

RECORDATION NO. 27694-B

JUL 14 '10 - 10 45 AM

**SURFACE TRANSPORTATION BOARD**

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
1050 SEVENTEENTH STREET, N W  
SUITE 301  
WASHINGTON, DC  
20036  
—  
(202) 393-2266  
FAX (202) 393-2156  
E-MAIL alvordlaw@aol.com

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

OF COUNSEL  
URBAN A LESTER

July 14, 2010

Chief  
Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 "E" Street, S.W.  
Washington, D.C. 20423

Dear Section Chief.

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Supplement No. 1 to Security Agreement - Chattel Mortgage, dated as of July 14, 2010, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Security Agreement - Chattel Mortgage and related documents previously filed with the Board under Recordation Number 27694.

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

Secured Party: CapitalSource Bank  
4445 Willard Avenue  
Chevy Chase, Maryland 20815

Borrower: American Railcar Leasing LLC  
620 North Second Street  
St. Charles, Missouri 63301

Chief, Section of Administration  
July 14, 2010  
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A description of the railroad equipment covered by the enclosed document is:

4 railcars ADDED. SHPX 210301 - SHPX 210304 and 3 railcars  
RELEASED: SHPX 21737, SHPX 221753 and SHPX 221773.

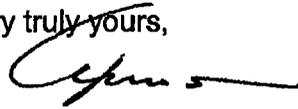
A short summary of the document to appear in the index is:

Supplement No. 1 to Security Agreement - Chattel Mortgage.

Also enclosed is a check in the amount of \$41 00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/sem  
Enclosures

JUL 14 '10 -10 45 AM

SUPPLEMENT NO. 1  
TO  
SECURITY AGREEMENT - CHATTEL MORTGAGE **SURFACE TRANSPORTATION BOARD**

THIS SUPPLEMENT NO. 1 TO SECURITY AGREEMENT - CHATTEL MORTGAGE (this "Supplement") is made as of the 14th day of July, 2010, by and between AMERICAN RAILCAR LEASING LLC, a Delaware limited liability company (the "Borrower"), and CAPITALSOURCE BANK, a California industrial banking corporation (the "Secured Party").

Borrower and Banc of America Leasing & Capital, LLC ("BALC") have heretofore executed that certain Security Agreement - Chattel Mortgage dated as of October 17, 2008 (as amended, supplemented or modified from time to time, the "Security Agreement"). All right, title and interest of BALC in, to and under the Security Agreement have heretofore been assigned to Secured Party.

WHEREAS, the Security Agreement was recorded on October 17, 2008 with the Surface Transportation Board, Recordation No. 27694, and with the Registrar General of Canada, Recordation No. 19600.

WHEREAS, certain Equipment has suffered an Equipment Casualty Loss and the parties desire to effect the replacement of such Equipment in accordance with Section 5.2 of the Security Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Secured Party agree as follows:

1. Definitions. Except as otherwise defined in this Supplement, terms defined in the Security Agreement or by reference therein are used herein as defined therein.

2. Amendments and Supplements. The Security Agreement shall be amended and supplemented as follows:

(a) Schedule A to the Security Agreement shall be amended and supplemented by Schedule A-1 hereto to include the Replacement Units and the Replacement Leases (relating to the Replacement Units but to and only to the extent relating to the Replacement Units) more fully described on Schedule A-1 hereto and Schedule A-1 hereto shall be deemed to be an addition to and part of Schedule A to the Security Agreement. The Borrower hereby assigns, mortgages, pledges, hypothecates, transfers and sets over to the Secured Party and grants the Secured Party a first priority lien on and security interest in all of the Borrower's right, title and interest in and to such Replacement Units and Replacement Leases (relating to the Replacement Units but to and only to the extent relating to the Replacement Units) and agrees that such Replacement Units and Replacement Leases shall constitute Collateral subject to the grant of security by the Borrower set forth in Section 2.1 of the Security Agreement. Each reference to Schedule A in the Security Agreement, and each reference to Schedule A to the Security Agreement in any other Loan Documents, shall be deemed to be a reference to Schedule A as amended and supplemented by Schedule A-1 hereto.

