



RECORDATION NO. 15283-E FILED

JUL 22 '04 4-55 PM

SURFACE TRANSPORTATION BOARD

VIA UPS 2ND DAY AIR

July 19, 2004

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001



Re: Document for Recordation:
1. Memorandum of Lease Amendments and Security Agreement

Dear Mr. Williams:

Enclosed for recordation are one (1) original and two (2) copies of Memorandum of Lease Amendments and Security Agreement.

This document is a secondary document and should be assigned Recordation No. 15283-D as a secondary document recorded under, and in connection with the primary and secondary documents previously recorded and indicated below.

The primary document to which this document is submitted in connection with is recorded under Recordation No. 15283.

Additional secondary documents, previously recorded, in connection with the primary document, are recorded under Recordation Nos. 15283-A, 15283-B and 15283-C.

The names and addresses to the Memorandum of Lease Amendments and Security Agreement executed as of June 4, 2004, are:

Lessor: ATEL Cash Distribution Fund V, L.P.
600 California Street, 6th Floor
San Francisco, CA 94108

Lessee: Union Pacific Railroad Company
1416 Dodge Street, Room 200
Omaha, NE 68179

Mr. Vernon A. Williams
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Secured Party: MB Financial Bank, N.A.
1200 North Ashland Avenue
Chicago, IL 60622

A description of the railroad equipment covered by the Memorandum of Lease Amendments and Security Agreement is:

Two hundred twenty (220) Bi-Level Auto Racks including End Doors

A short summary of the document to appear in the index as follows:

Memorandum of Lease Amendments and Security Agreement

Also enclosed is ATEL check no. 001285 in the amount of \$30.00 to cover the recordation fee.

Kindly return two (2) stamped copies of the enclosed documents to the undersigned.

Should you have any questions, please do not hesitate to call me at 415/616-3427. Thank you for your assistance.

Sincerely,



Renette F. Warner
Legal Assistant/Contract Administrator

/rfw
Enclosures

JUL 22 '04

4-55 PM

MEMORANDUM OF LEASE AMENDMENTS AND SECURITY AGREEMENT
SURFACE TRANSPORTATION BOARD

WHEREBY, ATEL Cash Distribution Fund V, L.P., a California limited partnership having a principal place of business at 600 California Street, 6th Floor, San Francisco, California 94108 (as successor in interest by assignment to ATEL Financial Corporation, in turn, as successor in interest by assignment to West One Bank, Idaho, formerly, known as The Idaho First National Bank) ("Lessor") and **Union Pacific Railroad Company**, a Delaware corporation (as successor in interest to The Denver and Rio Grande Western Railroad Company) ("Lessee") entered into (i) an **Equipment Lease Agreement** (the "Equipment Lease") dated as of July 31, 1987, recorded with the Interstate Commerce Commission ("ICC", or its successor entity, the Surface Transportation Board, "STB") on August 11, 1987 under Recordation No. 15283; for the lease of equipment described in the Individual Equipment Record Nos. 1 through 7, inclusive (with respect to the Individual Equipment Record Nos. 1 through 5 solely, the IERs); and for the lease of equipment described in the Individual Equipment Record End Doors Nos. 1 through 4, inclusive (the "End-Door IERs"); to the Equipment Lease, and all accessions, additions and attachments thereto, and replacement and substitutions therefor, (ii) **Amendment Number One** to Equipment Lease Agreement recorded with the ICC on November 30, 1987 under Recordation No. 15283-A, (iii) **Amendment Number Two** to Equipment Lease Agreement recorded with the ICC on June 20, 1989 under Recordation No. 15283-B; (iv) **Amendment Number Three** to Equipment Lease Agreement dated January 1, 1990 (not recorded with the ICC); (v) **Purchase Agreement and Assignment of Lease** dated as of May 4, 1994 between West One Bank, Idaho as Seller and ATEL Financial Corporation as Buyer, recorded with the ICC on May 6, 1994 under Recordation No. 15283-C; (iv) **Fourth Amendment** to Equipment Lease Agreement dated September 24, 1997 (not recorded with the STB); and a **Fifth Amendment** to Equipment Lease Agreement dated as of March 1, 2004 (not recorded with the STB).

WHEREBY, pursuant to such **Fifth Amendment**, Lessor did agree to extend the term of the Lease for Lessee with respect to the Equipment identified on the IER's, and the End-Door IER's, which Equipment is identified on Exhibit A hereto (the "Lease Renewal", and Equipment Lease, as amended, and with the IER's, collectively, hereinafter, the "Lease");

WHEREBY, Pursuant to a **Security Agreement And Assignment Of Lease** dated as of June 4, 2004 and attached hereto as Exhibit B hereto (the "Security Agreement"), Lessor, as Debtor, granted and assigned to **MB Financial Bank, N.A.**, as Secured Party ("Secured Party") the rents due under the Lease Renewal and, to assure the due and punctual payment and performance of the Lease Renewal rentals and other obligations of Lessee, a security interest in, and general lien upon, the Lease, all amounts due and to become due under the Lease, and the equipment leased under the Lease (collectively, the "Collateral"), but only as such Collateral relates to the Lease Renewal (the "Lease Assignment").

WHEREBY, pursuant to the Security Agreement, Lessor, Lessee and Secured Party as parties to a **Notice And Acknowledgement Of Assignment And Amendment**, dated as of June 4, 2004, wherein Lessor and Lessee did agree, and Secured Party did consent, to amend the Lease to incorporate the description of the Equipment identified on the End-Door IERs, with the description of the Equipment identified on the IER's, in order that the Equipment leased pursuant to IER's and the Lease Renewal is as described on Exhibit A hereto (the "Equipment");

NOW THEREFORE, With respect to the Lease Renewal, the term "Item of Equipment" or "Unit" and collective term "Equipment" set forth in Section 1 of the Lease, as amended, shall mean a Bi-Level Rack or, collectively, the Bi-Level Racks, as identified.

NOW THEREFORE, the tri-level auto racks leased under the Equipment Lease pursuant to Individual Equipment Records Nos. 6 and 7 is not "Equipment" as defined in the Lease Renewal, but remains nonetheless "Equipment" as defined in, and leased pursuant to, the Equipment Lease (the "Other Equipment"); and such Other Equipment remains on month-to-month renewals, but is not subject to the Security Agreement;

NOW THEREFORE, the Term as listed in Section 2 of the Lease, as amended, is extended for (i) an interim renewal term of 15 months from March 1, 2004 through and including May 31, 2005 (the "Interim Renewal Term") and (ii) a base renewal term of 60 months from June 1, 2005 through and including May 31, 2010 ("Base Renewal Term").

NOW THEREFORE, except as amended, the Lease remains in full force and effect until the expiration of the Base Renewal Term, the return of all of the Equipment in accordance with the Lease, and the satisfaction of all other terms and conditions of the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this MEMORANDUM OF LEASE AMENDMENTS AND SECURITY AGREEMENT as of the 4th day of June, 2004.

Lessor:

ATEL Cash Distribution Fund V, L.P.

By: ATEL Financial Service, LLC, its General Partner

By: Vasco H. Morais
Vasco H. Morais, Esq.

