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1909-1989

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& LOUISIANA

MAR 7 1990 -12 05 PM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 14758-L FILED 1425

MAR 7 1990 -12 05 PM

INTERSTATE COMMERCE COMMISSION

MARYLAND OFFICE
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MAR 7 1990 -12 05 PM

INTERSTATE COMMERCE COMMISSION

March 7, 1990

RECORDATION NO. 14758-O FILED 1425

14758-O-066A041

RECORDATION NO. 14758-M FILED 1425

MAR 7 1990 -12 05 PM

INTERSTATE COMMERCE COMMISSION

HAND-DELIVERED

MAR 7 1990 -12 05 PM

INTERSTATE COMMERCE COMMISSION

Ms. Noreta R. McGee
Office of the Secretary
Recordation Office
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

RECORDATION NO. 14758-N FILED 1425

MAR 7 1990 -12 05 PM

INTERSTATE COMMERCE COMMISSION

Re: TEMCO Leasing Company; TEMCO Corporation; NBD Highland Park Bank, N.A.; Continental Bank N.A.; Recordation Nos. 14758-L, 14758-M, 14758-N, 14758-O, 14758-P, and 14758-Q

Dear Ms. McGee:

In accordance with the provisions of Section 11303 of the Revised Interstate Commerce Act, 49 U.S.C. § 11303, and Part 1177 of Title 49 of the Code of Federal Regulations, we request, as special counsel for Continental Bank N.A., that the enclosed documents be recorded and filed with the Interstate Commerce Commission as noted above.

You will find enclosed herewith the original and two (2) copies of the following documents to be recorded and filed:

Carolyn C. Becker

C. Becker

JACKSON & CAMPBELL, P.C.

Ms. Noreta R. McGee
March 7, 1990
Page 2

1. Release, dated as of January 31, 1990, by and between TEMCO LEASING COMPANY and NBD HIGHLAND PARK BANK, N.A. This document should be assigned Recordation No. 14758-L;

2. Release, dated as of January 31, 1990, by and between TEMCO LEASING COMPANY and CONTINENTAL BANK N.A., F/K/A CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO. This document should be assigned Recordation No. 14758-M;

3. Release, dated as of January 31, 1990, by and among TEMCO LEASING COMPANY and NBD HIGHLAND PARK BANK N.A., individually and as Agent, and CONTINENTAL BANK N.A., F/K/A CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, individually and as Security Agent. This document should be assigned Recordation No. 14758-N; ✓

4. Loan and Security Agreement, dated as January 31, 1990, by and between TEMCO CORPORATION and CONTINENTAL BANK N.A. This document should be assigned Recordation No. 14758-O;

5. Security Agreement, dated as of January 31, 1990, by and between CONTINENTAL BANK N.A. and TEMCO CORPORATION. This document should be assigned Recordation No. 14758-P; and

6. Bill of Sale, dated as of January 31, 1990, from TEMCO LEASING COMPANY to TEMCO CORPORATION. This document should be assigned Recordation No. 14758-Q.

Document No. 1 (14758-L):

The Release, dated as of January 31, 1990, by and between TEMCO Leasing Company and NBD Highland Park Bank, N.A., is intended, inter alia, to effectuate a release and termination of this Bank's security interest in certain equipment described with more specificity in that certain Loan and Security Agreement, dated as of October 11, 1988, recorded with the ICC and assigned Recordation No. 14758-J. The parties executing this document are:

JACKSON & CAMPBELL, P.C.

Ms. Noretta R. McGee
March 7, 1990
Page 3

TEMCO Leasing Company
100 East Scranton Avenue
Lake Bluff, Illinois 60044
Attention: Mr. Bruce H. Borland

and

NBD Highland Park Bank, N.A.
513 Central Avenue
Highland Park, Illinois 60035
Attention: Mr. Robert C. Lee

Document No. 2 (14758-M):

This Release, dated as of January 31, 1990, between TEMCO Leasing Company and Continental Bank N.A., F/K/A Continental Illinois National Bank and Trust Company of Chicago, is intended, inter alia, to effectuate a release and termination of that certain security interest granted by TEMCO to the Bank under that certain Security Agreement, dated as of March 22, 1988, and recorded with the ICC and assigned Recordation No. 14758-H.

The parties executing this document are:

TEMCO Leasing Company
100 East Scranton Avenue
Lake Bluff, Illinois 60044
Attention: Mr. Bruce H. Borland

and

Continental Bank, N.A., F/K/A
Continental Illinois National Bank
and Trust Company of Chicago
231 South LaSalle Street
Business Banking Unit
Chicago, Illinois 60697
Attention: Mr. Donald B. Baer

JACKSON & CAMPBELL, P.C.

Ms. Noreta R. McGee
March 7, 1990
Page 4

Document No. 3 (14758-N):

This Release, dated as of January 31, 1990, by and among TEMCO Leasing Company, NBD Highland Park Bank, N.A., individually and as Agent, and Continental Bank N.A., F/K/A Continental Illinois National Bank and Trust Company of Chicago, individually and as Security Agent, is intended, inter alia, to effectuate a termination and release of that certain Loan and Security Agreement, dated as of March 22, 1988, filed with the ICC and assigned Recordation No. 14758-F.