(b) Schedule A to the Security Agreement shall be amended further by deleting therefrom the Released Equipment and the Released Equipment Leases (as such terms are defined in Section 3 hereof) (relating to the Released Equipment but to and only to the extent relating to the Released Equipment) described on Schedule A-2 hereto and the Secured Party hereby agrees that such Equipment and Equipment Leases (relating to the Released Equipment but to and only to the extent relating to the Released Equipment) shall no longer be included in the Collateral. Schedule A-2 hereto shall be deemed to be a deletion from, and the Released Equipment and the Released Equipment Leases (relating to the Released Equipment but to and only to the extent relating to the Released Equipment) described thereon shall cease to be a part of, Schedule A to the Security Agreement. Each reference to Schedule A in the Security Agreement, and each reference to Schedule A to the Security Agreement in any other Loan Documents, shall be deemed to be a reference to Schedule A as amended by Schedule A-2 hereto, and each reference to Released Equipment or Released Equipment Leases in any other Loan Documents shall no longer include a reference to the Released Equipment and the Released Equipment Leases described on Schedule A-2 hereto.

(c) It is hereby agreed that each reference to "this Security Agreement" in the Security Agreement, "hereunder", "hereof" or words of like import referring to the Security Agreement, and each reference to the Security Agreement in each of the other Loan Documents, shall be deemed to be a reference to the Security Agreement as amended and supplemented by this Supplement.

3. Release. The Secured Party hereby releases, and terminates its security interest in, and all of its right, title and interest in and to, the following:

(a) All of the railcars listed on Schedule A-2 hereto together with all accessories, equipment, parts, additions, improvements, accessions and appurtenances appertaining or attached to such railcars, whether now owned or hereafter acquired by Borrower, and all substitutions, replacements, accumulations or proceeds of any and all of said railcars, together with all the records, rents, mileage credits earned, issues, income, profits, avails and other proceeds (including insurance proceeds) therefrom (the "Released Equipment").

(b) All right, title, interest, claims and demands of the Borrower in, to and under each and every lease, including without limitation the leases listed on Schedule A-2 hereto (whether or not such lease is in writing or is for a term certain, including, without limitation, per diem leases) now or hereafter entered into relating to the Released Equipment but to and only to the extent relating to the Released Equipment (each such portion of any such lease relating to the Released Equipment being referred to as a "Released Equipment Lease"), including any extensions of the term of every such Released Equipment Lease, all of Borrower's rights under any such 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 such Released Equipment Lease to demand, receive, enforce, collect or give receipt for any of the foregoing rights or any property which is the subject of any of such Released Equipment Lease, 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

Released Equipment which is subject to such Released Equipment Lease, all records related to such Released Equipment Lease and all payments due and to become due under any such Released Equipment Lease, all records related to the Released Equipment Leases and all payments due and to become due under any Released Equipment Lease, whether as contractual obligations, damages, casualty payments, insurance proceeds or otherwise to the extent such payments are derived from the Equipment.

4. Ratification. Except as expressly amended and supplemented hereby, the Security Agreement is and shall remain in full force and effect and is hereby ratified, approved and confirmed in all respects, and no amendment or supplement in respect of any term or condition of the Security Agreement shall be deemed to be an amendment or supplement in respect of any other term or condition contained in the Security Agreement or any other Loan Document.

5. Representations, Warranties and Covenants. (a) Borrower hereby certifies it owns the Replacement Units and Replacement Leases free and clear of all liens and encumbrances other than the leasehold interest of the Lessees pursuant to the Replacement Leases.

(b) Any and all reasonable expenses incurred by Secured Party and approved by Borrower (such approval not to be unreasonably withheld) in determining if the Replacement Units are of like kind, in good condition, of equivalent value, and acceptable to Secured Party, and of subjecting the Replacement Units and Replacement Leases to the security interest of Secured Party, shall be borne by Borrower and paid upon demand.

(c) Borrower agrees and affirms that each and every representation, warranty, covenant and agreement contained in the Security Agreement and the other Loan Documents is true and correct with respect to each Replacement Unit and each Replacement Lease, as applicable, in accordance with the provisions of Section 3.13 of the Security Agreement.

6. Counterparts. This Supplement may be executed, acknowledged and delivered in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Supplement by signing any such counterpart.