Title: Senior Vice President

STATE OF California)

)ss

COUNTY OF San Francisco

On 6/4/04 before me, the undersigned officer, personally appeared Vasco H. Morais, [personally known to me] [proved to me on the basis of satisfactory evidence] to be the person(s) whose name(s) is subscribed to this instrument and acknowledged to me that he executed the same in his authorized capacity(ies), and that by his signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Judith J. Murio
Notary Public

My Commission expires: Oct. 21, 2007

(Notarial Seal)



Lessee:

Union Pacific Railroad Company

By: ATEL Leasing Corporation, its Manager

By: Karen A. Watson
Karen A. Watson

Title: General Director - Mechanical Purchasing

STATE OF Nebraska)

)ss

COUNTY OF Douglas

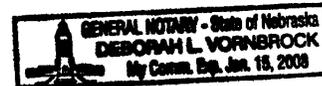
On 6/10/04 before me, the undersigned officer, personally appeared Karen Watson, [personally known to me] [proved to me on the basis of satisfactory evidence] to be the person(s) whose name(s) she subscribed to this instrument and acknowledged to me that she executed the same in her authorized capacity(ies), and that by her signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Deborah L. Vornbrock
Notary Public

My Commission expires: January 15, 2008

(Notarial Seal)



Agreed and Consented:

Secured Party:

MB Financial Bank, N.A.

By: [Signature]
Title: Vice President

STATE OF Illinois }
COUNTY OF Cook } ss

On 15th June 2004 before me, the undersigned officer, personally appeared _____ [personally known to me] [proved to me on the basis of satisfactory evidence] to be the person(s) whose name(s) _____ subscribed to this instrument and acknowledged to me that _____ executed the same in _____ authorized capacity(ies), and that by _____ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.
[Signature]
Notary Public

My Commission expires: 3-26-2007



(Notarial Seal)

**EXHIBIT A
DESCRIPTION OF EQUIPMENT**

IER No.	ATEL Lease No.	Equipment Description	QTY
1	05DENV01WO	Bi-Level Auto Racks including End Doors	48
2	05DENV02WO	Bi-Level Auto Racks including End Doors	50
3	05DENV03WO	Bi-Level Auto Racks including End Doors	33
4	05DENV04WO	Bi-Level Auto Racks including End Doors	65
5	05DENV05WO	Bi-Level Auto Racks including End Doors	24
			220

(Please see below for individual Bi-Level Auto Racks Numbers and the corresponding Flat Car Numbers thereon installed.)

Rack and Flat Car Numbers

<u>No. of Units</u>	<u>Flat Car Number</u>	<u>Rack Number</u>	<u>No. of Units</u>	<u>Flat Car Number</u>	<u>Rack Number</u>
1	TTGX156049	495	43	TTGX158653	632
2	TTGX156060	788	44	TTGX158676	556
3	TTGX156085	465	45	TTGX158840	608
4	TTGX156154	467	46	TTGX159016	496
5	TTGX156213	493	47	TTGX159095	553
6	TTGX156426	536	48	TTGX159107	587
7	TTGX156652	641	49	TTGX159118	779
8	TTGX157337	486	50	TTGX159125	483
9	TTGX157382	541	51	TTGX159141	617
10	TTGX157387	624	52	TTGX159205	458
11	TTGX157399	549	53	TTGX159208	517
12	TTGX157413	542	54	TTGX159275	574
13	TTGX157442	471	55	TTGX159278	599
14	TTGX157479	562	56	TTGX159294	625
15	TTGX157484	783	57	TTGX159330	537
16	TTGX157490	559	58	TTGX159367	586
17	TTGX157705	508	59	TTGX159392	548
18	TTGX157729	525	60	TTGX159397	534
19	TTGX157736	637	61	TTGX159408	583
20	TTGX157772	457	62	TTGX159426	614
21	TTGX157818	797	63	TTGX159428	535
22	TTGX157834	564	64	TTGX159477	786
23	TTGX157846	521	65	TTGX159514	781
24	TTGX157898	510	66	TTGX159538	479
25	TTGX157934	606	67	TTGX159555	485
26	TTGX158130	464	68	TTGX159602	515
27	TTGX158190	601	69	TTGX159614	558
28	TTGX158198	487	70	TTGX159684	539
29	TTGX158221	526	71	TTGX159693	551
30	TTGX158320	629	72	TTGX159722	463
31	TTGX158323	532	73	TTGX159726	484
32	TTGX158332	628	74	TTGX159731	798
33	TTGX158349	503	75	TTGX159736	494
34	TTGX158351	578	76	TTGX159739	590
35	TTGX158354	644	77	TTGX159760	481
36	TTGX158359	631	78	TTGX159794	597
37	TTGX158361	635	79	TTGX159813	784
38	TTGX158363	610	80	TTGX159816	567
39	TTGX158372	636	81	TTGX159824	502
40	TTGX158375	626	82	TTGX159828	585
41	TTGX158577	540	83	TTGX159829	491
42	TTGX158634	560	84	TTGX159843	523
<u>No. of Units</u>	<u>Flat Car Number</u>	<u>Rack Number</u>	<u>No. of Units</u>	<u>Flat Car Number</u>	<u>Rack Number</u>

85	TTGX159870	509	127	TTGX255982	528
86	TTGX159902	511	128	TTGX603023	544
87	TTGX159959	643	129	TTGX603054	602
88	TTGX159989	561	130	TTGX603078	455
89	TTGX160023	480	131	TTGX603081	453
90	TTGX160035	622	132	TTGX603103	451
91	TTGX160052	474	133	TTGX603152	516
92	TTGX160102	506	134	TTGX603157	482
93	TTGX160104	501	135	TTGX603163	603
94	TTGX160116	607	136	TTGX603166	456
95	TTGX160159	490	137	TTGX603233	785
96	TTGX160187	472	138	TTGX603263	492
97	TTGX160197	546	139	TTGX603324	793
98	TTGX160229	500	140	TTGX603333	792
99	TTGX160270	787	141	TTGX603368	452
100	TTGX160298	572	142	TTGX603453	796
101	TTGX160303	477	143	TTGX603457	454
102	TTGX160307	507	144	TTGX603504	642
103	TTGX160365	623	145	TTGX603509	505
104	TTGX160385	600	146	TTGX603524	499
105	TTGX160389	460	147	TTGX603545	497
106	TTGX160391	538	148	TTGX603578	648
107	TTGX160417	461	149	TTGX603587	645
108	TTGX160426	582	150	TTGX603595	531
109	TTGX160438	476	151	TTGX603597	533
110	TTGX160459	512	152	TTGX603600	791
111	TTGX160479	580	153	TTGX603618	634
112	TTGX160648	568	154	TTGX603678	450
113	TTGX160672	647	155	TTGX603791	605
114	TTGX160696	782	156	TTGX603917	774
115	TTGX160700	514	157	TTGX604064	573
116	TTGX160732	789	158	TTGX604199	639
117	TTGX253765	588	159	TTGX604225	489
118	TTGX254292	545	160	TTGX604249	627
119	TTGX254354	470	161	TTGX604268	790
120	TTGX254368	591	162	TTGX604289	649
121	TTGX254914	547	163	TTGX604313	619
122	TTGX254933	478	164	TTGX604383	563
123	TTGX254996	468	165	TTGX604399	633
124	TTGX255333	780	166	TTGX604486	579
125	TTGX255582	459	167	TTGX604496	596
126	TTGX255748	466	168	TTGX604514	566