The parties executing this document are:

TEMCO Leasing Company
100 East Scranton Avenue
Lake Bluff, Illinois 60044
Attention: Mr. Bruce H. Borland

NBD Highland Park Bank, N.A.
513 Central Avenue
Highland Park, Illinois 60035
Attention: Mr. Robert C. Lee

and

Continental Bank, N.A., F/K/A
Continental Illinois National Bank
and Trust Company of Chicago,
231 South LaSalle Street
Business Banking Unit
Chicago, Illinois 60697
Attention: Mr. Donald B. Baer

Document No. 4 (14758-O):

This Loan and Security Agreement, dated as of January 31, 1990, by and between TEMCO Corporation and Continental Bank N.A., is intended, inter alia, to effectuate the granting by TEMCO Corporation to Continental Bank, N.A. of a lien on and a security interest in One Hundred Eighty-Nine (189) railroad tank cars more specifically identified and described in Schedule I thereto.

JACKSON & CAMPBELL, P.C.

Ms. Noreta R. McGee
March 7, 1990
Page 5

The parties executing this document are:

TEMCO Corporation
100 East Scranton Avenue
Lake Bluff, Illinois 60044
Attention: Mr. Bruce H. Borland

and

Continental Bank, N.A.
231 South LaSalle Street
Banking Business Unit
Chicago, Illinois 60697
Attention: Mr. Richard Beutel

Document No. 5 (14758-P):

This Security Agreement, dated as of January 31, 1990, by and between Continental Bank N.A. and TEMCO Corporation, is intended, inter alia, to effectuate the granting by TEMCO Corporation of a lien on and security interest in certain equipment, contract rights and other general intangibles, more specifically identified and described therein, in favor of Continental Bank N.A., in connection with that certain Line of Credit Agreement, dated as of January 31, 1990.

The parties executing this document are:

TEMCO Corporation
100 East Scranton Avenue
Lake Bluff, Illinois 60044
Attention: Mr. Bruce H. Borland

and

Continental Bank, N.A.
231 South LaSalle Street
Business Banking Unit
Chicago, Illinois 60697
Attention: Mr. Richard Beutel

RECORDATION NO. 14758-P FILED 1425

MAR 7 1990 - 12 05 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

THIS AGREEMENT, dated as January 31, 1990, between CONTINENTAL BANK N.A. (herein called the "Bank"), and TEMCO CORPORATION (herein called "Borrower").

R E C I T A L S :

WHEREAS, Borrower and the Bank have entered into that certain Line of Credit Agreement, dated as of January 31, 1990 (together with all amendments thereto, the "Line of Credit Agreement") providing for the making of certain loans to the Borrower;

WHEREAS, it is a condition precedent to any Advances to the Borrower under the Line of Credit Agreement that the Borrower shall have executed and delivered this Security Agreement and, from time to time, certain Security Agreement Supplements (as hereinafter defined); and

NOW, THEREFORE, in order to induce the Bank to make loans to the Borrower under the Line of Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Capitalized terms used herein which are defined in the Line of Credit Agreement shall have the same meaning herein as therein. In addition, when used herein, the following terms shall have the following meanings:

"Account Debtor" means each lessee or other party who is obligated on, under or with respect to any Lease, Account Receivable, Contract Right or General Intangible.

"Account Receivable" means any Lease Payments and any other right of Borrower to payment for the sale or lease of Subject Equipment, or for services rendered with respect to Subject Equipment.

"Agreement" means this Security Agreement, as it may be amended, modified or supplemented from time to time.

"Assignee Deposit Account" has the meaning given to such term in Section 4 hereof.

"Casualty Occurrence" has the meaning given to such term in Section 6(d) hereof.

"Collateral" means all property or rights in which a security interest is granted hereunder.

"Contract Right" means any right of Borrower to payment under a contract for the sale or lease of Subject Equipment, or the rendering of services in connection therewith, which right is at the time not yet earned by performance.

"Default" means the occurrence of each of the following events: (a) default in the payment when due of any principal of, or interest on the Note; (b) default in the payment when due, whether by acceleration or otherwise (subject to any applicable grace period), of any indebtedness of, or guaranteed by, the Borrower or Bruce H. Borland (other than the indebtedness evidenced by the Note); (c) any event or condition shall occur which results in the acceleration of the maturity of any indebtedness of, or guaranteed by, the Borrower or Bruce H. Borland or enables the holder or holders of such other indebtedness or any trustee or agent for such holders (any required notice of default having been given and any applicable grace period having expired) to accelerate the maturity of such other indebtedness; (d) default in the payment when due, whether by acceleration or otherwise, or in the performance or observance (subject to any applicable grace period) of (i) any obligation or agreement of the Borrower or Bruce H. Borland to or with the Bank (other than any obligation or agreement of the Borrower hereunder or under the Line of Credit Agreement) or (ii) any material obligation or agreement of the Borrower or Bruce H. Borland to or with any other person (other than (x) any such material obligation or agreement constituting or related to indebtedness and (y) accounts payable arising in the ordinary course of business), except only to the extent that the existence of any such default is being contested by the Borrower or Borland, as the case may be, in good faith and by appropriate proceedings and the Borrower, or Borland shall have set aside on its books such reserves or other appropriate provisions therefor as may be required by generally accepted accounting principles; (e) the Borrower or Bruce H. Borland becomes insolvent, or generally fails to pay, or admits in writing its inability to pay, its debts as they mature, or applies for, consents to, or acquiesces in, the appointment of a trustee, receiver or other custodian for the Borrower or Bruce H. Borland, as appropriate, or for a substantial part of the property of the Borrower or Bruce H. Borland, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for the Borrower or Bruce H. Borland, as appropriate, or for a substantial part of the property of the Borrower or Bruce H. Borland; or any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the Borrower or Bruce H. Borland and, if instituted against the Borrower or Bruce H. Borland, as appropriate, is consented to or acquiesced in by the Borrower or Bruce H. Borland, as appropriate; or any warrant of

