each party hereto hereby agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Security Agreement or the subject matter hereof may not be enforced in or by such courts. The Debtor hereby generally appoints as its attorney-in-fact, to receive service of process in such action, suit or proceeding ACF Industries,

Incorporated c/o Icahn & Co., 1 Wall Street Court, New York, New York 10005. The Debtor agrees that (without prejudice to any other lawful method of service) service of process upon such attorney-in-fact shall constitute valid service upon the Debtor or its successors or assigns. The Debtor also agrees to give the Lender thirty (30) days' advance written notice regarding any change related to the Agent for Service of Process, and so long as any amount remains outstanding and unpaid hereunder, under the Note or the Security Agreement to maintain an agent in New York County for the receipt of process as aforesaid.

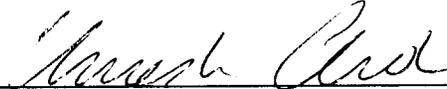
7.08 Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together constituting only one Security Agreement.

7.09 Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

7.10 Waiver of Jury Trial. BY ITS SIGNATURE BELOW WRITTEN EACH PARTY HERETO IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the day and year first above written.

ACF INDUSTRIES, INCORPORATED

By: 
Name: ~~Robert J. Mitchell~~ Robert J. Mitchell
Title: Treasurer

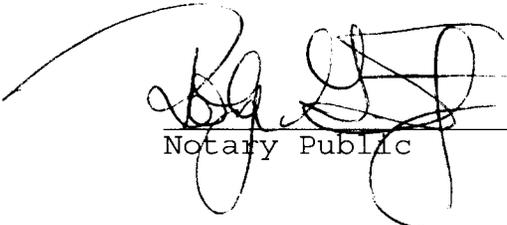
IBJS COMMERCIAL CORPORATION

By: 
Name:
Title: **LINDA R. GIANNATTASIO**
VICE PRESIDENT

[Signature Page to Security Agreement]

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this ^{26th} day of December 1995, before me, personally appeared Umesh Choksi to me personally known, who being by me duly sworn, says that he resides at Oscar Rd, Missouri and is Treasurer of ACF Industries, Incorporated, that said instrument was signed on the date hereof 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.



Notary Public

ROBYN G. STEINBERG
Notary Public, State of New York
No. 01ST5026264
Qualified in New York County
Commission Expires April 18, 1996

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 26th day of December 1995, before me, personally appeared Linda R. Giannattasio to me personally known, who being by me duly sworn, says that she resides at 144 Glen Head Road, Glen Head, New York 11545-1907 and is Vice President of IBJS Commercial Corporation, that said instrument was signed on the date hereof on behalf of said corporation by authority of its Board of Directors; and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

ALICE BLUMBERG
Notary Public, State of New York
No. 01BL5026266
Qualified in New York County
Commission Expires April 18, 1996

SCHEDULE A TO SECURITY AGREEMENT

Rptg Mark	Car Number	AAR Desg	Rptg Mark	Car Number	AAR Desg
ACFX	51306	C614	ACFX	64587	C214
ACFX	51565	C614	ACFX	64588	C214
ACFX	51566	C614	ACFX	64589	C214
ACFX	51590	C614	ACFX	64590	C214
ACFX	64541	C214	ACFX	64591	C214
ACFX	64542	C214	ACFX	64592	C214
ACFX	64543	C214	ACFX	64593	C214
ACFX	64544	C214	ACFX	71503	T108
ACFX	64545	C214	ACFX	71504	T108
ACFX	64546	C214	ACFX	71505	T108
ACFX	64547	C214	ACFX	71506	T108
ACFX	64548	C214	ACFX	71507	T108
ACFX	64549	C214	ACFX	71508	T108
ACFX	64550	C214	ACFX	71509	T108
ACFX	64551	C214	ACFX	71510	T108
ACFX	64552	C214	ACFX	71511	T108
ACFX	64553	C214	ACFX	71512	T108
ACFX	64554	C214	ACFX	71513	T108
ACFX	64555	C214	ACFX	71514	T108
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ACFX	64567	C214			
ACFX	64568	C214			
ACFX	64569	C214			
ACFX	64570	C214			
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ACFX	64573	C214			
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ACFX	64578	C214			
ACFX	64579	C214			
ACFX	64580	C214			
ACFX	64581	C214			
ACFX	64582	C214			
ACFX	64583	C214			
ACFX	64584	C214			
ACFX	64585	C214			
ACFX	64586	C214			