<u>No. of Units</u>	<u>Flat Car Number</u>	<u>Rack Number</u>	<u>No. of Units</u>	<u>Flat Car Number</u>	<u>Rack Number</u>
169	TTGX912940	530	211	TTGX965179	576
170	TTGX930535	584	212	TTGX965204	595
171	TTGX941132	570	213	TTGX965241	616
172	TTGX941747	550	214	TTGX965250	621
173	TTGX941754	513	215	TTGX965279	592
174	TTGX941756	504	216	TTGX965385	555
175	TTGX941768	543	217	TTGX965456	575
176	TTGX941770	581	218	TTGX965482	552
177	TTGX941877	522	219	TTGX965847	620
178	TTGX941895	557	220	TTGX966177	469
179	TTGX942034	569			
180	TTGX942116	488			
181	TTGX961859	524			
182	TTGX962207	777			
183	TTGX962217	795			
184	TTGX962249	475			
185	TTGX962250	611			
186	TTGX962253	604			
187	TTGX962804	520			
188	TTGX962916	571			
189	TTGX962963	527			
190	TTGX963037	519			
191	TTGX963109	577			
192	TTGX963217	473			
193	TTGX963896	618			
194	TTGX963978	529			
195	TTGX964142	518			
196	TTGX964241	609			
197	TTGX964261	640			
198	TTGX964386	554			
199	TTGX964607	776			
200	TTGX964650	565			
201	TTGX964978	794			
202	TTGX965015	630			
203	TTGX965055	638			
204	TTGX965089	594			
205	TTGX965090	589			
206	TTGX965100	613			
207	TTGX965104	778			
208	TTGX965153	646			
209	TTGX965162	612			
210	TTGX965172	615			

**EXHIBIT B
SECURITY AGREEMENT**

SECURITY AGREEMENT AND ASSIGNMENT OF LEASE

SECURITY AGREEMENT AND ASSIGNMENT OF LEASE (this "Agreement"), dated as of June 4, 2004, between **A TEL CASH DISTRIBUTION FUND V, L.P.**, a California limited partnership the "Debtor") having its principal office at 600 California Street, 6th Floor, San Francisco, California 94108, and **MB FINANCIAL BANK, N.A.** (the "Secured Party") having its principal office at 1200 North Ashland Avenue, Chicago, Illinois 60622.

Article I

1. Debtor hereby grants to Secured Party a security interest in the equipment, machinery, inventory, and all other personal property described in **Schedule A** attached hereto and incorporated herein by reference, and any and all substitutions, replacements, attachments, additions and accessions thereto or therefor to which Debtor acquires title under the Lease (defined below) and the proceeds thereof, including, without limitation, insurance proceeds and the proceeds of all subleases and all other dispositions thereof (collectively, herein the "Equipment" and individually, an "Item of Equipment").
2. In addition, Debtor hereby grants to Secured Party an assignment of and security interest in all of Debtor's right, title and interest in and to those certain **Individual Equipment Records No. 1 through 5** thereto between Debtor as lessor (as successor in interest to the Idaho First National Bank) and **Union Pacific Railroad Company** ("Lessee") as lessee (as successor in interest to The Denver and Rio Grande Western Railroad Company), as amended by that certain Notice and Acknowledgement of Assignment and Amendment dated June 4, 2004, by and among Debtor, Lessee and Secured Party (the "Notice and Amendment") (such Individual Equipment Records No. 1 through 5, as so amended, and as amended by the Fifth Amendment To Equipment Lease Agreement dated July 31, 1987, between Debtor and Lessee, collectively herein, the "Lease"), which incorporate by reference that certain Equipment Lease Agreement dated as of July 31, 1987, as amended by First through Fifth Amendments thereto, and as further amended by the Notice and Amendment (such Equipment Lease Agreement as so amended, the "Master Lease"), including, without limitation, any and all rents, stipulated loss value payments, casualty loss payments, early termination payments, purchase option payments, renewal option payments, proceeds of sale, re-lease or other disposition of the Equipment, amounts payable by reason of Lessee's default under the Lease or by reason of damage or loss to the Equipment, any and all other amounts due under the Lease of every kind and description, all supporting obligations for the Lease, and the proceeds of the foregoing. The Equipment, the Lease and all rents and other amounts due and to become due thereunder, all proceeds of the Equipment and Lease and all other sums and property described hereinabove shall be referred to collectively hereinafter as the "Collateral".
3. Debtor shall invoice and collect from the Lessee all rents and other sums due and to become due under the Lease, on behalf of and as agent of the Secured Party. Debtor shall pay to the Secured Party all monthly rent payments when due under the Lease (regardless of when Debtor collects such payments from Lessee) and Debtor shall reimburse itself for such payments upon its receipt of the monthly rent payments received from Lessee under the Lease. Debtor agrees to bill Lessee for all applicable late charges incurred under the Lease and will send to Secured Party one-half of all late charges collected by Debtor promptly after its receipt thereof. Upon the occurrence of an Event of Default, Secured Party reserves the right to terminate Debtor's servicing duties hereunder upon written notice of such termination to Debtor. If Secured Party elects to terminate such servicing duties, it shall send Lessee a notice of assignment

redirecting Lessee to make all remaining payments due under the Lease to Secured Party. In such event, Debtor agrees that if it receives any further rents or other payments due under the Lease, it shall segregate and hold said sums solely as trustee for Secured Party, and Debtor agrees to immediately forward such payments to the Secured Party in the form which they are received, with any necessary endorsement, or in its sole direction, will promptly wire transfer the amount of such payments directly to Secured Party.

4. The Collateral is given to secure Secured Party's loan of \$4,161,663.76 (the "Loan") to Debtor evidenced by that certain promissory note of even date herewith executed by Debtor, payable to the order of Secured Party in the principal sum of \$4,161,663.76, payable in installments and interest as therein provided, and any renewal, modification, extension or refinancing thereof (hereinafter referred to as the "Note"). The Collateral shall also secure: (a) Debtor's obligations and liabilities arising out of Debtor's covenants, warranties and representations contained herein, (b) advances made by Secured Party to pay or discharge any other lien, security interest or encumbrance upon the Collateral, (c) advances made by Secured Party to protect the Collateral and/or Secured Party's security interest or lien therein, (d) all costs and expenses (including reasonable attorney's fees) incurred by Secured Party in the collection of the Note and any other indebtedness secured hereby, or the enforcement of Secured Party's security interest in the Collateral, and (e) any and all amounts owed by Debtor under Section 7 of Article VI hereof.

5. Debtor hereby irrevocably authorizes the Secured Party at any time, and from time to time, to file in any jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral, and (b) contain any other information required by Section 5 of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed regarding the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether the Debtor is an organization, the type of organization and any organization identification number issued to the Debtor, and (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral, a sufficient description of real property to which the Collateral relates. The Debtor agrees to furnish any such information to the Secured Party promptly upon request. The Debtor further ratifies and affirms its authorization for any financing statements and/or amendments thereto, executed and/or filed by the Secured Party in any jurisdiction prior to the date of this Agreement. Debtor shall reimburse Secured Party for all filing and recording fees (together with any recordation tax, if applicable) incurred by Secured Party under this Section 5. In addition to the foregoing, Debtor agrees, at its sole expense, and at Secured Party's direction, to make such filing and take such action as shall be necessary to perfect Secured Party's security interest in the Equipment in the office of the Surface Transportation Board.

Article II

Debtor's Covenants, Representations and Warranties

The Debtor covenants, represents and warrants to Secured Party that:

1. Debtor is a limited partnership duly organized and validly existing in good standing under the laws of the State of California, is duly qualified to transact business in every other jurisdiction where failure to so qualify would have a material adverse effect on its ability to perform its obligations under the Agreement, the Note or the Lease. Debtor's organization identification number ("OID") issued by the State of California is 199226700008 (as reflected in the Debtor's filed certificate of limited partnership, a copy of which has been provided to Secured Party).