attachment or similar legal process is issued against any substantial part of the property of the Borrower or Bruce H. Borland; (f) default in the performance of any of the Borrower's agreements set forth herein or in the Loan and Security Agreement; (g) default in performance by Bruce H. Borland, of any of his agreement in his guaranty or his guaranty ceases to be in full force and effect; (h) any warranty made by the Borrower or Bruce H. Borland, as the case may be, herein, in the Loan and Security Agreement or in Bruce H. Borland's guaranty is untrue or misleading in any material respect when made or deemed made; or any schedule, statement, report, notice, certificate or other writing furnished by the Borrower or Bruce H. Borland to the Bank is untrue or misleading in any material respect on the date as of which the facts set forth therein are stated or certified; or any certification made or deemed made by the Borrower or Bruce H. Borland to the Bank is untrue or misleading in any material respect on or as of the date made or deemed made; (i) there shall be entered against any one of the Borrower or Bruce H. Borland, as the case may be, one or more judgments or decrees in excess of \$100,000 in the aggregate at any one time outstanding excluding those judgments or decrees (x) that shall have been outstanding less than 30 calendar days from the entry thereof or (y) for and to the extent which the Borrower or Bruce H. Borland, as the case may be, is insured and with respect to which the insurer has assumed responsibility in writing, or for and to the extent which the Borrower or Bruce H. Borland, as the case may be, is otherwise indemnified if the terms of such indemnification are satisfactory to the Bank; and (j) the Bank shall have determined in good faith (which determination shall be conclusive) that (x) a material adverse change has occurred in the business, operations or financial condition of the Borrower and its subsidiaries taken as a whole or Bruce H. Borland (y) the prospect of payment or performance of any obligation or agreement of the Borrower or Bruce H. Borland, as the case may be, hereunder, under the Note, the Security Documents, or the Personal Guaranty, as the case may be, is materially impaired, and the condition giving rise to such determination (which does not constitute any other Default under this Section) continues for 15 days after notice from the Bank to the Borrower.

"Equipment" means railcars owned by the Borrower together with all accessories, equipment, parts and appurtenances appertaining or attached to any of such Equipment, whether now owned or hereafter acquired, and all substitutions, renewals and replacements of, and additions, improvements, accessories and accumulations to, any and all of such Equipment.

"General Intangibles" means all personal property of Borrower (including things in action) other than equipment, inventory and other goods, accounts, contract rights, chattel paper, documents, instruments and money. General Intangibles

shall include, without limitation, goodwill, registrations, licenses, franchises, customer lists, tax refund claims, rights to indemnification and rights under warranties.

"Lease" means any document evidencing an agreement (including any amendments, addenda, or supplements thereto) pursuant to which the Borrower, as lessor, leases Subject Equipment to another.

"Lease Payments" means all rental payments, security deposits, advance rental, indemnity payments and other amounts at any time made or payable (whether or not earned by performance) under or pursuant to a Lease including, but not limited to, any proceeds of any insurance.

"Liabilities" means all obligations of Borrower under any Note, all obligations of Borrower hereunder, all obligations of Borrower under the Line of Credit Agreement and all obligations of the Borrower under the Loan and Security Agreement, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due.

"Loan and Security Agreement" means the Loan and Security Agreement between the Borrower and the Bank, dated as of January 31, 1990, as it may be amended, modified or supplemented from time to time.

"Non-Goods Collateral" means all Collateral other than Subject Equipment and other goods which is subject to this Agreement pursuant to Section 2.

"Note" means any promissory note of Borrower evidencing any loan or advance made by the Bank to Borrower under the Line of Credit Agreement.

"Obligor" means Borrower and each other party primarily or secondarily liable on any Note or any of the other Liabilities.

"Security Agreement Supplement" means a Security Agreement Supplement substantially in the form of Exhibit A hereto.

"Subject Equipment" means Equipment described in any annex or schedule to this Agreement or in any Security Agreement Supplement or any annex or schedule thereto.

2. Grant of Security Interest. As security for the payment of all Liabilities, Borrower hereby assigns to the Bank, and grants to the Bank a continuing security interest in, the following property of Borrower, whether now or hereafter existing or acquired:

(a) all Subject Equipment; ✓

(b) all Leases and other chattel paper and instruments evidencing any obligation to Borrower for payment for the sale or lease of Subject Equipment or services rendered in connection therewith;

(c) all Accounts Receivable, Lease Payments and Contract Rights or Borrower, and all documents of title of Borrower to the extent related to Subject Equipment;

(d) all property and rights of Borrower which are at any time included as "Collateral" as that term is used in the Loan and Security Agreement;

(e) to the extent related only to the property described in clauses (a) through (d) above and not included therein or covered thereby, all guaranties and other property securing the payment of or performance under, any Lease Payments, Accounts Receivable, Contract Rights, or any such chattel paper or instruments;

(f) to the extent related only to the property described in clauses (a) through (e) above and not included therein or covered thereby, all General Intangibles of Borrower;

(g) any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or money of or in the name of Borrower now or hereafter with the Bank and any and all property of every kind or description of or in the name of Borrower now or hereafter, for any reason or purpose whatsoever, in the possession or control of, or in transit to, the Bank or any agent or bailee for the Bank;

(h) to the extent related to the property described in clauses (a) through (e) above, all books, correspondence, credit files, records, invoices and other papers and documents, including, without limitation, to the extent so related, all tapes, cards, computer runs, computer programs and other papers and documents in the possession or control of Borrower or any computer bureau from time to time acting for Borrower, and, to the extent so related, all rights in, to and under all policies of insurance, including claims of rights to payments thereunder and proceeds therefrom, including any credit insurance; and

(i) all proceeds, products, and substitutions or replacements for or of any of the foregoing.