80 CARS

SCHEDULE B TO SECURITY AGREEMENT

LESSEE	CONTRACT/ RIDER	CAR IDENT	TOTAL CARS
DOW CHEMICAL COMPANY THE	15220074	ACFX 64541	
	15220074	ACFX 64542	
	15220074	ACFX 64543	
	15220074	ACFX 64544	
	15220074	ACFX 64545	
	15220074	ACFX 64546	
	15220074	ACFX 64547	
	15220074	ACFX 64548	
	15220074	ACFX 64549	
	15220074	ACFX 64550	
	15220074	ACFX 64551	
	15220074	ACFX 64552	
	15220074	ACFX 64553	
	15220074	ACFX 64554	
	15220074	ACFX 64555	
	15220074	ACFX 64556	
	15220074	ACFX 64557	
	15220074	ACFX 64558	
	15220074	ACFX 64559	
	15220074	ACFX 64560	
	15220074	ACFX 64561	
	15220074	ACFX 64562	
	15220074	ACFX 64563	
	15220074	ACFX 64564	
	15220074	ACFX 64565	
	15220074	ACFX 64566	
	15220074	ACFX 64567	
	15220074	ACFX 64568	
	15220074	ACFX 64569	
	15220074	ACFX 64570	
	15220074	ACFX 64571	
	15220074	ACFX 64572	
	15220074	ACFX 64573	
	15220074	ACFX 64574	
	15220074	ACFX 64575	
	15220074	ACFX 64576	
	15220074	ACFX 64577	
	15220074	ACFX 64578	
	15220074	ACFX 64579	
	15220074	ACFX 64580	
	15220074	ACFX 64581	
	15220074	ACFX 64582	
	15220074	ACFX 64583	
	15220074	ACFX 64584	
	15220074	ACFX 64585	
	15220074	ACFX 64586	
	15220074	ACFX 64587	
	15220074	ACFX 64588	
	15220074	ACFX 64589	
	15220074	ACFX 64590	
	15220074	ACFX 64591	
	15220074	ACFX 64592	
	15220074	ACFX 64593	

22-Dec-95

SCHEDULE B TO SECURITY AGREEMENT

LESSEE	CONTRACT/ RIDER	CAR IDENT	TOTAL CARS
DOW CHEMICAL COMPANY THE GRAIN PROCESSING CORP	4065	ACFX 71503	53
	4065	ACFX 71504	
	4065	ACFX 71505	
	4065	ACFX 71506	
	4065	ACFX 71507	
	4065	ACFX 71508	
	4065	ACFX 71509	
	4065	ACFX 71510	
	4065	ACFX 71511	
	4065	ACFX 71512	
	4065	ACFX 71513	
	4065	ACFX 71514	
	4065	ACFX 71515	
	4065	ACFX 71516	
	4065	ACFX 71517	
	4065	ACFX 71518	
	4065	ACFX 71519	
	4065	ACFX 71520	
	4065	ACFX 71521	
	4065	ACFX 71522	
	4065	ACFX 71523	
	4065	ACFX 71524	
	4065	ACFX 71525	
GRAIN PROCESSING CORP			23
HAYWOOD COMPANY	4115	ACFX 51306	
HAYWOOD COMPANY			1
PROCTER & GAMBLE MFG COMPAN	96750220	ACFX 51565	
	96750220	ACFX 51566	
	96750220	ACFX 51590	
PROCTER & GAMBLE MFG COMPAN			3
TOTAL			80

