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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT & ASSIGNMENT OF LEASES AND SUBLEASES
Full Recourse - Corporation or Partnership Lessor
Dated as of July 1, 1992

This Agreement is between CHICAGO FREIGHT CAR LEASING CO., a corporation organized or formed under the laws of the state of Delaware, as debtor (the "Debtor"), and NORLEASE, INC., a Delaware corporation, as secured party (the "Lessor").

WHEREAS, Debtor has requested that Lessor enter into a Lease of even date herewith (as modified from time to time, and together with all Supplements and other documents now or hereafter executed in connection therewith, the "Lease"), and that Lessor permit Debtor, as lessee under the Lease, to enter as lessor into leases and subleases of the "Equipment" (as defined therein) to railroads, shippers and others in the form attached to the Lease as Exhibit A or another written agreement (together with related documents, the "Subleases");

WHEREAS, Lessor is willing to permit Debtor to enter into such Subleases provided in part as a precondition that Debtor execute and perform its obligations under this Agreement;

NOW, THEREFORE, in consideration of the foregoing and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Debtor and the Lessor agree as follows:

SECTION 1. SECURITY. As collateral security for the payment of Indebtedness (as defined herein below) and payment and performance of all of the Debtor's obligations hereunder, the Debtor does hereby assign and transfer to the Lessor and grant to the Lessor a security interest in the following property, whether the same is now owned or hereafter acquired or created and wherever located (all such, the "Collateral"):

(a) All Subleases and all rental contracts and rights previously, now or hereafter entered into or held by Lessor for use of any Equipment, including without limitation all rights to indemnification and other rights thereunder (the Subleases and such contracts and rights being referred to as the "Contracts")(lessees/sublessees under the Subleases and any renters or other users of the Equipment being referred to as "Sublessees"); and

(b) all security, guarantees, waivers, deposits, and other agreements, instruments, and property received by or on behalf of the Debtor relating to any of the Contracts;

(c) All accounts receivable, rents, claims, security deposits, contract rights, general intangibles, and rights to moneys due and to become due under and arising out of the Contracts;

(d) Any deposits held in any reserve account for losses established by the Debtor with the Lessor;

(e) All books and records, including without limitation customer lists, credit files, computer programs, printouts, and other materials and records related to any other Collateral or any Sublessee of the Equipment; and

(f) All proceeds and products of all of the foregoing including, without limitation, all proceeds of insurance and condemnation awards.

As used herein, "Indebtedness" means any and all obligations of the Debtor to the Lessor, whether now existing or hereafter arising, direct or indirect, absolute or contingent, due or to become due, including without limitation as to future advances, hereunder or under or in connection with the Lease.

The Debtor declares and confirms that it holds and will hold in trust for the benefit of the Lessor any Collateral now or hereafter in its possession or control.

SECTION 2. REPRESENTATIONS AND WARRANTIES. The Debtor represents and warrants as follows as of the date of this Agreement, and as of the dates of execution hereof and of Lessor's advancing funds to Debtor under the Lease if different:

(a) The Debtor has the legal capacity and corporate or partnership power to execute, deliver, and perform this Agreement and any other documents or instruments executed or to be executed in connection herewith; such actions have been duly authorized and do not and will not contravene or conflict with any provisions of law or any agreement or instrument affecting the Debtor or its property; the Debtor does not do business under any name except as shown above. This Agreement and all documents or instruments executed or to be executed in connection herewith constitute legal, valid and binding obligations of the Debtor enforceable against the Debtor in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or similar laws affecting creditors' or lessors' rights generally or by general principles of equity (whether considered in a proceeding at law or in equity).

(b) No financing statement, mortgage, notice of judgment, certificate of title notation, or any similar instrument (other than any which may have been filed on behalf of the Lessor) covering any of the Collateral has been filed by the Debtor in any public office; the Debtor does not have, nor with reasonable diligence should it have had, knowledge or notice of the existence of any such instrument or the filing thereof by any other person or entity.

(c) The Debtor is the legal and equitable owner of all Collateral and has not assigned or transferred, or agreed to assign or transfer, any of the Collateral, except to Lessor as provided herein; and the Collateral is free and clear of all liens, pledges, charges, mortgages, and claims (except for taxes not delinquent, mechanic's and similar liens, and the rights of Sublessees under Subleases) other than the security interest hereunder.

(d) If any filing or recording is permitted or required to perfect or give notice of the respective interests of the Lessor, the Debtor, and the Sublessees in the Collateral, including without limitation any filing with the Interstate Commerce Commission, then such filing or recording has been accomplished or, with the Lessor's prior written consent, is being done by the Debtor simultaneously with the execution of this Agreement. All documentary or other taxes or fees relating to the Collateral or any filing or recording have been paid in full, or with the Lessor's prior written consent, are being paid by the Debtor simultaneously with the execution of this Agreement.