3. Warranties. Borrower warrants that:

(a) no financing statement or other document or agreement evidencing, establishing or granting a lien on any Collateral (other than any which may have been filed on behalf of the Bank or on behalf of Borrower if such financing statement has been assigned to the Bank) covering any of the Collateral is on file in any public office;

(b) Borrower is and will be the lawful owner of all Collateral, free of all liens and claims whatsoever, other than the security interest hereunder and the rights of any lessee(s) of Subject Equipment covered hereby, with full power and authority to execute this Agreement and perform Borrower's obligations hereunder, and to subject the Collateral to the security interest hereunder; and

(c) all information with respect to Collateral and Account Debtors set forth in any Security Agreement Supplement or any supplement, schedule, certificate or other writing at any time heretofore or hereafter furnished by Borrower to the Bank, and all other written information heretofore or hereafter furnished by Borrower to the Bank, is and will be true and correct as of the date furnished.

4. Processing, Sale, Collections, etc. Unless such power and authority is revoked by the Bank after the occurrence of a Default, Borrower (a) may, in the ordinary course of its business, at its own expense, sell, lease or furnish under contracts of service any of the Subject Equipment; (b) will, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any of the Lease Payments or other Non-Goods Collateral, including the taking of such action with respect to such collection as the Bank may reasonably request or, in the absence of such request, as Borrower may deem advisable; and (c) may grant, in the ordinary course of business, to any party obligated on or with respect to any of the Lease Payments or other Non-Goods Collateral, any rebate, refund or allowance to which such party may be lawfully entitled, and may accept, in connection therewith, the return of Subject Equipment, the sale or lease of which shall have given rise to such Non-Goods Collateral. The Bank, however, may, but shall not be obligated to, at any time after Default, whether before or after any revocation of such power and authority, notify any lessees or other parties obligated on or with respect to any of the Non-Goods Collateral to make payment directly to the Bank of any amounts due or to become due thereunder and enforce collection of any of the Non-Goods Collateral by suit or otherwise and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby. Upon request of

the Bank, Borrower will, at its own expense, notify any parties obligated on or with respect to any of the Non-Goods Collateral to make payment to the Bank of any amounts due or to become due thereunder.

Upon the request of the Bank, Borrower will forthwith, upon receipt, transmit and deliver to the Bank, in the form received, all cash, checks, drafts, chattel paper and other instruments or writings for the payment of money (properly endorsed, where required, so that such items may be collected by the Bank) which may be received by Borrower at any time in full or partial payment or otherwise as proceeds of any of the Collateral. Any such items which may be received by Borrower will not be commingled with any other of its funds or property, but will be held separate and apart from its own funds or property and upon express trust for the Bank until delivery is made to the Bank.

All items or amounts which are received by the Bank from Borrower or any other party on account of partial or full payment or otherwise as proceeds of any of the Collateral shall be deposited to the credit of a deposit account (herein called the "Assignee Deposit Account") of Borrower with the Bank, as security for payment of the Liabilities. Borrower shall have no right to withdraw any funds deposited in the Assignee Deposit Account. The Bank may, from time to time, in its discretion, and shall upon request of Borrower made not more than once in any week, apply all or any of the then balance, representing collected funds, in the Assignee Deposit Account toward payment of the Liabilities, whether or not then due, in such order of application as the Bank may determine, and the Bank may, from time to time, in its discretion, release all or any of such balance to Borrower.

The Bank is authorized to endorse, in the name of Borrower, any item, howsoever received by the Bank, representing any payment on or other proceeds of any of the Collateral.

5. Certificates, Schedules and Reports. Borrower will furnish to the Bank:

(a) together with each Borrowing Request provided to the Bank pursuant to the Loan Agreement, all of the documents and information required to be submitted therewith; and

(b) from time to time, as the Bank may request, such additional schedules and such certificates and reports respecting all or any of the Collateral at the time subject to the security interest hereunder and the items or amounts received by Borrower in full or partial payment or otherwise as proceeds of any of the Collateral, all to such extent as the Bank may request.

Each of the foregoing schedules, certificates, reports and notices shall be executed by a duly authorized officer of Borrower and shall be in such form and detail as the Bank may specify.

6. Agreements of Borrower. Borrower:

(a) will, upon request of the Bank, execute such financing statements and other documents (and pay the cost of filing or recording the same in all public offices deemed necessary by the Bank) and do such other acts and things, all as the Bank may from time to time request, to establish and maintain a valid security interest in the Collateral (free of all other liens, claims and rights of third parties whatsoever) to secure the payment of the Liabilities, including, without limitation, depositing with the Bank any certificate of title issuable with respect to any of the Collateral and noting thereon the security interest hereunder. Borrower agrees that any carbon, photographic or other reproduction of this Agreement or of any such financing statement shall be sufficient for filing as a financing statement;

(b) will keep its records concerning the Leases and other Non-Goods Collateral at its address shown on the signature page hereof, which records will be of such character as will enable the Bank or its designees to determine at any time the status thereof, and Borrower will not, unless the Bank shall otherwise consent in writing, duplicate any such records at any other address;

