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JUN 13 1991 - 11:10 AM

INTERSTATE COMMERCE COMMISSION

June 13, 1991

Hon. Sidney L. Strickland, Jr., Esq., Secretary
Interstate Commerce Commission
Washington, DC 20423

\$30.00 filing fee 17385
RECORDATION NO. _____ FILED 1425

NEW NUMBER Re: (1) Security Agreement, Dated As of June 12, 1991
Between Itel Rail Corporation, as Debtor, and
Deutsche Credit Corporation
as Secured Party (the "Security Agreement"); and
(2) Supplement No. 1 to the Security Agreement
("Supplement No. 1")

Dear Mr. Strickland:

On behalf of Itel Rail Corporation, the above instruments, in four (4) counterparts each, are hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$30 recordation fee.

Please record the Security Agreement under a new recordation number and Supplement No. 1 under the recordation number assigned to the Security Agreement and the letter designation -A.

The parties to the aforementioned instruments are listed below:

Itel Rail Corporation (Debtor)
550 California Street
San Francisco, California 94104

Deutsche Credit Corporation
2333 Waukegan Road
Deerfield, Ill 60015

The Security Agreement creates a security interest in favor of the Secured Party in the railcar equipment listed on Schedule 1 to Supplement No. 1.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

THELEN, MARRIN, JOHNSON & BRIDGES

Dianne P. Urhausen
Dianne P. Urhausen

C. O'Connell
C:0104U

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INTERSTATE COMMERCE COMMISSION

17385/A
RECORDED TO _____

JUN 13 1991 - 11 10 AM
INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT
SUPPLEMENT NO. 1

THIS SECURITY AGREEMENT SUPPLEMENT NO. 1 (this "Supplement"), dated June 13, 1991, by ITEL RAIL CORPORATION, a Delaware corporation, as Debtor (the "Debtor").

W I T N E S S E T H:

The Security Agreement, dated as of June 12, 1991 (herein called the "Security Agreement"), between the Debtor and Deutsche Credit Corporation, a Delaware corporation, as secured party (the "Secured Party"), provides for the execution and delivery of a Supplement thereto substantially in the form hereof, which shall particularly describe the Equipment and the Assigned Leases (such terms and other defined terms in the Security Agreement being herein used with the same meanings), and shall specifically grant a security interest in such Equipment and in such Assigned Leases;

The Debtor, in consideration of the premises and other good and valuable consideration, receipt whereof is hereby acknowledged, and intending to be legally bound, and in order to secure the payment of all Secured Indebtedness and the performance and observance of all the covenants and conditions contained in the Secured Notes, the Security Agreement and the Note Purchase Agreement, does hereby convey, warrant, mortgage, assign, pledge and grant unto the Secured Party, its successors and permitted assigns, forever, a security interest in, all right, title and interest of the Debtor in (i) the Equipment described in Schedule 1 hereto; together with (1) all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment hereinabove described, whether now owned or hereafter acquired, (2) all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment, (3) all bills of sale or other purchase documents for the Equipment, as and only to the extent such relate to the Equipment, and (4) all proceeds, including, but not limited to, all insurance proceeds related thereto, and (ii) subject to Section 1.2(b) of the Security Agreement, each and every lease agreement currently in effect or hereafter entered into by the

Debtor, as lessor, as and only to the extent such leases relate to the Equipment (as and only to the extent such leases relate to the Equipment, the "Assigned Leases"), including, but not limited to: (1) all payments due and to become due under any Assigned Lease whether as contractual obligations, damages or otherwise; (2) all of its claims, rights, powers, or privileges and remedies under any Assigned Lease, but only to the extent permitted by a lessee under any Assigned Lease; (3) all of its rights under any Assigned 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 Assigned Lease to demand, receive, enforce, collect or give receipt for any of the foregoing rights or any property the subject of any of the Assigned 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 Secured Party) 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 Assigned Leases, together with all extensions, renewals and replacements of such Assigned Leases (which extensions, renewals or replacements relate to the Equipment), whether now owned or hereafter acquired, and all income, profits and avails therefrom, all rights thereunder and all proceeds thereof.

TO HAVE AND TO HOLD the aforesaid property unto the Secured Party, its successors and permitted assigns forever, upon the terms and conditions set forth in the Security Agreement.

This Supplement shall be construed in connection with and as part of the Security Agreement and all terms, conditions and covenants contained in the Security Agreement, except as herein modified, shall be and remain in full force and effect.

Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Supplement may refer to the "Security Agreement dated as of June 12, 1991" or the "Security Agreement" without making specific reference to this Supplement, but nevertheless all such references shall be deemed to include this Supplement unless the context shall otherwise require.

Section 1.1. Governing Law. This Supplement shall be construed in accordance with and governed by the internal laws and decisions (as opposed to conflict of law provisions) of the State of Illinois.

Section 1.2. Headings. Any headings or captions preceding the text of the sections hereof are intended solely for convenience of reference and shall not constitute a part of this Supplement nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the Debtor has caused this Supplement to be executed on its behalf by one of its duly authorized officers.

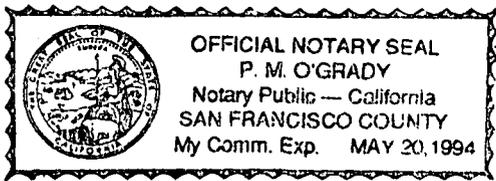
ITEL RAIL CORPORATION

By: Robert Kiennle
Name: Robert Kiennle
Title: Vice President-Finance
and Treasurer

AS DEBTOR

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN FRANCISCO)

On this 17th day of June, 1991, before me, the undersigned, personally appeared Robert Kiehute, to me personally known (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument as V.P. - FINANCE & TREASURER of ITEL RAIL CORPORATION, the corporation therein named and acknowledged to me that said instrument was executed on behalf of said corporation by authority of its Board of Directors or pursuant to its bylaws.



P. M. O'Grady
Notary Public

My commission expires: 5-20-94

Schedule 1 to the
Security Agreement
Supplement No. 1

Debtor: Itel Rail Corporation
Secured Party: Deutsche Credit Corporation

EQUIPMENT DESCRIPTION - RAIL CARS

<u>Qty.</u>	<u>Car Size and Type</u>	<u>Reporting Marks</u>
A. <u>Manufactured by Trinity Industries, Inc.</u>		
31	100 Ton, 5851 Cu. Ft., Covered Hopper	PLCX 47702-47732
61	4750 Cu. Ft. Covered Hopper	ITLX 40407-40467
61	3000 Cu. Ft., Covered Hopper	ITLX 30282-30342
B. <u>Manufactured by Thrall Car Manufacturing Company</u>		
12	100 Ton, 73 ft. Centerbeam Flatcar	SRY 73081-73092