(f) The Subleases and any accompanying guaranties, waivers, and other instruments are genuine and enforceable (except as such enforceability may be limited by bankruptcy, insolvency, moratorium or similar laws affecting creditors' or lessors' rights generally or by general principles of equity (whether considered in a proceeding at law or in equity)) and are free from all defenses, set-offs, and counterclaims; the Subleases delivered to the Lessor are original documents and no other lessor's copies of the original Subleases exist or are in effect; all signatures, names, addresses, amounts, and other statements and facts contained in the Subleases are true and correct in all material respects.

SECTION 3. GENERAL COVENANTS. The Debtor agrees that, until payment in full of the Indebtedness and fulfillment of all of its obligations hereunder and under any other document or instrument executed in connection herewith, it will:

(a) Upon Lessor's request if an Event of Default has occurred and is continuing, notify the Sublessees of this Agreement and instruct such Sublessee to make all further rental and other payments of any nature under the Subleases to the Lessor upon Lessor's request, by sending each Sublessee (with a copy to the Lessor) a letter in substantially the form of Exhibit B (there is no Exhibit A to this Agreement), with appropriate insertions, and causing each Sublessee to acknowledge a copy thereof, as provided therein, which copy shall be promptly provided to the Lessor. Lessor agrees not to make any such request unless an Event of Default under this Agreement has occurred and is continuing. The Lessor is authorized to apply all moneys received from the Sublessees to the Indebtedness. THE TERM OF ANY SUBLEASE SHALL NOT EXTEND BEYOND THE SCHEDULED MATURITY OF THE LEASE BETWEEN DEBTOR AND LESSOR UNLESS DURING THE TERM OF THE LEASE BETWEEN DEBTOR AND LESSOR AND AT OR PRIOR TO THE TIME ANY SUCH CONDITION EXISTS LESSOR AND DEBTOR HAVE AGREED IN WRITING TO THE DEBTOR'S PURCHASE OF THE PARTICULAR EQUIPMENT INVOLVED.

(b) Perform all of the sublessor's obligations under the Subleases.

(c) Furnish to the Lessor such information concerning the Debtor, the Collateral, and the Sublessees as the Lessor may from time to time reasonably request, and permit the Lessor from time to time upon reasonable notice during business hours to (i) inspect the Collateral and (ii) inspect, audit, and make copies of, and extracts from, all records and all other papers in the possession of the Debtor pertaining to the Collateral.

(d) Remain the lawful owner of the Collateral, and, without the Lessor's prior written consent, not assign, sell, or transfer (or agree to assign, sell, or transfer) any of the Collateral or, after an Event of Default has occurred and is continuing, amend, modify, or terminate any Sublease.

(e) Keep the Collateral free of all liens and the claims of all persons other than the Lessor, including tax and judgment liens (except for tax and mechanic's liens which are not delinquent, the rights of Sublessees under Subleases, and any liens arising by, through or under the Lessor).

SECTION 4. POWER OF ATTORNEY.

(a) The Debtor appoints the Lessor as its attorney-in-fact and grants to the Lessor the power and authority to do any and all acts and sign and deliver any agreement on behalf of the Debtor that the Lessor reasonably deems desirable for the preservation of the Collateral or the Lessor's interest therein, and to do any and all acts under the Subleases that the Debtor could do as lessor, including without limitation the power to repossess the Equipment under the Subleases as provided therein and to sell, lease, or otherwise dispose of the same in accordance with the terms thereof. In furtherance thereof, and without limiting the generality of the foregoing, the Debtor expressly grants to the Lessor the power and authority to receipt for sums due and to become due the Debtor, to compromise, settle or adjust all claims in respect of the Subleases, or to institute suit or any proceedings either in its name or in the name of the Debtor in order to enforce any rights obtained by virtue of this instrument; to grant extensions of time of payment to any Sublessee or to any other person obligated on the Subleases or on any accompanying guaranties; or to agree to the substitution of a Sublessee after notice to the Debtor. The foregoing power of attorney shall be irrevocable and deemed coupled with an interest. Lessor agrees not to exercise any rights under this paragraph unless an Event of Default under this Agreement has occurred and is continuing.

(b) Notwithstanding anything herein contained to the contrary, the Lessor does not hereby assume nor shall it be obligated to perform any acts, duties, or responsibilities under or in connection with the Subleases.

SECTION 5. COLLECTIONS. In the event the Debtor receives any communication, inquiry, or remittance from a Sublessee, it will hold the same in trust and forward it promptly to the Lessor in the same form as it was received promptly upon Lessor's request.

SECTION 6. EVENTS OF DEFAULT. Each of the following shall constitute an "Event of Default" under this Agreement:

- (a) Any "Event of Default" under the Lease; or
- (b) The Debtor shall fail to perform any covenant or agreement herein, in any Sublease, or in any other document or instrument executed in connection herewith or therewith (subject to any grace period set forth in any such other document or instrument); or
- (c) Any bankruptcy, insolvency, reorganization, arrangement, readjustment, liquidation, dissolution, or similar proceeding, domestic or foreign, is instituted by or against the Debtor; or

(d) The Debtor shall become insolvent, generally shall fail or be unable to pay its debts as they mature, shall admit in writing its inability to pay its debts as they mature, shall make a general assignment for the benefit of its creditors, shall enter into any composition or similar agreement, or shall suspend the transaction of all or a substantial portion of its usual business.