(c) will not, without thirty (30) days' prior written notice to the Bank, change the location of its chief executive office or its chief place of business;

(d) in the event that any Subject Equipment shall be or become lost, stolen, destroyed, or, in the opinion of the Borrower, irreparably damaged, or shall be requisitioned or taken over by a governmental authority under the power of eminent domain or otherwise during the term of this Agreement (any such occurrence, being hereinafter called a "Casualty Occurrence"), the Borrower shall promptly and fully inform the Bank in regard thereto;

(e) will not, without thirty (30) days' prior written notice to the Bank, change its name;

(f) will furnish the Bank such information concerning Borrower, the Collateral, and any Account Debtors as the Bank may from time to time reasonably request;

(g) will permit the Bank and its agents or its designees, from time to time, to inspect and evaluate the Collateral or any thereof, and to inspect, audit and make copies of and extracts from all records and all other papers in the possession of Borrower, and will, upon request of the Bank, deliver to the Bank all of such records and papers which pertain to the Collateral and Account Debtors;

(h) will, upon request of the Bank, stamp on each Lease and on its records concerning the Collateral a notation, in form satisfactory to the Bank, of the security interest of the Bank hereunder;

(i) except for the sale or lease of Subject Equipment in the ordinary course of its business, will not, unless the Bank shall otherwise consent in writing, create or permit to exist any lien on or security interest in, any Collateral to or in favor of anyone other than the Bank;

(j) will at all times keep, or require the lessee thereof to keep, all Subject Equipment insured against loss, damage, theft and other risks, in such amounts and with such companies and under such policies and in such form, all as shall be satisfactory to the Bank, which policies (if maintained by the Borrower) shall provide that loss thereunder shall be payable to the Bank as its interest may appear (and the Bank may apply any proceeds of any insurance which may be received by it toward payment of Liabilities, whether or not due, in such order of application as the Bank may determine), and such policies or certificates thereof shall, if the Bank so requests, be deposited with the Bank; without limiting the foregoing, comply with all insurance policies covering the Subject Equipment and all governmental laws, regulations, requirements and rules (including, without limitation, the rules of the United States Department of Transportation, the ICC and, if and to the extent permitted thereby, the current Interchange Rules or supplements thereto of the AAR) as the same may be in effect from time to time with respect to the use, maintenance and operation of the Subject Property; if any equipment or appliance is reasonably interpreted as being required to be installed on any Subject Equipment in order to comply with such laws, regulations, requirements and rules, make such changes, additions and replacements at its own expense, provided, however, that the Borrower may, in good faith and by appropriate legal proceedings, contest the validity or application of any such law, regulation, requirement or rule in any reasonable manner which does not in the opinion of the Bank adversely affect the security interest of the Bank hereunder;

(k) will cause each railcar which is Subject Equipment to be kept numbered with its identifying number as set forth in the Annex hereto or to the Security Agreement Supplement applicable to such Subject Equipment; will cause to be kept and maintained, plainly, distinctly, permanently and conspicuously marked on each side of each railcar, in letters not less than one inch in height, the words "Ownership subject to a Security Agreement filed with the Interstate Commerce Commission" or other appropriate markings approved by the Bank with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Bank's interest in the Subject Equipment and its rights under this Agreement; will replace promptly any such markings which may be removed, defaced, obliterated or destroyed; will not change the number of any item of Subject Equipment except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with the Bank by the Borrower and filed, recorded and deposited by the Borrower in all public offices where this Agreement shall have been filed, recorded and deposited;

(l) will reimburse the Bank upon demand for all reasonable costs and expenses, including reasonable fees of attorneys for the Bank (who may be employees of the Bank) and legal expenses, incurred by the Bank in seeking to collect or enforce any rights under the Collateral and, in case of Default, in seeking to collect the Note and all other Liabilities and to enforce rights hereunder;

(m) will reimburse the Bank upon demand for all reasonable costs and expenses incurred by the Bank, its agents or its designees in the course of the evaluations, audits and extractions referred to in clause (g) of this Section 6; and

(n) will pay when due all taxes, assessments, governmental charges and other similar charges levied against any of the Collateral, except and as so long as contested in good faith and by appropriate proceedings.

The Bank may from time to time, at its option, perform any agreement of Borrower hereunder which Borrower shall fail to perform and take any other action which the Bank deems necessary for the maintenance or preservation of any of the Collateral or its interest therein, and Borrower agrees to forthwith reimburse the Bank for all expenses of the Bank in connection with the, foregoing, together with interest thereon at a rate per annum equal to the Reference Rate in effect from time to time plus 2%, from the date incurred until reimbursed by Borrower.

7. Release of Collateral.

Provided that no Default or event which with the lapse of time, or giving of notice, or both, would become a Default has occurred and is continuing, upon the Bank's receipt of a written request to release or terminate its lien and security interest on an item of Subject Equipment, the Bank will release and terminate the lien and security interest created by this Agreement and applicable Security Agreement Supplements in and to such item of Subject Equipment, all as hereinafter provided in this Section 7:

(a) So long as the Liabilities have not been paid in full and the Bank has any obligation to make Advances under the Line of Credit Agreement if the Borrower shall prepay any Loan or any portion thereof (as provided in and in accordance with the Line of Credit Agreement) as the result of the sale or refinancing of any unit of Subject Equipment, or because of a Casualty Occurrence with respect thereto, the Bank shall release or terminate its security interest in or to such item of Subject Equipment.

