

VEDDER, PRICE, KAUFMAN, & KAMMHOLZ

A PARTNERSHIP INCLUDING VEDDER, PRICE, KAUFMAN & KAMMHOLZ, P.C.

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17534

1-267A013

REGISTRATION NO. FILED 1991

SEP 24 1991 - 11 30 AM

September 21, 1991

INTERSTATE COMMERCE COMMISSION

VIA FEDERAL EXPRESS

Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Secretary:

I have enclosed two (2) originals of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Memorandum of Collateral Assignment and Security Agreement, a primary document, dated September 12, 1991 (the "Memorandum").

The names and addresses of the parties to the Memorandum are as follows:

Sublessor: Northbrook Corporation
900 North Michigan Avenue
Suite 2860
Chicago, IL 60611

Sublessee: Northbrook Rail Corporation
900 North Michigan Avenue
Suite 2860
Chicago, IL 60611

Sublessor leased a total of two hundred sixty one (261) railcars (the "Railcars") as lessee from a certain third party lessor. Sublessor subleased to Sublessee the Railcars and the Railcars have been sub-subleased to certain end-users pursuant to certain end-user sub-sublease agreements. The Memorandum evidences a collateral assignment of all of Sublessee's right, title, interest, powers and privileges as sub-sublessor under said end-user sub-sublease agreements, as may be extended or modified from time to time, under any future sub-sublease of the Railcars by

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MOTOR OPERATING UNIT

September 21, 1991
Page 2

Sublessee to any third party or any sub-sublease for railcars in substitution of the Railcars.

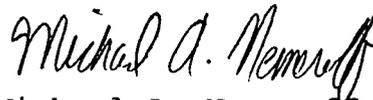
A fee of \$15.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Michael A. Nemeroff, Esq., Vedder, Price, Kaufman & Kammholz, 222 North LaSalle Street, Suite 2600, Chicago, IL 60601-1003.

A short summary of the Memorandum to appear in the index follows:

Memorandum of Collateral Assignment and Security Agreement dated September 12, 1991 (the "Memorandum") between Northbrook Corporation, 900 North Michigan Avenue, Suite 2860, Chicago, IL 60611 ("Sublessor") and Northbrook Rail Corporation ("Sublessee"), 900 North Michigan Avenue, Suite 2860, Chicago, IL 60611, and covering all of Sublessee's right, title, interest, powers and privileges as sub-sublessor under certain end-user leases with respect to a portion of the Two Hundred Sixty-One (261) covered hopper railcars subleased by Sublessor to Sublessee pursuant to a Sublease of Covered Hopper Cars dated September 12, 1991, which railcars are described more fully on Schedule A of the Memorandum.

If you should have any questions or comments with respect to this request for recordation, please contact me immediately.

Sincerely,



Michael A. Nemeroff

MAN:bjp
Enclosures
cc: Mr. Dennis Hurst
Dalius F. Vasys, Esq.

Interstate Commerce Commission

Washington, D.C. 20423

9/24/91

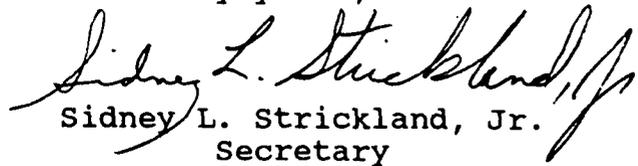
OFFICE OF THE SECRETARY

Michael A. Nemeroff
Vedder, Price, Kaufman, & Kammholz
222 North LaSalle Street
Chicago, Illinois 60601-1003

Dear **Sirs:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/24/91 at 11:50AM , and assigned recordation number(s). 17534.

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

**MEMORANDUM OF COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

SEP 24 1991 -11 50 AM

INTERSTATE COMMERCE COMMISSION

THIS MEMORANDUM OF COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT is made as of the 12th day of September, 1991 by and between NORTHBROOK CORPORATION, a Delaware corporation ("Sublessor"), having an address at 900 North Michigan Avenue, Suite 2860, Chicago, Illinois 60611 and NORTHBROOK RAIL CORPORATION, an Illinois corporation ("Sublessee"), having an address at 900 North Michigan Avenue, Suite 2860, Chicago, Illinois 60611.

1. Sublessor has subleased to Sublessee certain railroad cars as more fully described on Schedule A attached hereto and made a part hereof (the "Cars") pursuant to a Covered Hopper Cars Sublease Agreement of even date herewith (the "Sublease"), which Cars have been sub-subleased to certain end-users (individually, an "End-User" and, collectively, the "End-Users") pursuant to certain sub-sublease agreements (individually, a "End-User Lease" and, collectively, the "End-User Leases").