2. The Equipment is leased to Lessee pursuant to the Lease. Except for (i) the security interest granted hereby, (ii) any lien, claim, encumbrance, or charge assessed against the Equipment which is the obligation of Lessee, to cure, satisfy, or release pursuant to the Lease, and (iii) Lessee's leasehold rights under the Lease (collectively, "Permitted Liens"), Debtor is the sole owner of the Equipment, which is free and will remain free of any lien, security interest or encumbrance except for the Permitted Liens, and Debtor will defend the Equipment against all claims and demands, of any person at any time claiming the same or any interest therein arising by or through the Debtor, or any predecessor in interest of the Debtor, except for Permitted Liens. The term "Permitted Liens" as used herein shall not be deemed in any manner to relieve the Lessee of any obligation that it may now or hereafter have under the Lease to cure, satisfy, or release any lien, claim, encumbrance, or charge assessed against the Equipment.

Debtor is the sole owner of the Lease, which is free and will remain free of any lien, security interest or encumbrance other than Permitted Liens, and Debtor will defend the Lease against all claims and demands of any person at any time claiming the same or any interest therein, other than Permitted Liens.

3. Debtor's execution of this Agreement, the Note, and the Lease has been duly authorized by all necessary action on the part of Debtor and, assuming the authorization, execution, and delivery by the corresponding parties thereto, and each of them creates binding obligations enforceable as against the Debtor, as stated therein, except as the limitations on enforceability provided below. This Agreement, the Note and the Lease are enforceable in accordance with their respective terms, except as they may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditor's rights in general.

4. The entering into and performance by the Debtor of the Agreement, the Note, and the Lease will not (i) violate any provision of the Debtor's certificate of limited partnership or limited partnership agreement or any applicable judgment, order, writ, injunction, or decree applicable to the Debtor, (ii) violate any rule, law or regulation of any court, administrative agency or other governmental authority applicable to the Debtor, or (iii) result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon the Equipment or Lease pursuant to, any indenture, mortgage, deed of trust, contract, bank loan or credit of which the Debtor is a party.

5. No consent or approval of, giving of notice to, registration with, or taking of any other action in respect of or by, any state, Federal or other governmental authority or agency or commission is required with respect to the execution or performance by the Debtor of this Agreement, the Note or the Lease, other than the filings that may be required under the Uniform Commercial Code and the Surface Transportation Board.

6. There is no action, suit or proceeding pending or, to Debtor's knowledge, threatened against or affecting the Debtor before or by any court, administrative agency or other governmental authority which brings into question the validity of the transactions contemplated by the Agreement, the Note or the Lease or which might materially adversely affect the financial condition of Debtor, or the ability of the Debtor to fulfill its obligations under this Agreement, the Note or the Lease.

7. The Equipment has been delivered and unconditionally accepted by the Lessee under the terms of the Lease, and it is and shall be kept at such locations permitted in the Lease. Secured Party may inspect the Equipment at such times that Debtor may do so under the Lease. Debtor shall promptly advise Secured Party of any change in the location of the Equipment learned by Debtor. Notwithstanding the foregoing, Debtor agrees that the Secured Party's security interest in the Equipment granted herein by Debtor shall

attach to the Equipment wherever it may now or hereafter be located. The Equipment will be kept in good repair and will not be or suffered to be wasted, misused, abused or to deteriorate, except for ordinary wear and tear, and will not be used in violation of any law, ordinance or regulation of any governmental authority insofar as it adversely affects the value of the Lease, the Equipment or the security interest granted hereunder. The Equipment is not and shall not be affixed to real estate.

8. All risk of loss, theft, damage, or destruction of the Equipment shall be borne by the Lessee under the terms of the Lease, and at all other times, by the Debtor. Debtor agrees that from the date hereof it will, either cause the Lessee to fully self-insure the Equipment throughout the scheduled term of the Lease and any renewal period, or, cause Lessee to (or in such absence, at Debtor's expense), keep the Equipment insured against all risks of loss, theft, damage or destruction with extended coverage for not less than the greater of the indebtedness secured hereby or the Equipment's full replacement cost. If Lessee does not self-insure the Equipment, the Equipment shall be insured with such carriers and in such amounts and against such risks as shall be satisfactory to Secured Party, with policies payable to both Secured Party and Debtor, as their interests may appear. All policies of insurance shall provide for thirty days' written notice of cancellation to Secured Party, and Secured Party shall be furnished with a certificate of insurance or other satisfactory evidence of compliance with the above requirements, together with a complete copy of the policies. Secured Party shall be named "loss payee" for the fire and extended casualty insurance and "additional insured" for public liability insurance. Debtor hereby appoints Secured Party the attorney for the Debtor in endorsing settlement drafts, assigns to Secured Party all sums which may become payable under such insurance, including return premiums and dividends, as additional security for the indebtedness secured hereby, and directs the insurers to pay the Secured Party any amounts so due. If requested, Debtor shall also provide Secured Party with a Lender's Loss Payable Endorsement.

9. Debtor will pay or cause to be paid when due all taxes and assessments upon the Collateral or its operation or use.

10. At its option, and without any obligation to do so, Secured Party may discharge or pay any taxes, liens, security interests, or other encumbrances at any time levied or placed on or against the Collateral or Debtor in breach of this Agreement, and may pay for insurance on the Collateral (but only to the extent such insurance is required to be maintained by Lessee pursuant to the Lease) and may pay for its maintenance and preservation. Debtor agrees to reimburse Secured Party on demand for any such payment made, or expense incurred, pursuant to the foregoing authorizations. All payments made by Secured Party under this paragraph shall be deemed additional indebtedness secured by the Collateral pursuant to the terms hereof and shall bear interest at the interest rate specified in the Note from the date incurred to the date of payment.

11. Debtor will not cause the Collateral, or any portion thereof, to be sold, transferred, assigned, encumbered, modified (except for modification to the extent permitted in the Lease) or disposed of, without the prior written consent of Secured Party.

12. To the extent Secured Party is unable to file effective UCC Financing Statements or amendments thereto under Section 5 of Article I above, Debtor shall execute from time to time, alone or with Secured Party, any UCC Financing Statements or other documents and do such other acts considered by Secured Party to be reasonably necessary or desirable to perfect or protect the security interests hereby created, and pay all costs and expenses (including, without limitation, reasonable fees and expenses of counsel and filing fees) related to the preparation and filing of any financing statements, continuation statements or

other documents related to the perfection or protection of the security interests hereby created. Debtor hereby appoints and authorizes Secured Party as Debtor's Agent and attorney in fact to execute and/or file in any appropriate office UCC Financing Statements (and amendments thereto) and similar instruments signed by Secured Party alone to perfect, protect, maintain or enforce its security interest in the Collateral.

13. Intentionally Deleted.

14. Debtor has delivered to Secured Party the original Lease (including the original Fifth Amendment to Equipment Lease Agreement dated July 31, 1987) assigned hereunder and marked "Secured Party's Original" (and a certified true and complete copy of the Master Lease and all amendments and modifications thereto, other than said Fifth Amendment), that said original Lease is the sole and exclusive Lease counterpart deemed "chattel paper" under the Uniform Commercial Code, and, to the extent that the Lease is construed or deemed chattel-paper, there are no other counterparts of the Lease in existence that constitute "chattel paper". The Master Lease (other than said Fifth Amendment) does not form part of the "chattel paper".