(b) Provided that all Liabilities have been paid in full and the Bank has no obligation to make Advances under the Line of Credit Agreement, the Bank shall release or terminate its security interest in or to all of the Subject Equipment then pledged to the Bank hereunder.

(c) The Borrower shall pay all costs and expenses incurred by the Bank relating to such release or termination. The Bank shall execute and deliver to the Borrower such instruments, documents or agreements as may be reasonably requested by the Borrower in order to effect such release or termination. Any request to the Bank to release or terminate any security interest in or to any Subject Equipment shall specify the unit or units of Subject Equipment with respect to which such security interest shall be released or terminated and shall be accompanied by a certificate executed by a duly authorized officer of the Borrower to the effect that (a) before and after giving effect to such release or termination (i) no Event of Default or Unmatured Event of Default has occurred and is continuing and (ii) the warranties in Section 7 of the Security and Loan Agreement are true and correct, as though made on the date of such release or termination.

8. Default. Whenever a Default shall be existing, the Note and all other Liabilities may (notwithstanding any provisions thereof), at the option of the Bank, and without demand or notice of any kind, be declared, and thereupon immediately shall become, due and payable, and the Bank may exercise from time to time any rights and remedies available to

it under applicable law. Borrower agrees, in case of Default, to assemble, at its expense, all Subject Equipment in its possession or control at a convenient place acceptable to the Bank. Without limiting the foregoing, upon Default the Bank may, to the fullest extent permitted by applicable law, without notice, hearing or process of law of any kind, (a) enter upon any premises where any of the Collateral in Borrower's possession or control may be located and take possession of and remove such Collateral; (b) use, license or, to the extent permitted by an applicable license, sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any Collateral constituting General Intangibles throughout the world for such term or terms, on such conditions, and in such manner, as the Bank shall in its sole discretion determine, without compensation to Borrower; (c) sell any or all of the Collateral, free of all rights and claims of Borrower therein and thereto, at any public or private sale; and (d) bid for and purchase any or all of such Collateral at any such sale. Borrower hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Bank of any of its rights and remedies upon Default. Any notification of intended disposition of any of the Collateral required by law shall be deemed reasonably and properly given if given at least five (5) days before such disposition. Any proceeds of any disposition by the Bank of any of the Collateral may be applied by the Bank to the payment of expenses in connection with the Collateral, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by the Bank toward the payment of such of the Liabilities, and in such order of application, as the Bank may from time to time elect.

9. General. The Bank shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as Borrower requests in writing, but failure of the Bank to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of the Bank to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by Borrower, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

Except as otherwise expressly provided herein, any notice hereunder between the parties hereto shall be in writing (including telegraphic, telex or telecopy communication) and shall be given to each of the other parties hereto at its respective address, telex number or telecopier number set forth on the signature pages hereof or at such other address, telex number or telecopier number as any party may, by written notice,

designate as its address, telex number or telecopier number for purposes of notice hereunder. All such notices shall be deemed to be given when transmitted by telex and the appropriate answerback is received, transmitted by telecopier, delivered to the telegraph office, personally delivered or, in the case of a mailed notice, when sent by registered or certified mail, postage prepaid, in each case addressed as specified in this paragraph.

No failure on the part of the Bank to exercise, and no delay in exercising, any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by the Bank of any right, power or remedy preclude other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies which may be available to the Bank at law or in equity or under any other agreement or instrument relating to any of the Liabilities or any security therefor.

Unless sooner terminated by the Bank, this Agreement shall terminate when all Liabilities (including, without limitation, any and all extensions or renewals of any thereof, any and all interest on any thereof, and any and all expenses incurred by the Bank in seeking to collect any of the Liabilities and to collect or enforce any rights under the Collateral) shall have been paid in full.

This Agreement has been delivered at Chicago, Illinois, and shall be construed in accordance with and governed by the laws of the State of Illinois. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

The rights and privileges of the Bank hereunder shall inure to the benefit of its successors and assigns.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first above written.

TEMCO CORPORATION

By: *James S. Toland*
Title: *Chairman*

Address: 100 East Scranton Avenue
Lake Bluff, Illinois 60044

Attention: _____

Telex number: _____
(Answerback: _____)
Telecopier number: _____

CONTINENTAL BANK N.A.
By: *Richard J. Bente*
Vice President

Address: 231 South LaSalle Street
Chicago, Illinois 60697

Attention: _____

Telex number: _____
(Answerback: _____)
Telecopier number: _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 31st day of JANUARY, 1990, before me personally appeared Bruce H. Borland, to me personally known, who being by me duly sworn, says that he is the Chairman of TEMCO CORPORATION, that said instrument was signed on behalf of said Corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

(SEAL) "OFFICIAL SEAL"
 Laura A. Dillon
 Notary Public, State of Illinois
 Cook County
 My Commission Expires 4/21/91

Laura A. Dillon
Notary Public

My commission expires: 4-21-91

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 31st day of JANUARY, 1990, before me personally appeared RICHARD BEUTEL, to me personally known, who being by me duly sworn, says that he is a Vice President of CONTINENTAL BANK N.A., that said instrument was signed on behalf of said national banking association 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 national banking association.