2. Pursuant to a Collateral Assignment and Security Agreement of even date herewith as security for the performance of Sublessee's obligations under, *inter alia*, the Sublease, Sublessee has granted to Sublessor a collateral assignment of and security interest in all of the following:

All of Sublessee's right, title, interest, powers and privileges as sub-lessor under the End-User Leases, under any amendment or modification of any of the End-User Leases and in any extension of the term of any of the End-User Leases, under any future sub-sublease of any of the Cars by Sublessee to any third party and under any sub-sublease of any railcars which are in replacement of, or in substitution for, the Cars (any such future sub-sublease being included in the term "End-User Lease" as the context requires) including, and without limiting the generality of the foregoing, Sublessee's right, title and interest in all amounts to be paid by any current or future End-User under any of the End-User Leases, and the proceeds resulting from the exercise by Sublessee of its rights under the End-User Leases, and in the car hire and mileage payments due to Sublessee from railway companies on account of the use of the Cars on their tracks and in all proceeds of any of the foregoing rights and properties, including, without limitation, depreciated value and insurance proceeds. The foregoing assignment by Sublessee of its right, title, interest, powers and privileges under the End-User Leases shall include, without limitation, (a) all rents thereunder, (b) all claims for damages arising out of the breach of any End-User Lease, (c) the right, if any, to terminate any End-User Lease, to perform thereunder and to compel performance of the terms thereof, (d) the right to take possession of the Cars and to use any and all of the Cars, (e) the right to make all waivers and agreements and to enter into any amendments relating to any End-User Lease or any provision thereof, (f) the right to take such action upon the occurrence of an event of default under any End-User Lease, including, without limitation, the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by any End-User Lease or by law, (g) all other rights, claims, causes of action, if any, which Sublessee may have against any End-User with respect to any End-User Lease, including, without limitation, the right to exercise any options or remedies

under such End-User Leases, and (h) all books, records, reports and documents, in whatever form and wherever located relating in any way to the foregoing, including, without limitation, all maintenance records, plans, specifications, End-User Lease records and reports.

1. The purpose of this Memorandum of Collateral Assignment and Security Agreement is to provide notice of the foregoing Collateral Assignment and Security Agreement. As between Sublessor and Sublessee, if this Memorandum of Collateral Assignment and Security Agreement conflicts with the provision of the Collateral Assignment and Security Agreement, the provisions of the Collateral Assignment and Security Agreement shall control.

IN WITNESS WHEREOF, Sublessor and Sublessee have executed this Memorandum of Collateral Assignment and Security Agreement as of the day and year first above written.

NORTHBROOK CORPORATION

By: Dennis T. Hurst
Its President

NORTHBROOK RAIL CORPORATION

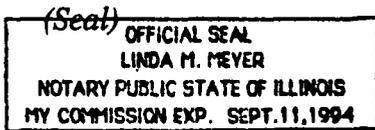
By: Donald T. Kilgore
Its Executive Vice President

STATE OF ILLINOIS)
) SS:
COUNTY OF C O O K)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that DEBBIS T. HURST, the President of NORTHBROOK CORPORATION, personally known to me to be the person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered this instrument as his free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 12th day of September, 1991.

Linda M. Meyer
Notary Public



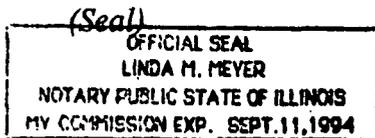
My Commission Expires: _____

STATE OF ILLINOIS)
) SS:
COUNTY OF C O O K)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that GERALD L. KILCOYNE, the Executive Vice President of NORTHBROOK RAIL CORPORATION, personally known to me to be the person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered this instrument as his free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 12th day of September, 1991.

Linda M. Meyer
Notary Public



My Commission Expires: _____

SCHEDULE A

| <u>Car Initial</u> | <u>Car No.</u> |
|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|
| UMP | 020309 | UMP | 020721 | UMP | 020779 | UMP | 020837 | UMP | 021258 |
| UMP | 020319 | UMP | 020722 | UMP | 020780 | UMP | 020838 | UMP | 021263 |
| UMP | 020327 | UMP | 020723 | UMP | 020781 | UMP | 020839 | UMP | 021265 |
| UMP | 020426 | UMP | 020724 | UMP | 020782 | UMP | 020840 | UMP | 021271 |
| UMP | 020440 | UMP | 020725 | UMP | 020783 | UMP | 020842 | UMP | 021272 |
| UMP | 020442 | UMP | 020726 | UMP | 020784 | UMP | 020843 | UMP | 021273 |
| UMP | 020462 | UMP | 020728 | UMP | 020785 | UMP | 020844 | UMP | 021274 |
| UMP | 020464 | UMP | 020729 | UMP | 020786 | UMP | 020845 | UMP | 021277 |
| UMP | 020483 | UMP | 020730 | UMP | 020787 | UMP | 020846 | UMP | 021278 |
| UMP | 020504 | UMP | 020731 | UMP | 020788 | UMP | 020847 | UMP | 021279 |
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| UMP | 020527 | UMP | 020733 | UMP | 020792 | UMP | 020849 | UMP | 021285 |
| UMP | 020534 | UMP | 020734 | UMP | 020793 | UMP | 020850 | UMP | 021289 |
| UMP | 020544 | UMP | 020735 | UMP | 020794 | UMP | 020851 | UMP | 021294 |
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| UMP | 020596 | UMP | 020742 | UMP | 020801 | UMP | 020967 | UMP | 021316 |
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| UMP | 020714 | UMP | 020772 | UMP | 020830 | UMP | 021243 | | |
| UMP | 020715 | UMP | 020773 | UMP | 020831 | UMP | 021244 | | |
| UMP | 020716 | UMP | 020774 | UMP | 020832 | UMP | 021245 | | |
| UMP | 020717 | UMP | 020775 | UMP | 020833 | UMP | 021249 | | |
| UMP | 020718 | UMP | 020776 | UMP | 020834 | UMP | 021251 | | |
| UMP | 020719 | UMP | 020777 | UMP | 020835 | UMP | 021253 | | |
| UMP | 020720 | UMP | 020778 | UMP | 020836 | UMP | 021254 | | |