15. Neither Debtor nor, to the Debtor's knowledge, the Lessee is in default under the Lease. To the Debtor's knowledge, Lessee has no defenses, set-offs or counterclaims under the Lease against Debtor as lessor, or any other party.

16. There are no agreements, undertakings or other documents relating to the Lease, which are not contained in the Lease which have not been previously furnished to Secured Party and which could give the Lessee the right to reduce, alter, cease, suspend or terminate any of the scheduled rent payments discounted by Secured Party under the Note and described in the Notice and Amendment.

17. Debtor's chief executive office and principal place of business are located at its address listed above. Debtor shall not change its name or the location of its chief executive office or principal place of business except upon thirty (30) days' prior written notice to Secured Party. Debtor has not changed its legal name nor operated under any trade name or other name within the previous five years. The exact legal name of the Debtor is as set forth in the first paragraph of this Agreement. The Debtor will not change its organizational identification number, its type of organization, its jurisdiction of organization or other legal structure.

18. Debtor has not sold, or contracted to sell, any equity interest in the Equipment or any other part of the Collateral.

19. Debtor will not declare a default under or exercise any remedies under the Lease or enter into or permit any cancellation, termination, amendment, supplement or modification of or waiver with respect to the Lease or give any consent or approval as to any matter arising out of the Lease, and any such attempted declaration, exercise, cancellation, termination, amendment, supplement, modification, waiver, consent or approval shall be void and of no effect unless the Debtor shall have received the prior written consent thereto from the Secured Party.

20. Debtor shall furnish Secured Party, promptly after receipt thereof by Debtor, all financial statements and/or notices received by Debtor from Lessee.

21. That the warranties and representations contained in the Lease are true and correct as of the date of execution and remain true and correct as of the date hereof; that the Lease is genuine and enforceable and is and will continue free from defenses, set-offs and counterclaims; that all signatures, names, addresses, amounts and other statements and facts contained therein are true and correct; that the aggregate unpaid rentals and all other sums payable under the Lease and described in the Notice and Amendment are correct; that all of the Equipment has been delivered to Lessee and has been unconditionally accepted by the Lessee; that the lease transaction conforms to all applicable laws and regulations; that Debtor shall have no authority to, and will not, without Secured Party's prior written consent, repossess or consent to the return of the Equipment.

Secured Party's knowledge at any time of any breach of or noncompliance with any of the foregoing covenants, representations or warranties shall not constitute a waiver by Secured Party.

Article III

1. Confirmatory of its grant of security interest in the Lease, to further secure payment of the Note, all other indebtedness secured hereby and performance of all of the terms, covenants, conditions and agreements contained herein, Debtor hereby collaterally assigns and transfers to Secured Party all of its right, title, interest, estate, claim and demand in, to and under the Lease, including, without limitation, any and all rents, stipulated loss value payments, casualty value payments, early termination payments, proceeds of the sale, re-lease or other disposition of the Equipment, amounts payable by reason of Lessee's default under the Lease or by reason of damage or loss to the Equipment, insurance loss payments, any and all other amounts due under the Lease of every kind and description, all supporting obligations for the Lease, and all proceeds of the foregoing. The aforesaid collateral assignment and transfer shall be effective and operative immediately and shall continue in full force and effect and Secured Party shall have the right to collect and receive all said rents and other payments (and all other proceeds of the Collateral) at all times during the period from and after the date of this Agreement until the indebtedness evidenced by the Note, and all other obligations secured hereby, shall be paid in full and discharged. Secured Party does not by this assignment or otherwise assume any of the obligations of Debtor or any other party under the Lease, and Secured Party shall not be responsible in any way for the performance by Debtor or any other party of the terms and conditions of the Lease. Debtor is, and shall remain, liable under the Lease to perform all obligations assumed by it thereunder, which may be performed by Secured Party without releasing the Debtor therefrom. Subject to the terms of the following paragraph, In the event of an Event of Loss (as such term is defined under the Lease), if Lessee has paid Debtor the Stipulated Loss Value of the Item of Equipment (and all other amounts then due and owing with respect thereto) suffering the Event of Loss, if any, Debtor shall remit to Secured Party such Stipulated Loss Value less the difference between such Stipulated Loss Value and a prepayment on the Note in an amount equal to the sum of: (A) that proportionate share of the then outstanding principal amount of the Note, which bears the same relationship to such then outstanding principal balance, as the cost (as set forth in the Fifth Amendment to the Master Lease) of the Item(s) of Equipment which was the subject of the Event of Loss bears to the aggregate of the cost of all Items of Equipment; and (B) all accrued interest, late charges, if any, and any other sums which may be due with respect to the Equipment which was the subject of the Event of Loss, to the date of such payment. Notwithstanding anything contained in the prior sentence to the contrary: (a) if any Stipulated Loss Value shall be paid at a time while an Event of Default shall then exist hereunder and be continuing, the entire Stipulated Loss Payment shall be paid to Secured Party and applied towards payment of the Note and all other sums secured by this Agreement, and (b) the amount to be deducted by Debtor from the Stipulated Loss Value payment to be remitted to Secured Party shall be in such amount that the remaining

scheduled rental payments due from the Lessee under the Lease shall be sufficient to pay the Secured Party's full debt service (i.e., all outstanding principal and interest due under the Loan). If less than all the Equipment suffers an Event of Loss, upon Secured Party's receipt of the Stipulated Loss Value payment in accordance with this Section 1, the Note shall be modified to re-amortize the payments payable thereunder for the balance of the term.

In the event of a conflict between Subsection (f) of Section 7 of Article VI and the terms of the preceding paragraph, the terms of Subsection (f) of Section 7 of Article VI shall govern.

2. Debtor constitutes Secured Party, its successors and assigns, Debtor's attorney, irrevocably, with full power (in the name of Debtor or otherwise) to demand, receive and give release for any and all moneys and claims for moneys due and to become due under or arising out of the Lease, to endorse any checks or other instruments or orders in connection therewith, to give all or any of the notices, consents, instructions or other communications reserved to Debtor in the Lease, and to file any claims or take any action to institute any proceedings, legal, equitable or otherwise, which Secured Party deems necessary or appropriate to create, perfect, protect, and preserve Secured Party's security interest and rights in the Collateral, all without affecting Debtor's liability in any manner.

3. Debtor agrees that at any time and from time, upon the written request of Secured Party, Debtor will promptly and duly execute and deliver any and all such further instruments and documents as Secured Party may reasonable require in obtaining the full benefit of this Agreement and of the rights and powers herein granted.

4. Debtor hereby agrees to perform its obligations under the Lease, to exercise promptly and diligently every right it may have under the Lease (provided such exercise shall not be adverse to Secured Party, or inconsistent with any of the Debtor's covenants, representations or warranties made herein), to immediately notify Secured Party, or any subsequent assignee of which it has notice, of any default or alleged default by any party to the Lease, or of any termination or alleged termination thereof.