(SEAL) "OFFICIAL SEAL"
 Laura A. Dillon
 Notary Public, State of Illinois
 Cook County
 My Commission Expires 4/21/91

Laura A. Dillon
Notary Public

My commission expires: 4-21-91

ANNEX I
TO SECURITY AGREEMENT

DESCRIPTION OF EQUIPMENT

<u>Type</u>	<u>Quantity</u>	<u>Car Numbers</u>	<u>Invoice Cost</u>	<u>Delivery Date</u>
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EXHIBIT A
TO
SECURITY AGREEMENT
SECURITY AGREEMENT SUPPLEMENT NO. _____

THIS SECURITY AGREEMENT SUPPLEMENT NO. _____ dated as of _____, 19____, is a supplement to the Security Agreement dated as of _____, 1990 made between TEMCO CORPORATION (the "Borrower") and CONTINENTAL BANK N.A. (the "Bank")

W I T N E S S E T H:

WHEREAS, the Borrower and the Bank are parties to a certain Line of Credit Agreement dated as of _____, 1990 (as the same may be amended from time to time, the "Line of Credit Agreement"); and

WHEREAS, pursuant to the Line of Credit Agreement, the Borrower and the Bank have heretofore entered into that certain Security Agreement, dated as of _____, 1990, (the "Original Security Agreement"), as security for the payment in full of the Liabilities of the Borrower, including but not limited to principal of and interest on the Note issued pursuant to the Line of Credit Agreement;

WHEREAS, the Original Security Agreement was recorded with the Interstate Commerce Commission on _____ as document No. _____;

WHEREAS, the Line of Credit Agreement and the Original Security Agreement provide that the Borrower from time to time shall subject to the security interest of the Original Security Agreement additional Equipment by executing and delivering supplements to the original Security Agreement in substantially the form hereof; and

WHEREAS, the Original Security Agreement as previously amended and supplemented and as amended and supplemented by this Security Agreement Supplement No. _____ is hereinafter called the "Security Agreement" (and all terms used herein which are not specifically defined herein shall have the meanings provided or provided by reference in the Security Agreement);

NOW, THEREFORE, in consideration of the premises and in order to induce the Bank to make Loans as provided in the Line of Credit Agreement and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due of all the Liabilities and in order to induce the Bank to make Loans to the Borrower under the Line of Credit Agreement, the Borrower hereby assigns to the Bank, and grants to the Bank a continuing first priority security interest in and to the Equipment listed on Annex I hereto the ("Additional Subject Equipment") and all of the Leases identified on Annex I hereto covering such Additional Subject Equipment.

2. Definitions. All terms used herein which are defined in the Line of Credit Agreement or the Original Security Agreement shall have the same meaning as such terms have therein.

3. Security Agreement. All of the covenants, warranties and agreements on the part of the Borrower which are set forth in, and all the rights, privileges, powers and immunities of the Bank which are provided for in the Original Security Agreement are incorporated herein and shall apply to the Additional Subject Equipment with the same force and effect as though set forth at length in this Security Agreement Supplement.

4. Supplemental Security Agreement. This instrument is executed as and shall constitute an instrument supplemental to the Original Security Agreement, and shall be construed in connection with and as a part of the Original Security Agreement, as previously amended or supplemented.

5. Ratification of Original Security Agreement. Except as modified and expressly amended by this Security Agreement Supplement, the Original Security Agreement, as previously amended or supplemented, is in all respects ratified and confirmed and all the terms, provisions and conditions thereof shall be and remain in full force and effect.

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

IN WITNESS WHEREOF, the Borrower and the Bank have each caused this Security Agreement Supplement to be duly executed as of the date and year first above written.

TEMCO CORPORATION

By: *Ernest Boland*
Title: Chairman

ATTEST:

Richard S. Boland
Secretary

CONTINENTAL BANK N.A.

By: _____
Title: _____

ATTEST:

ANNEX I
TO SECURITY AGREEMENT SUPPLEMENT

DESCRIPTION OF EQUIPMENT

<u>Type</u>	<u>Quantity</u>	<u>Car Numbers (Incl.)</u>	<u>Invoice Cost</u>	<u>Date of Delivery</u>
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TEMCO CAR NO. DOT CLASS

TEMCO CAR NO.	DOT CLASS
TMCX 01001	111A100W3
TMCX 01010	111A100W3
TMCX 01011	111A100W3
TMCX 01012	111A100W3
TMCX 01016	111A100W3
TMCX 01022	111A100W3
TMCX 01023	111A100W3
TMCX 01026	111A100W3
TMCX 01027	111A100W3
TMCX 01028	111A100W3
TMCX 01029	111A100W3
TMCX 08215	111A100W1
TMCX 08216	111A100W1
TMCX 08217	111A100W1
TMCX 08218	111A100W1
TMCX 08219	111A100W1
TMCX 08220	111A100W1
TMCX 08221	111A100W1
TMCX 08222	111A100W1
TMCX 08223	111A100W1
TMCX 08325	111A100W1
TMCX 08326	111A100W1
TMCX 08327	111A100W1
TMCX 17952	111A100W1
TMCX 22898	111A100W2
TMCX 22899	111A100W2
TMCX 22900	111A100W2
TMCX 22901	111A100W2
TMCX 22902	111A100W2
TMCX 22903	111A100W2
TMCX 22905	111A100W1
TMCX 22906	111A100W1
TMCX 22910	111A100W3
TMCX 22911	111A100W3
TMCX 22912	111A100W3
TMCX 22913	111A100W3
TMCX 22914	111A100W3
TMCX 22915	111A100W3
TMCX 22916	111A100W3
TMCX 22917	111A100W3
TMCX 22918	111A100W3