7. Governing Law; Binding Effect. IN ACCORDANCE WITH SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, THIS SUPPLEMENT, INCLUDING THE VALIDITY THEREOF, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS OTHER CONFLICT OF LAWS PRINCIPLES. This Supplement shall be binding on the undersigned and its successors and permitted assigns and shall inure to the benefit of each of the Secured Party and the Borrower and its affiliates and their respective successors and assigns.

8. Entire Agreement; Partial Invalidity. This Supplement, together with the Security Agreement, constitute the entire understanding between the parties with respect to the subject matter hereof and thereof. The unenforceability or invalidity of any provision or provisions of this Supplement shall not render any other provision or provisions herein contained unenforceable or invalid.

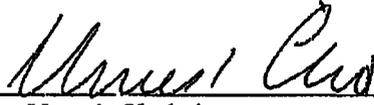
9. Waiver of Jury Trial. BY ITS SIGNATURE BELOW WRITTEN EACH PARTY HERETO IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY

**ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS SUPPLEMENT OR THE TRANSACTION CONTEMPLATED HEREBY.**

**[signature page follows]**

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Supplement No. 1 to Security Agreement - Chattel Mortgage in one or more counterparts as of the date first set forth above.

AMERICAN RAILCAR LEASING LLC

By:   
Name: Umesh Choksi  
Title: CFO & Treasurer

CAPITALSOURCE BANK

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature Page to Supplement No. 1]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Supplement No. 1 to Security Agreement - Chattel Mortgage in one or more counterparts as of the date first set forth above.

AMERICAN RAILCAR LEASING LLC

By: \_\_\_\_\_  
Name: Umesh Choksi  
Title: CFO & Treasurer

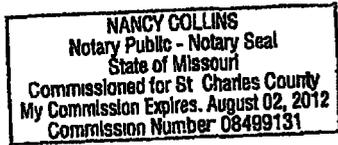
CAPITALSOURCE BANK

By: \_\_\_\_\_  
Name: \_\_\_\_\_ Jason Schwartz  
Title: \_\_\_\_\_ Banking Officer

[Signature Page to Supplement No. 1]

STATE OF MISSOURI            )  
  ) ss.:  
COUNTY OF ST. CHARLES    )

On this 12th day of July, 2010, before me, personally appeared Umesh Choksi, to me known, who being by me duly sworn, says that he resides in Saint Louis County, State of Missouri and is CFO and Treasurer of American Railcar Leasing LLC; that said instrument was signed on behalf of said company on the date hereof by authority of its governing body; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

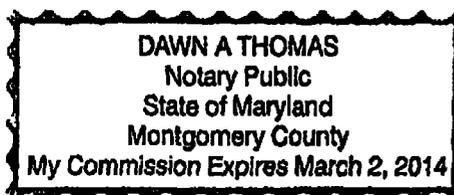


*Nancy Collins*  
\_\_\_\_\_  
Notary Public

STATE OF MARYLAND )  
 ) ss.:  
COUNTY OF Montgomery )

On this 13<sup>th</sup> day of July, 2010, before me, personally appeared Jason Schwartz to me known, who being by me duly sworn, says that he is a Banking Officer of CapitalSource Bank; that said instrument was signed on behalf of said bank on the date hereof 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 bank.

Dawn A Thomas  
Notary Public



SCHEDULE A-1

SCHEDULE OF REPLACEMENT UNITS AND REPLACEMENT LEASES

<u>Lessee Code</u>	<u>Contract</u>	<u>Reporting Mark</u>	<u>Car Number</u>
1894	88780002	SHPX	210301
1894	88780002	SIIPX	210302
1894	88780002	SHPX	210303
1894	88780002	SIIPX	210304

SCHEDULE A-2

SCHEDULE OF RELEASED EQUIPMENT AND RELEASED EQUIPMENT LEASES

<u>Lessee Code</u>	<u>Contract</u>	<u>Reporting Mark</u>	<u>Car Number</u>
1824	86130001	SHPX	221737
1824	86130002	SHPX	221753
1824	86130003	SHPX	221773

GERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated:

7 / 14 / 10



\_\_\_\_\_  
Robert W. Alvord