Article IV

Any of the following events shall constitute an event of default (an "Event of Default") hereunder:

1. Debtor shall fail to make payment of any part of the principal of or interest on the Note when due and such default shall not be cured within ten (10) days after the Secured Party has given notice of such default to Debtor; or
2. Debtor shall default in the due observance or performance of any term, covenant or representation contained in this Agreement, or in any other document made and delivered by Debtor to Secured Party, and such default shall not be cured within twenty (20) days after Secured Party has given notice of such default to Debtor; or
3. Debtor shall remove, sell, transfer, assign, encumber, sublet or otherwise dispose of the Collateral or any portion thereof or attempt to do any of the foregoing without first obtaining Secured Party's prior written consent thereto; or

4. The Lessee shall be in default under the Lease beyond any applicable cure period provided in the Lease, or shall breach or fail to perform or observe any representation, covenant or obligation set forth in the Notice and Amendment; or
5. Debtor, any subsequent owner of the Equipment, Lessee or any guarantor of the Lease, shall cease doing business as a going concern, make an assignment for the benefit of creditors, admit in writing its inability to pay its debts as they become due, file a voluntary petition in bankruptcy, be adjudicated a bankrupt or an insolvent, file a petition seeking for itself any reorganization, readjustment, liquidation, dissolution or similar arrangement under any present or future statute, law or regulation or file an answer admitting the material allegations of a petition filed against it in any such proceeding or fail to have such petition dismissed within 60 days after filing, or consent to or acquiesce in the appointment of a trustee, receiver or liquidator of it or all or any substantial part of its assets or properties; or
6. Any certificate, statement, representation, warranty or audit contained herein or heretofore or hereafter furnished with respect hereto by or on behalf of Debtor is proven to have been incomplete, incorrect or misleading in any material respect at the time as of which the facts therein set forth were stated or certified, or having omitted any substantial contingent or unliquidated liability or claim against Debtor; or
7. If the validity or effectiveness of this Agreement, the Lease or its collateral assignment by Debtor to the Secured Party, shall be impaired, or if the Lease shall be amended, encumbered, subordinated, terminated or discharged or if Lessee shall be released from any of its covenants or obligations under the Lease, in each case except to the extent that the same shall be caused by, or shall occur with the express prior written consent of, Secured Party; or
8. If the Equipment is required to be insured under the terms of the Lease, there shall occur any uninsured damage to or loss, theft, or destruction of the Equipment or any portion thereof (excluding any deductible under the insurance policy); or
9. If the Collateral or any portion thereof is seized or levied upon under legal process; or
10. If the Secured Party receives a notice from any other secured party of a proposed disposition of the Collateral or any portion thereof or otherwise learns of any such proposed disposition (whether or not such security interest is permitted by the terms of this Agreement; nothing in this subsection shall be construed to constitute consent by Secured Party to the creation of any security interest in the Collateral other than the Secured Party's security interest therein).

Article V

1. Upon the occurrence of an Event of Default hereunder, Secured Party may, at its option, declare this Agreement to be in default, and at any time thereafter may do any one or more of the following, all of which are hereby authorized by Debtor:
 - (a) By written notice to Debtor declare the entire unpaid principal and interest due under the Note, and all other sums due hereunder, immediately due and payable, without presentment, demand or protest of any kind, all of which Debtor hereby waives.

(b) Institute proceedings against Debtor for the collection of all amounts due under the Note, and hereunder (provided that Debtor shall not be liable on a recourse basis for the payment of the principal and interest due under the Note, except to the extent expressly provided otherwise in Section 7 of Article VI below).

(c) Exercise any and all rights and remedies of a secured party under the Uniform Commercial Code in effect in the State of Illinois from time to time or any other applicable State and in addition to those rights, at its sole discretion in the event of a default under the Lease, may require Debtor (at Debtor's sole expense) to forward promptly any or all of the Equipment to Secured Party at such location as shall be reasonably required by Secured Party, or enter upon the premises where any such Equipment is located (without obligation for rent) and take immediate possession of and remove the Equipment by summary proceedings or otherwise, all without liability from Secured Party to Debtor for or by reason of such entry or taking possession, whether for the restoration of damage to property caused by taking or otherwise.

(d) Sell, lease or otherwise dispose of the Collateral at public or private sale or otherwise at such price as it may deem best, for cash, credit or otherwise, (with the right of Secured Party to purchase) and apply the proceeds:

First: To payment of all expenses and charges, including the expenses of any sale, lease of other disposition, the expenses of taking, attorneys' fees, court costs and other expenses incurred or advances made by Secured Party in the protection of its rights or the pursuance of its remedies, and to provide adequate indemnity to Secured Party against all taxes and liens which by law have, or may have, priority over the rights of Secured Party to the monies so received by Secured Party; and

Second: To the payment to Secured Party of all unpaid principal and interest due under the Note; and

Third: To the payment to Secured Party of all other sums secured by this Agreement; and

Fourth: To the payment of any surplus thereafter remaining to Debtor or to whosoever may be entitled thereto.

(e) Secured Party may exercise any other right or remedy which may be available to it under this Agreement, the Note, or applicable law, or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach thereof to rescind this Agreement in whole or in part. The exercise by Secured Party of any remedies set forth herein shall be subject to the unqualified right of Lessee, conditioned upon the Lessee performing all of the covenants and conditions of the Lease, peaceably and quietly to hold, possess and use the Equipment during the term of the Lease subject to the terms and conditions hereof.

2. Debtor shall be and remain liable for any and all unpaid additional sums due hereunder, or under the Note, before, after or during the exercise of any of the foregoing remedies; for all reasonable legal fees and other reasonable costs and expenses incurred by reason of any default or of the exercise of Secured Party's remedies with respect thereto. No remedy referred to in this Article is intended to be exclusive, but each shall be cumulative, and shall be in addition to any other remedy referred to above or otherwise available at law or in equity. Debtor hereby waives any and all existing or future claims to any offset against the sums due hereunder or under the Note and agrees to make the payments regardless of any offset or claim which may be asserted by Debtor or on its behalf in connection with this Agreement.

3. No delay or omission by Secured Party in insisting upon the strict observance or performance of any provision of this Agreement, or to exercise any right or remedy, shall be construed as a waiver or relinquishment by Secured Party of such provision, nor shall it impair such right or remedy. Every right and remedy may be exercised by Secured Party from time to time and as often as deemed expedient.

Article VI

Miscellaneous

1. This Agreement and all other related instruments and documents and the rights and obligations of the parties hereunder and thereunder shall, in all respects, be governed by and construed in accordance with, the laws of the State of Illinois, including all matters of construction, validity and performance, regardless of the location of the Equipment and without regard to conflict of law rules.

2. All notices (excluding billings and other communications in the ordinary course of business) hereunder shall be in writing, and shall be deemed given at the time of personal delivery or on the second day after mailing if by registered or certified mail, return receipt requested, addressed to the other party at its respective address stated herein or at such other address as such party shall from time to time designate in writing to the other party.

3. This Agreement shall inure to the benefit of the Secured Party, its successors and assigns, and shall be binding upon the Debtor and its successors and assigns. This Agreement and the obligations and covenants made herein may not be assigned by Debtor without the prior written consent of Secured Party.

4. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and shall not be amended or altered in any manner except by a document in writing executed by both parties.

5. All representations, warranties and covenants of Debtor contained herein or made pursuant hereto shall survive closing and continue throughout the term hereof and until all indebtedness of Debtor to Secured Party secured hereby is satisfied in full.

6. Any provision of this Agreement or of any related instrument or document executed pursuant hereto which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Debtor hereby waives any provision of law, which renders any provision hereof or thereof prohibited or unenforceable in any respect.

7. It is understood and agreed that except as set forth in the following two paragraphs, Debtor shall not be liable for the payment of any principal or interest due under the Note.