HEAVY REPAIRS

TEMCO CAR NO.	DOT CLASS
TMCX 22919	111A100W3
TMCX 22920	111A100W3
TMCX 22921	111A100W3
TMCX 22924	111A100W1
TMCX 22925	111A100W1
TMCX 22927	111A100W1
TMCX 22928	111A100W1
TMCX 22929	111A100W1
TMCX 22930	111A100W1
TMCX 22931	111A100W1
TMCX 22932	111A100W1
TMCX 22933	111A100W1
TMCX 22934	111A100W1
TMCX 22935	111A100W1
TMCX 22947	111A100W1
TMCX 22948	111A100W1
TMCX 22949	111A100W1
TMCX 22950	111A100W1
TMCX 22951	111A100W1
TMCX 22952	111A100W1
TMCX 22953	111A100W1
TMCX 22954	111A100W1
TMCX 22957	111A100W1
TMCX 22958	111A100W1
TMCX 22959	111A100W1
TMCX 22960	111A100W1
TMCX 22961	111A100W1
TMCX 22962	111A100W1
TMCX 22963	111A100W1
TMCX 22964	111A100W1
TMCX 22965	111A100W1
TMCX 22967	111A100W1
TMCX 22968	111A100W1
TMCX 22969	111A100W1
TMCX 22970	111A100W1
TMCX 22971	111A100W1
TMCX 22972	111A100W1
TMCX 22973	111A100W1
TMCX 22975	111A100W1
TMCX 22976	111A100W1
TMCX 22980	111A100W1

HEAVY REPAIRS

TEMCO CAR NO. DOT CLASS

TEMCO CAR NO.	DOT CLASS
TMCX 22983	111A100W1
TMCX 22984	111A100W1
TMCX 22985	111A100W1
TMCX 22986	111A100W1
TMCX 22987	111A100W1
TMCX 22988	111A100W1
TMCX 22989	111A100W1
TMCX 22990	111A100W1
TMCX 22992	111A100W1
TMCX 22994	111A100W1
TMCX 22995	111A100W1
TMCX 23007	111A100W1
TMCX 23100	111A100W1
TMCX 23101	111A100W1
TMCX 23102	111A100W1
TMCX 23103	111A100W1
TMCX 23104	111A100W1
TMCX 23105	111A100W1
TMCX 23106	111A100W1
TMCX 23107	111A100W1
TMCX 23108	111A100W1
TMCX 23109	111A100W1
TMCX 23130	111A100W1
TMCX 23131	111A100W1
TMCX 23132	111A100W1
TMCX 23133	111A100W1
TMCX 23134	111A100W1
TMCX 23136	111A100W1
TMCX 23137	111A100W1
TMCX 23138	111A100W1
TMCX 23139	111A100W1
TMCX 23140	111A100W1
TMCX 23141	111A100W1
TMCX 23142	111A100W1
TMCX 23143	111A100W1
TMCX 23144	111A100W1
TMCX 23145	111A100W1
TMCX 23146	111A100W1
TMCX 23164	111A100W1
TMCX 23165	111A100W1
TMCX 23166	111A100W1
TMCX 23168	111A100W1

TEMCO CAR NO.	DOT	CLASS
TMCX 23169	111A100W1	
TMCX 23170	111A100W1	
TMCX 23171	111A100W1	
TMCX 23173	111A100W1	
TMCX 23174	111A100W1	
TMCX 23176	111A100W1	
TMCX 23177	111A100W1	
TMCX 23178	111A100W1	
TMCX 23179	111A100W1	
TMCX 23180	111A100W1	
TMCX 23181	111A100W1	
TMCX 23182	111A100W1	
TMCX 23183	111A100W1	
TMCX 23184	111A100W1	
TMCX 23185	111A100W1	
TMCX 23186	111A100W1	
TMCX 23188	111A100W1	
TMCX 23189	111A100W1	
TMCX 23190	111A100W1	
TMCX 23191	111A100W1	
TMCX 23200	111A100W1	
TMCX 23201	111A100W1	
TMCX 23203	111A100W1	
TMCX 23204	111A100W1	
TMCX 23207	111A100W1	
TMCX 23208	111A100W1	
TMCX 23209	111A100W1	
TMCX 23211	111A100W1	
TMCX 23212	111A100W1	
TMCX 23214	111A100W1	
TMCX 23215	111A100W1	
TMCX 23217	111A100W1	
TMCX 23218	111A100W1	
TMCX 23219	111A100W1	
TMCX 24028	111A100W1	
TMCX 24253	111A100W1	
TMCX 24321	111A100W1	
TMCX 24322	111A100W1	
TMCX 29000	111A100W1	
TMCX 29002	111A100W1	
TMCX 29003	111A100W1	
TMCX 29004	111A100W1	

HEAVY REPAIRS

TEMCO CAR NO. DOT CLASS

TEMCO CAR NO.	DOT CLASS
TMCX 29005	111A100W1
TMCX 29006	111A100W1
TMCX 29007	111A100W1
TMCX 29008	111A100W1
TMCX 29009	111A100W1
TMCX 29010	111A100W1
TMCX 29011	111A100W1
TMCX 29012	111A100W1
TMCX 29013	111A100W1
TMCX 29014	111A100W1
TMCX 29015	111A100W1
TMCX 29016	111A100W1
TMCX 29017	111A100W1
TMCX 29018	111A100W1
TMCX 29019	111A100W1
TMCX 29020	111A100W1
TMCX 29021	111A100W1
TMCX 29022	111A100W1
TMCX 29023	111A100W1
TMCX 29024	111A100W1
TMCX 29025	111A100W1
TMCX 34369	112A340W
TMLX 10001	111A100W1

HEAVY REPAIRS

HEAVY REPAIRS