numerator of which is the AAR Value of the specific Items of Equipment subject to such Casualty Loss and (2) the denominator of which is the aggregate AAR Value of all Items of Equipment (it being understood that the Debtor is entitled to any proceeds, whether in respect of insurance proceeds, condemnation awards or other amounts payable in respect of such Items of Equipment), or (B) Debtor shall replace such Items of Equipment with Replacement Units which are subject to Replacement Leases. (It is understood that upon the taking of the actions set forth in (A) or (B) with respect to a Casualty Total, for the purpose of determining the next succeeding Casualty Total Date clauses (i) and (ii) of the definition of Casualty Total shall be reset to zero.) Upon the taking of the actions set forth in (A) or (B) with respect to a Casualty Total, at the request of the Debtor, the Lender shall take such actions as may reasonably be requested by the Debtor in order to release such Items of Equipment which constituted the Casualty Total from the Lien granted under this Security Agreement, including the delivery to the Debtor of releases in recordable form with the ICC and the Registrar General (Canada) and UCC-3 release statements, all at the expense of the Debtor. The Lender shall be entitled to retain such Casualty Loss Proceeds in respect of Items of Equipment that have been the subject of a Casualty Loss, and to hold them as additional Collateral hereunder in accordance with clauses (I) (II) and (III) below.

(I) All such Casualty Loss Proceeds shall be deposited by the Lender into a special cash collateral account (the "Cash Collateral Account") maintained at IBJ Schroder Bank and Trust Company or at such other bank designated by the Lender and reasonably acceptable to the Debtor, provided such bank agrees to hold such proceeds on behalf of the Lender, under the sole control and dominion of the Lender, for so long as, but only so long as, the Security Agreement shall be in full force and effect.

(II) All amounts from time to time on deposit in the Cash Collateral Account shall, so long as no Event of Default shall have occurred or be continuing, be invested by the Lender at the direction of the Debtor in certificates of deposit with such maturities as Debtor shall request.

(C) Except as otherwise provided in paragraph (b) of this Section 5.02, amounts on deposit in the Cash Collateral Account shall not be released to Debtor except

numerator of which is the AAR Value of the specific Items of Equipment subject to such Casualty Loss and (2) the denominator of which is the aggregate AAR Value of all Items of Equipment (it being understood that the Debtor is entitled to any proceeds, whether in respect of insurance proceeds, condemnation awards or other amounts payable in respect of such Items of Equipment), or (B) Debtor shall replace such Items of Equipment with Replacement Units which are subject to Replacement Leases. (It is understood that upon the taking of the actions set forth in (A) or (B) with respect to a Casualty Total, for the purpose of determining the next succeeding Casualty Total Date clauses (i) and (ii) of the definition of Casualty Total shall be reset to zero.) Upon the taking of the actions set forth in (A) or (B) with respect to a Casualty Total, at the request of the Debtor, the Lender shall take such actions as may reasonably be requested by the Debtor in order to release such Items of Equipment which constituted the Casualty Total from the Lien granted under this Security Agreement, including the delivery to the Debtor of releases in recordable form with the ICC and the Registrar General (Canada) and UCC-3 release statements, all at the expense of the Debtor. The Lender shall be entitled to retain such Casualty Loss Proceeds in respect of Items of Equipment that have been the subject of a Casualty Loss, and to hold them as additional Collateral hereunder in accordance with clauses (I) (II) and (III) below.

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(II) All amounts from time to time on deposit in the Cash Collateral Account shall, so long as no Event of Default shall have occurred or be continuing, be invested by the Lender at the direction of the Debtor in certificates of deposit with such maturities as Debtor shall request.

(C) Except as otherwise provided in paragraph (b) of this Section 5.02, amounts on deposit in the Cash Collateral Account shall not be released to Debtor except