Notwithstanding anything contained in the Note or this Agreement to the contrary, Debtor hereby agrees, on a full recourse basis, to indemnify and save the Secured Party harmless of and from any and all actual and direct losses, damages, costs, expenses, claims, counterclaims, cross-claims or liabilities (including,

without limitation, reasonable attorney's fees and costs) now or hereafter incurred by the Secured Party as a result of any one or more of the foregoing (hereafter, the term "Losses" shall collectively refer to all such losses, damages, costs, expenses, claims, counterclaims, cross-claims or liabilities, including, without limitation, reasonable attorney's fees and costs):

a. Any Losses incurred by Secured Party arising out of that certain Exclusive Remarketing Agreement dated as of February 24, 2003 between Debtor and Railroad Technology Corporation.

b. Any Losses incurred by Secured Party as a result of any inaccuracy in the following statement: Debtor has, and shall maintain for so long as the Note or any other sums secured by this Agreement remain outstanding, good title to the Equipment, Lease and Payments (as hereinafter defined), free and clear of all liens, claims and encumbrances, arising by, through or under Debtor or any predecessor in interest of the Debtor, other than Permitted Liens.

The term "Payments" shall collectively refer to all of the following payments owed by Lessee under the terms of the Lease: all scheduled periodic rent payments remaining to be paid under the terms of the Lease, all stipulated loss value or casualty loss payments, all early termination payments, all purchase option payments, all renewal option payments, all proceeds of sale, re-lease or other disposition of the Equipment, all amounts payable by reason of Lessee's default under the Lease or by reason of damage or loss to the Equipment, and all other amounts due under the Lease of every kind and description.

c. Should the Lease be determined to be a "lease intended as security" under the Uniform Commercial Code, any Losses incurred by the Secured Party arising from a failure of the Secured Party to have obtained a first priority perfected security interest in the Equipment, whether as a result of lack of perfection, a priority dispute with another creditor, a security interest which is avoided in a bankruptcy, or for any other reason whatsoever, but only to the extent that the Secured Party's security interest in the Equipment is held to be required to be perfected under the Uniform Commercial Code, as opposed to in the office of the Surface Transportation Board.

d. Any Losses incurred by the Secured Party arising from any claim by any party that (i) such party has a claim of a prior interest in the Lease as "chattel paper" as defined under the Uniform Commercial Code, as a result of such party holding originals of the Lease, and the Secured Party having not received all originals of the Lease constituting "chattel paper" under the Uniform Commercial Code, or (ii) Secured Party has not received all originals of the Lease constituting "chattel paper" under the Uniform Commercial Code.

e. Any Losses incurred by the Secured Party arising from the fact that the Secured Party did not receive all exhibits and other attachments to the Lease which missing exhibits or attachments give the Lessee any claim, defense, setoff, counterclaim with respect to its unconditional obligation to pay the full amount of all scheduled rentals and other sums due under the Lease which are being discounted by the Secured Party.

f. Any Losses incurred by the Secured Party arising from an Event of Loss to any Item(s) of Equipment during the remaining term of the Lease should Secured Party not receive from Lessee a Stipulated Loss Value payment for such Item(s), in an amount sufficient to pay the Secured Party's pro-rata principal amount due under the Note (or such greater amount required pursuant to the terms of Section 1 of Article III of this Agreement).

g. Any Losses incurred by Secured Party as a result of any claim, defense, setoff or counterclaim asserted by Lessee or any third party against the Secured Party arising from any breach of obligation of Debtor or any other party under the Chock Agreement dated as of March 1, 2004 by and among Lessee, Debtor and Holden America, Inc., the Auto Rack Certification Agreement dated as of March 1, 2004 between Lessee and Debtor, the Lease or any other agreement between Lessee and Debtor.

h. Any shortage in recovery by the Secured Party of its full debt service arising from the rent acceleration language in Section 16(b)(5) of the Master Lease or from the actual use of any discount rate in any remedy under the Lease (whether contractual or imposed by a court) which is higher than the Secured Party's discount rate.

i. Any shortage in recovery by the Secured Party of its full debt service (i.e., all outstanding principal and accrued interest due under the Loan) arising from (i) the actual use of a discount rate pursuant to the terms of Section 6 of the Fifth Amendment to the Master Lease which is higher than the Secured Party's interest rate under the Note, or (ii) as a result of the Debtor not receiving the "highest legitimate all-cash offer" as set forth in Section 6 of the Fifth Amendment to the Master Lease, or (iii) Debtor's failure to perform its obligations under subsections (b) or (c) of Section 6 of the Fifth Amendment to the Master Lease.

j. Any Losses incurred by the Secured Party arising from: (i) the breach of any covenant made by Debtor in this Agreement, or (ii) any representation or warranty of Debtor of this Agreement being incomplete, incorrect or misleading in any material respect when made, contained in paragraphs [1 through 11, 14, 15 (but as to 15, solely if there shall now exist a payment default under the Lease which has not been disclosed by Debtor), 16, 17, 18 and 19] of this Agreement. Upon notice of a breach or liability under any of the items identified in this Section 7 of Article VI, Secured Party shall provide Debtor prompt written notice thereof, and opportunity to cure. Any Losses incurred by the Secured Party and covered by this Section 7 of Article VI of this Agreement as itemized above shall be paid to Secured Party within twenty (20) days after written demand therefor by Secured Party (which demand shall include a detailed listing of the Losses and the basis for the indemnity claim), and, failing timely reimbursement by Debtor, such amounts shall, together with interest thereon at the interest rate set forth in the Note, from the date incurred by Secured Party until paid, be immediately due and payable by Debtor and shall be secured by the Collateral. The obligations of Debtor under this Section 7 shall survive the repayment of the Note should Secured Party be required to disgorge any amounts received on the Note as a result of any litigation, bankruptcy or administrative proceedings or appeals therefrom.

In the event that Secured Party incurs any costs of collection and enforcement of any amounts payable under this Section 7, Debtor shall, upon demand by Secured Party, promptly reimburse Secured Party therefor, including, without limitation, reasonable attorneys' fees incurred in any litigation, bankruptcy or administrative proceedings, and appeals therefrom.

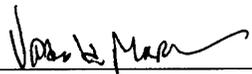
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year above written.

Debtor:

ATEL CASH DISTRIBUTION FUND V, L.P.
a California limited partnership

By: ATEL Financial Services LLC,
its General Partner

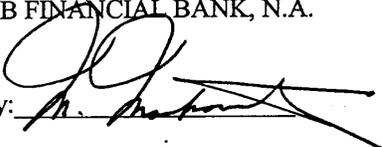
By: ATEL Leasing Corporation,
its Manager

By: 

Vasco H. Morais, Esq.
Senior Vice President

Secured Party:

MB FINANCIAL BANK, N.A.

By: 

Title: Vice President

SCHEDULE A
TO SECURITY AGREEMENT AND ASSIGNMENT OF LEASE
DATED MAY _____, 2004
 between ATEL CASH DISTRIBUTION FUND V, L.P. as Debtor
 and MB FINANCIAL BANK, N.A. as Secured Party

The Equipment consists of the following units of equipment manufactured by Thrall Car Manufacturing Company:

IER No.	ATEL Lease No.	Equipment Description	QTY
1	05DENV01WO	Bi-Level Auto Racks including End Doors	48
2	05DENV02WO	Bi-Level Auto Racks including End Doors	50
3	05DENV03WO	Bi-Level Auto Racks including End Doors	33
4	05DENV04WO	Bi-Level Auto Racks including End Doors	65
5	05DENV05WO	Bi-Level Auto Racks including End Doors	24
			220

(Please see below for individual Bi-Level Auto Racks Numbers and the corresponding Flat Car Numbers thereon installed.)