SECTION 7. REMEDIES ON DEFAULT. Subject only to any contrary or inconsistent terms of the Lease, upon the occurrence of an Event of Default and during the continuance thereof, the Lessor at its option may declare the Indebtedness to be due and payable, whereupon the entire Indebtedness shall become immediately due and payable, and the Lessor shall have and may exercise all of the rights and remedies of a secured party under the Uniform Commercial Code of Illinois that are not inconsistent with the rights of Sublessees under the Subleases. Further, upon the occurrence of any Event of Default set forth in Section 6(c)-(d), all of the Indebtedness shall be immediately and automatically due and payable without action of any kind on the part of the Lessor. Without limiting the generality of the foregoing, the Lessor shall have the right to require the Debtor to assemble the Collateral and deliver it to a place selected by the Lessor that is reasonably convenient to the Debtor and the Lessor.

SECTION 8. GENERAL.

(a) No delay or omission on the part of the Lessor in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Lessor of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided to the Lessor are cumulative and not exclusive of any rights or remedies provided by law.

(b) All notices, requests and demands to or upon the respective parties hereto shall be deemed to have been given or made when deposited in the mail, postage prepaid, addressed:

(a) if to the Lessor to Norlease, Inc., 50 South LaSalle Street, Chicago, Illinois 60675
(Attention: President)

(b) if to the Debtor to Chicago Freight Car Leasing Co., 6250 North River Road, Suite 5010, Rosemont, Illinois 60018
(Attention: _____)

or to such other address as may be hereafter designated in writing by the respective parties hereto.

(c) This Agreement shall, upon execution and delivery by the Debtor, become effective and shall be binding upon and inure to the benefit of the Debtor, the Lessor and their respective successors and assigns, except that the Debtor may not transfer or assign any of its rights or interest hereunder without the consent of the Lessor.

(d) Unless the context otherwise requires, wherever used herein the singular shall include the plural and the plural shall include the singular, and the use of one gender shall denote the others where appropriate.

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

(f) The Debtor agrees to pay or reimburse the Lessor upon demand for all reasonable costs, expenses, and fees (including legal costs and fees and reasonable time charges of attorneys who may be employees of the Lessor or any affiliate or parent of the Lessor) incurred by the Lessor in (a) perfecting the security interest hereunder (including without limitation searches and related fees and costs) and (b) enforcing or preserving its rights under this Agreement or any document or instrument executed in connection herewith.

(g) If any term or provision of this Agreement shall be unenforceable or invalid, such unenforceability or invalidity shall not render any other term or provision hereof unenforceable or invalid, and all other terms and conditions of this Agreement shall be enforceable and valid.

(h) This Agreement and any document or instrument executed in connection herewith shall be governed by, and construed and interpreted in accordance with, the internal laws of the State of Illinois, and shall be deemed to have been executed in the State of Illinois.

(i) The Debtor irrevocably agrees that, subject to the Lessor's sole and absolute election, all suits, actions or other proceedings in any way, manner or respect, arising out of or from or related to this Agreement, the Subleases, or any document or instrument executed in connection herewith or therewith shall be subject to litigation in courts having sit us within Chicago, Illinois. The Debtor hereby consents and submits to the jurisdiction of any

STATE OF ILLINOIS)
) S.S
COUNTY OF COOK)

On this 24th day of June, 1992, before me personally appeared Herbert A. Flores, to me personally known, who being by me duly sworn, says that he is Vice President of NorLease, Inc. 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.

Betty M. Ramage
NOTARY PUBLIC

My Commission Expires:
8/21, 1995

[Notarial Seal]



EXHIBIT B

CHICAGO FREIGHT CAR LEASING CO. (Lessee) Letterhead

Date: _____

Sublessee

Gentlemen:

We have assigned to NorLease, Inc., as collateral for our lease of various equipment from Norlease, Inc., all of our rights under Lease Number _____ dated as of _____ between you and us, which is a sublease of various equipment which is owned by Norlease, Inc., and not us. From and after the date of this letter, if you are further notified in writing by Norlease, Inc., please make all payments due under your referenced Lease to NorLease, Inc., at 50 South La Salle Street, Chicago, Illinois 60675, Attention: President. You shall have no duty or obligation whatsoever to inquire as to the validity, correctness or any other aspect of any such notification from NorLease, Inc., and shall be fully protected in relying upon any such notification.

Very truly yours,
CHICAGO FREIGHT CAR LEASING CO.

By _____

Its _____

cc: _____,
NorLease, Inc.

Acknowledged and agreed as provided above:

Sublessee

By _____

Title _____

Date _____