

FENNEBRESQUE, CLARK, SWINDELL & HAY

ATTORNEYS AT LAW

KENT DAVIS JONES

NATIONS BANK CORPORATE CENTER
SUITE 2900
100 NORTH TRYON STREET
CHARLOTTE, NORTH CAROLINA 28202-4011

TELEPHONE 704-347-3800
FACSIMILE 704-347-3838

RECORDATION NO. 2014/FILE 1495
DEC 04 1996 -2 55 PM

December 31, 1996

VIA HAND DELIVERY

Vernon A. Williams
Secretary
Surface Transportation Board
12th Street and Constitution Avenue, N.W.
Washington, DC 20423

Attention: Janice Fort, Room 2311

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11301 (a) are three original executed copies and one photostatic copy of a First Supplement to Security Agreement - Chattel Mortgage, dated as of December 31, 1996 ("Supplement"), relating to the Security Agreement - Chattel Mortgage dated as of June 14, 1996, between JAIX Leasing Company and NationsBanc Leasing Corporation of North Carolina, duly recorded and filed with the Surface Transportation Board pursuant to 49 U.S.C. §11303 on June 14, 1996 under Recordation Number 20141, which Supplement is a secondary document as defined in the Commission's Rules for the Recordation of Documents.

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

Lender: NationsBanc Leasing Corporation of North Carolina
101 South Tryon Street
NC1-002-38-20
Charlotte, North Carolina 28255

Borrower: JAIX Leasing Company
980 North Michigan Avenue
Suite 1000
Chicago, Illinois 60610

A description of the railroad equipment covered by the enclosed document is set forth in the Supplement.

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RECEIVED SURFACE TRANSPORTATION BOARD

Vernon A. Williams
December 30, 1996
Page 2

Also enclosed is a check in the amount of \$21.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return two stamped original and one stamped photostatic copies of the enclosed document and the stamped photostatic copy of this letter to Susan F. Lfvendahl at Ross & Hardies, 150 North Michigan Avenue, Suite 2500, Chicago, Illinois 60601.

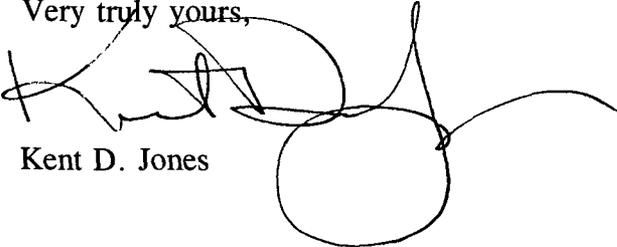
Following is a short summary of the enclosed document and primary document to which it relates:

Document to be Recorded

First Supplement to Security Agreement - Chattel Mortgage between NationsBanc Leasing Corporation of North Carolina, as Lender

Primary Document to Which it Relates

Security Agreement - Chattel Mortgage dated June 14, 1996, between JAIX Leasing Company, as Borrower, and NationsBanc Leasing Corporation of North Carolina, as Lender, recorded and filed with the Surface Transportation Board pursuant to 49 U.S.C. §11303 under Recordation Number 20141.

Very truly yours,

Kent D. Jones

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20427-0001

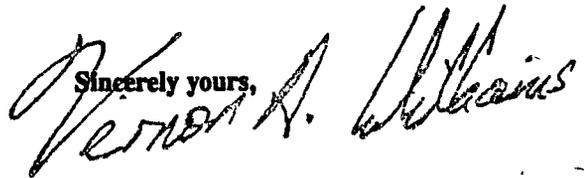
12/31/96

Kent Davis Jones
Fennebresque, Clark, Swindell & Hay
NationsBank Corporate Center
100 North Tryon Street
Charlotte, North Carolina 28202-4011

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 12/31/96 at 2:55PM, and assigned recordation number(s). 20141-B.

Sincerely yours,



Vernon A. Williams
Secretary

Enclosure(s)

\$ 22.00 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



FIRST SUPPLEMENT TO SECURITY AGREEMENT-CHATTEL MORTGAGE

THIS FIRST SUPPLEMENT TO SECURITY AGREEMENT-CHATTEL MORTGAGE (this "First Supplement") dated as of December 31, 1996, (the "Amendment") is by and between NATIONSBANC LEASING CORPORATION OF NORTH CAROLINA, a North Carolina corporation ("Lender") and JAIX LEASING COMPANY, a Delaware corporation (the "Borrower").