Rack and Flat Car Numbers					
No. of Units	Flat Car Number	Rack Number	No. of Units	Flat Car Number	Rack Number
1	TTGX156049	495	43	TTGX158653	632
2	TTGX156060	788	44	TTGX158676	556
3	TTGX156085	465	45	TTGX158840	608
4	TTGX156154	467	46	TTGX159016	496
5	TTGX156213	493	47	TTGX159095	553
6	TTGX156426	536	48	TTGX159107	587
7	TTGX156652	641	49	TTGX159118	779
8	TTGX157337	486	50	TTGX159125	483

<u>No. of</u> <u>Units</u>	<u>Flat Car</u> <u>Number</u>	<u>Rack</u> <u>Number</u>	<u>No. of</u> <u>Units</u>	<u>Flat Car</u> <u>Number</u>	<u>Rack</u> <u>Number</u>
9	TTGX157382	541	51	TTGX159141	617
10	TTGX157387	624	52	TTGX159205	458
11	TTGX157399	549	53	TTGX159208	517
12	TTGX157413	542	54	TTGX159275	574
13	TTGX157442	471	55	TTGX159278	599
14	TTGX157479	562	56	TTGX159294	625
15	TTGX157484	783	57	TTGX159330	537
16	TTGX157490	559	58	TTGX159367	586
17	TTGX157705	508	59	TTGX159392	548
18	TTGX157729	525	60	TTGX159397	534
19	TTGX157736	637	61	TTGX159408	583
20	TTGX157772	457	62	TTGX159426	614
21	TTGX157818	797	63	TTGX159428	535
22	TTGX157834	564	64	TTGX159477	786
23	TTGX157846	521	65	TTGX159514	781
24	TTGX157898	510	66	TTGX159538	479
25	TTGX157934	606	67	TTGX159555	485
26	TTGX158130	464	68	TTGX159602	515
27	TTGX158190	601	69	TTGX159614	558
28	TTGX158198	487	70	TTGX159684	539
29	TTGX158221	526	71	TTGX159693	551
30	TTGX158320	629	72	TTGX159722	463
31	TTGX158323	532	73	TTGX159726	484
32	TTGX158332	628	74	TTGX159731	798
33	TTGX158349	503	75	TTGX159736	494
34	TTGX158351	578	76	TTGX159739	590
35	TTGX158354	644	77	TTGX159760	481
36	TTGX158359	631	78	TTGX159794	597
37	TTGX158361	635	79	TTGX159813	784
38	TTGX158363	610	80	TTGX159816	567
39	TTGX158372	636	81	TTGX159824	502
40	TTGX158375	626	82	TTGX159828	585
41	TTGX158577	540	83	TTGX159829	491
42	TTGX158634	560	84	TTGX159843	523

<u>No. of</u> <u>Units</u>	<u>Flat Car</u> <u>Number</u>	<u>Rack</u> <u>Number</u>	<u>No. of</u> <u>Units</u>	<u>Flat Car</u> <u>Number</u>	<u>Rack</u> <u>Number</u>
85	TTGX159870	509	127	TTGX255982	528
86	TTGX159902	511	128	TTGX603023	544
87	TTGX159959	643	129	TTGX603054	602
88	TTGX159989	561	130	TTGX603078	455
89	TTGX160023	480	131	TTGX603081	453
90	TTGX160035	622	132	TTGX603103	451
91	TTGX160052	474	133	TTGX603152	516
92	TTGX160102	506	134	TTGX603157	482
93	TTGX160104	501	135	TTGX603163	603
94	TTGX160116	607	136	TTGX603166	456
95	TTGX160159	490	137	TTGX603233	785
96	TTGX160187	472	138	TTGX603263	492
97	TTGX160197	546	139	TTGX603324	793
98	TTGX160229	500	140	TTGX603333	792
99	TTGX160270	787	141	TTGX603368	452
100	TTGX160298	572	142	TTGX603453	796
101	TTGX160303	477	143	TTGX603457	454
102	TTGX160307	507	144	TTGX603504	642
103	TTGX160365	623	145	TTGX603509	505
104	TTGX160385	600	146	TTGX603524	499
105	TTGX160389	460	147	TTGX603545	497
106	TTGX160391	538	148	TTGX603578	648
107	TTGX160417	461	149	TTGX603587	645
108	TTGX160426	582	150	TTGX603595	531
109	TTGX160438	476	151	TTGX603597	533
110	TTGX160459	512	152	TTGX603600	791
111	TTGX160479	580	153	TTGX603618	634
112	TTGX160648	568	154	TTGX603678	450
113	TTGX160672	647	155	TTGX603791	605
114	TTGX160696	782	156	TTGX603917	774
115	TTGX160700	514	157	TTGX604064	573
116	TTGX160732	789	158	TTGX604199	639
117	TTGX253765	588	159	TTGX604225	489
118	TTGX254292	545	160	TTGX604249	627
119	TTGX254354	470	161	TTGX604268	790
120	TTGX254368	591	162	TTGX604289	649
121	TTGX254914	547	163	TTGX604313	619
122	TTGX254933	478	164	TTGX604383	563
123	TTGX254996	468	165	TTGX604399	633

<u>No. of</u> <u>Units</u>	<u>Flat Car</u> <u>Number</u>	<u>Rack</u> <u>Number</u>	<u>No. of</u> <u>Units</u>	<u>Flat Car</u> <u>Number</u>	<u>Rack</u> <u>Number</u>
124	TTGX255333	780	166	TTGX604486	579
125	TTGX255582	459	167	TTGX604496	596
126	TTGX255748	466	168	TTGX604514	566

<u>No. of</u> <u>Units</u>	<u>Flat Car</u> <u>Number</u>	<u>Rack</u> <u>Number</u>	<u>No. of</u> <u>Units</u>	<u>Flat Car</u> <u>Number</u>	<u>Rack</u> <u>Number</u>
169	TTGX912940	530	208	TTGX965153	646
170	TTGX930535	584	209	TTGX965162	612
171	TTGX941132	570	210	TTGX965172	615
172	TTGX941747	550	211	TTGX965179	576
173	TTGX941754	513	212	TTGX965204	595
174	TTGX941756	504	213	TTGX965241	616
175	TTGX941768	543	214	TTGX965250	621
176	TTGX941770	581	215	TTGX965279	592
177	TTGX941877	522	216	TTGX965385	555
178	TTGX941895	557	217	TTGX965456	575
179	TTGX942034	569	218	TTGX965482	552
180	TTGX942116	488	219	TTGX965847	620
181	TTGX961859	524	220	TTGX966177	469
182	TTGX962207	777			
183	TTGX962217	795			
184	TTGX962249	475			
185	TTGX962250	611			
186	TTGX962253	604			
187	TTGX962804	520			
188	TTGX962916	571			
189	TTGX962963	527			
190	TTGX963037	519			
191	TTGX963109	577			
192	TTGX963217	473			
193	TTGX963896	618			
194	TTGX963978	529			
195	TTGX964142	518			
196	TTGX964241	609			
197	TTGX964261	640			
198	TTGX964386	554			
199	TTGX964607	776			
200	TTGX964650	565			
201	TTGX964978	794			
202	TTGX965015	630			
203	TTGX965055	638			
204	TTGX965089	594			
205	TTGX965090	589			
206	TTGX965100	613			
207	TTGX965104	778			