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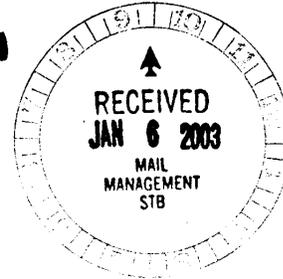
January 3, 2003

RECORDATION NO. 24271 FILED

JAN 06 '03

1-31 PM

SURFACE TRANSPORTATION BOARD



Via Overnight Delivery
Mr. Vernon A. Williams
Secretary
Office of the Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 48 U.S.C. Section 1301(a) are two original executed copies and two photostatic copies of the Memorandum of Railcar Security Agreement, dated as of December 26, 2002, between Johnstown America Corporation ("Secured Party") and Environmental Protection & Improvement Company, Inc. ("Debtor"), a primary document as defined in the Commissioner's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed Memorandum of Railcar Security Agreement are:

Secured Party:	Johnstown America Corporation 17 Johns Street Johnstown, Pennsylvania 15901
Debtor:	Environmental Protection & Improvement Company, Inc. 1800 Bering Drive Suite 1000 Houston, TX 77057

A description of the railroad equipment covered by the enclosed document is as follows: 41 articulated bulk container railcars marked EPIX 91450 through EPIX 91490 (both inclusive).

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

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Mr. Vernon A. Williams
January 3, 2003
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Kindly return one stamped original and two stamped photostatic copies of the enclosed document and the stamped photostatic copy of this letter to Susan G. Lichtenfeld at Ross & Hardies, 150 North Michigan Avenue, Suite 2500, Chicago, Illinois 60601.

Following is a short summary of the enclosed document:

Document to be Recorded

Memorandum of Railcar Security Agreement, dated as of December 26, 2002 between Johnstown America Corporation, as Secured Party, and Environmental Protection & Improvement Company, Inc., as Debtor, relating to 41 articulated bulk container railcars.

Very truly yours,



Susan G. Lichtenfeld

SGL:vgc
Enclosures
cc: Robert W. Kleinman

MEMORANDUM OF RAILCAR SECURITY AGREEMENT

This Memorandum of Railcar Security Agreement is made and entered into as of December 26, 2002, by and between JOHNSTOWN AMERICA CORPORATION (hereinafter referred to as "Secured Party") and ENVIRONMENTAL PROTECTION & IMPROVEMENT COMPANY, INC. (hereinafter referred to as "Debtor").

Pursuant to the letter agreement dated December 13, 2002 (the "Manufacturing Agreement") between Secured Party and Debtor, and subject to the terms and conditions therein set forth, Secured Party has agreed to sell to Debtor, and Debtor has agreed to purchase from Secured Party, the railcars identified on Schedule A hereto (the "Railcars").

As security for the payment and fulfillment of its obligations to Secured Party under the Manufacturing Agreement pursuant to the Payment paragraph of the Terms and Conditions of Sale attached to Manufacturing Agreement, Debtor granted to Seller a security interest in the Railcars and the products, proceeds and accessions of and to any of the Railcars, together with all right, title and interest of Debtor therein and all rights and remedies which Debtor might exercise with respect thereto but for the execution of the Manufacturing Agreement.

As contemplated by the Manufacturing Agreement, Secured Party and Debtor hereby make this Memorandum of Railcar Security Agreement to confirm and perfect Secured Party's security interest in the Railcars. Secured Party and Debtor further acknowledge and confirm that this Memorandum of Railcar Security Agreement is not a summary of the Manufacturing Agreement nor a complete recitation of the terms and provisions thereof. Accordingly, Secured Party and Debtor agree that in the event of a conflict between this Memorandum of Railcar Security Agreement and the provisions of the Manufacturing Agreement, the provisions of the Manufacturing Agreement shall control.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Railcar Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

SECURED PARTY:

DEBTOR:

JOHNSTOWN AMERICA CORPORATION

ENVIRONMENTAL PROTECTION & IMPROVEMENT COMPANY, INC.

By: 
Name: GLEN T. KAVAN
Title: VP- Finance

By: _____
Name: _____
Title: _____

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SURFACE TRANSPORTATION BOARD

COMMONWEALTH OF PENNSYLVANIA)
)
) SS:
COUNTY OF CAMBRIA)

On this 26th day of December 2002, before me personally appeared Glen T. Karan, to me personally known, who being duly sworn, says that he is a Vice President of JOHNSTOWN AMERICA CORPORATION, a Delaware 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.

Glenda S. Kovac
Notary Public



STATE OF TEXAS)
COUNTY OF _____):SS

On this ____ day of December, 2002, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is a _____ of ENVIRONMENTAL PROTECTION & IMPROVEMENT COMPANY, INC., a _____ corporation, that said instrument was signed on behalf of said corporation by an officer duly authorized to sign said instrument, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My Commission expires:

MEMORANDUM OF RAILCAR SECURITY AGREEMENT

This Memorandum of Railcar Security Agreement is made and entered into as of December 26, 2002, by and between JOHNSTOWN AMERICA CORPORATION (hereinafter referred to as "Secured Party") and ENVIRONMENTAL PROTECTION & IMPROVEMENT COMPANY, INC. (hereinafter referred to as "Debtor").

Pursuant to the letter agreement dated December 13, 2002 (the "Manufacturing Agreement") between Secured Party and Debtor, and subject to the terms and conditions therein set forth, Secured Party has agreed to sell to Debtor, and Debtor has agreed to purchase from Secured Party, the railcars identified on Schedule A hereto (the "Railcars").

As security for the payment and fulfillment of its obligations to Secured Party under the Manufacturing Agreement pursuant to the Payment paragraph of the Terms and Conditions of Sale attached to Manufacturing Agreement, Debtor granted to Seller a security interest in the Railcars and the products, proceeds and accessions of and to any of the Railcars, together with all right, title and interest of Debtor therein and all rights and remedies which Debtor might exercise with respect thereto but for the execution of the Manufacturing Agreement.

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IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Railcar Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

SECURED PARTY:

DEBTOR:

JOHNSTOWN AMERICA CORPORATION

ENVIRONMENTAL PROTECTION &
IMPROVEMENT COMPANY, INC.

By: _____
Name: _____
Title: _____

By: J. Paul Withrow
Name: J. Paul Withrow
Title: Vice President

SCHEDULE A
TO MEMORANDUM OF RAILCAR SECURITY AGREEMENT

41 articulated bulk container railcars marked EPIX 91450 – EPIX 91490 (both inclusive)