RECORDATION NO. 20141-B FILED 1425

DEC 31 1996 -2 55 PM

RECITALS

WHEREAS, the Borrower and Lender entered into that certain Term Loan Agreement, dated as of June 14, 1996 as amended by the First Amendment to Term Loan Agreement, dated as of December 31, 1996 (the "Loan Agreement"; all terms not defined herein shall have the meanings given them in the Loan Agreement, as amended) whereby Lender agreed to make a loan to Borrower in the original principal amount of \$27,710,000 (the "Loan Amount") evidenced by that certain Secured Promissory Note, dated as of June 14, 1996 (the "Note"); and

WHEREAS, in connection with the Loan Agreement, the Lender and the Borrower have entered into that certain Security Agreement-Chattel Mortgage, dated as of June 14, 1996 (the "Security Agreement") pursuant to which the Borrower granted to Lender a first priority security interest in all of Borrower's right, title and interest in and to certain equipment the ("Equipment") as security for the obligations of the Borrower under the Loan Agreement, the Security Agreement and the Note; and

WHEREAS, the Borrower has requested and the Lender has agreed that in consideration of an increase in the Loan Amount by Lender, the Borrower shall grant a security interest in certain additional equipment; and

WHEREAS, the Lender and Borrower desire to amend the Security Agreement as more specifically set forth hereinafter;

NOW, THEREFORE, in consideration of the agreement hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Recital A of the Security Agreement is hereby amended and restated in its entirety to read as follows:

"A. Pursuant to Section 2.01 of the Loan Agreement, as amended, and subject to the conditions therein set forth, the Lender has agreed to make a loan to the Debtor in the aggregate principal amount of Twenty Eight Million Four Hundred Thirty Five Thousand and No/100 Dollars (\$28,435,000.00) (the "Secured Loan") in multiple advances evidenced by a Series A secured promissory note and a Series B secured promissory note, both executed by the Debtor in favor of the Lender or its registered assigns."

2. Exhibit A to the Security Agreement is hereby amended by adding the following railcars to the end thereof:

"10 Aluminum Grainporter Railcars, numbers JAIX 96240 - JAIX 96249, Inclusive"

3. The term "Note" wherever the same may appear in the Security Agreement is hereby replaced with the term "Notes".

4. The term "Loan Agreement" wherever the same may appear in the Security Agreement is hereby replaced with the term "Loan Agreement, as amended."

5. Except as expressly amended hereby, the Security Agreement shall continue in full force and effect.

6. This First Amendment may be executed and delivered in any number of counterparts, each of which shall constitute an original, but all of which together shall constitute but one and the same document.

IN WITNESS WHEREOF, the parties hereto have caused this First Supplement to be executed by their duly authorized officers, all as of the day and year first above written.

**LENDER:
NATIONSBANC LEASING CORPORATION
OF NORTH CAROLINA**

By: Mr. Randall Ross
Printed Name: M. RANDALL ROSS
Title: SENIOR VICE PRESIDENT

**BORROWER:
JAIX LEASING COMPANY**

By: _____
Printed Name: _____
Title: _____

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, Willie H. Robinson Jr., a Notary Public of the aforesaid County and State, do hereby certify that M. Randall Ross personally appeared before me this day and acknowledged that (s)he is the Senior Vice President of NATIONSBANC LEASING CORPORATION OF NORTH CAROLINA, a North Carolina corporation, and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its Senior Vice President, and attested by herself/himself as Senior Vice President, and sealed with its common corporate seal.

Witness my hand and notarial seal this 30th day of December, 1996.

[STAMP/SEAL]

Willie H. Robinson Jr.
Notary Public

My Commission Expires:

2-16-98



IN WITNESS WHEREOF, the parties hereto have caused this First Supplement to be executed by their duly authorized officers, all as of the day and year first above written.

LENDER:
NATIONSBANC LEASING CORPORATION
OF NORTH CAROLINA

By: _____
Printed Name: _____
Title: _____

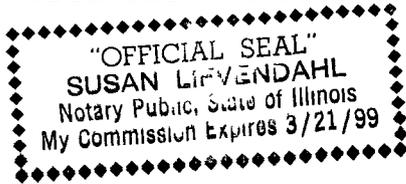
BORROWER:
JAIX LEASING COMPANY

By: *David W. Riesmeyer*
Printed Name: _____
Title: _____

David W. Riesmeyer
Treasurer
JAIX Leasing Company

STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

On this 30th day of December, 1996, before me personally appeared David Riesmeyer to me personally known, who being by me duly sworn, says that he is Treasurer of JAIX LEASING COMPANY, 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.



Susan Livendahl
Notary Public

STATE OF NORTH CAROLINA)
) ss:
COUNTY OF MECKLENBURG)

On this ___ day of December, 1996, before me personally appeared _____ to me personally known, who being by me duly sworn, says that he is _____ of NATIONSBANC LEASING CORPORATION OF NORTH CAROLINA, 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