

Form PTO-1594 (Rev. 6-93) **RECORDATION FORM COVER SHEET** U.S. DEPARTMENT OF COMMERCE
 OMB No. 0651-0011 (exp. 4/94) **TRADEMARKS ONLY** Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original document or copy thereof

1. Name of conveying party(ies):
 JAC Patent Company
 17 Johns Street
 Johnstown, PA 15907

Individual(s) Association
 General Partnership Limited Partnership
 Corporation: State of Delaware
 Other _____

2. Name and address of receiving party(ies):
 LaSalle Bank National Association
 135 South LaSalle Street
 Chicago, IL 60603

Individual(s) Association
 General Partnership Limited Partnership
 Corporation: State of _____
 Other A National Banking Association

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: September 11, 2003

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)

4. Application number(s) or trademark number(s), and identification or description of the mark(s):

A. Trademark Application No(s), and description

B. Trademark Registration No(s), and description
1,798,623, filed 11/25/91

5. Name and address of party to whom correspondence concerning document should be mailed:
 Elizabeth DeMinico
 FAEGRE & BENSON LLP
 2200 Wells Fargo Center
 90 South Seventh Street
 Minneapolis, MN 55402-3901
 612/766-8321

6. Total number of applications and registrations involved: 01

7. Total fee (37 CFR 3.41) \$40.00

Enclosed
 Authorized to be charged to deposit account for underpayment

8. Deposit Account number: 06-0029

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Elizabeth DeMinico
Name of person signing

E. DeMinico
Signature

October 29, 2003
Date

Attorney Docket No. 56070-293408

Total number of pages including cover sheet, attachments, and document: 12

Mail documents to be recorded with required cover sheet information to:
Director - U.S. Patent and Trademark Office, Box Assignments
Washington, D.C. 20231

CH \$40.00 060029 1798623

Execution Copy

PATENT AND TRADEMARK SECURITY AGREEMENT

This Agreement, dated as of September 11, 2003, is made by and between JAC PATENT COMPANY, a Delaware corporation (the "Debtor"), and LASALLE BANK NATIONAL ASSOCIATION, a national banking association (the "Secured Party").

Pursuant to a Credit Agreement of even date herewith (as the same may be amended, supplemented or restated from time to time, the "Credit Agreement"), the Secured Party may extend credit accommodations to JOHNSTOWN AMERICA CORPORATION, a Delaware corporation, FREIGHT CAR SERVICES, INC., a Delaware corporation, JAIX LEASING COMPANY, a Delaware corporation and JAC OPERATIONS, INC., a Delaware corporation (the "Co-Borrowers").

As a condition to extending credit to the Co-Borrowers, the Secured Party has required the execution and delivery of the Debtor's Guaranty of even date herewith, guaranteeing the payment and performance of all obligations of the Co-Borrowers arising under or pursuant to the Credit Agreement (the "Guaranty").

As a further condition to extending credit to the Co-Borrowers under the Credit Agreement, the Secured Party has required the execution and delivery of this Agreement by the Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Credit Agreement and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Obligations" means each and every debt, liability and obligation of every type and description which the Debtor may now or at any time hereafter owe to the Secured Party, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, or absolute or contingent, including without limitation all obligations under the Guaranty.

"Patents" means all of the Debtor's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

"Security Interest" has the meaning given in Section 2.

"Trademarks" means all of the Debtor's right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, (iv) and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. Security Interest. The Debtor hereby irrevocably pledges and assigns to, and grants the Secured Party a security interest (the "Security Interest"), with power of sale to the extent permitted by law and this Agreement, in the Patents and in the Trademarks to secure payment of the Obligations. As set forth in the Guaranty, the Security Interest is coupled with a security interest in substantially all of the personal property of the Debtor.

3. Representations, Warranties and Agreements. The Debtor hereby represents, warrants and agrees as follows:

(a) **Existence; Authority.** The Debtor is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of the Debtor.

(b) **Patents.** Exhibit A accurately lists all Patents owned or controlled by the Debtor as of the date hereof, or to which the Debtor has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, the Debtor owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then the Debtor shall within 60 days provide written notice to the Secured Party with a replacement Exhibit A, which upon acceptance by the Secured Party shall become part of this Agreement.

(c) **Trademarks.** Exhibit B accurately lists all Trademarks owned or controlled by the Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit B need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to the Debtor's or any Affiliate's businesses. If after the date hereof, the Debtor owns or controls any Trademarks not listed on Exhibit B (other than common law marks which are not material to the Debtor's or any Affiliate's businesses), or if Exhibit B ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then the Debtor shall promptly provide written notice to the Secured Party with a replacement Exhibit B, which upon acceptance by the Secured Party shall become part of this Agreement.

(d) **Affiliates.** As of the date hercof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by the Debtor, constitute Patents or Trademarks. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then the Debtor shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to the Debtor; or (ii) notify the Secured Party of such item(s) and cause such Affiliate to execute and deliver to the Secured Party a patent and trademark security agreement substantially in the form of this Agreement.

(e) **Title.** The Debtor has absolute title to each Patent and each Trademark listed on Exhibits A and B, free and clear of all Liens except Permitted Liens. The Debtor (i) will have, at the time it acquires any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Patents and Trademarks free and clear of all Liens except Permitted Liens.

(f) **No Sale.** Except as permitted in the Guaranty, the Debtor will not assign, transfer, encumber or otherwise dispose of the Patents or Trademarks, or any interest therein, without the Secured Party's prior written consent.

(g) **Defense.** The Debtor will at its own expense and using commercially reasonable efforts, protect and defend the Patents and Trademarks against all claims or demands of all Persons other than those holding Permitted Liens.

(h) **Maintenance.** The Debtor will at its own expense maintain the Patents and the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. The Debtor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing the Secured Party: (i) sufficient written notice, of at least 30 days, to allow the Secured Party to timely pay any such maintenance fees or annuities which may become due on any Patents or Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(i) **Secured Party's Right to Take Action.** If the Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Secured Party gives the Debtor written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtor notifies the Secured Party that it intends to abandon a Patent or Trademark, the Secured Party may (but need not) perform or observe such

covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(j) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Debtor shall pay the Secured Party on demand the amount of all moneys expended and all reasonable costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Secured Party at the Default Rate.

(k) **Power of Attorney.** Upon the occurrence and during the continuation of an Event of Default, and to facilitate the Secured Party's taking action under subsection (i) and exercising its rights under Section 6, the Debtor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as its attorney-in-fact with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Debtor under this Section 3, or, necessary for the Secured Party to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. The Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Guaranty as provided therein and the payment and performance of all Obligations.

4. **Debtor's Use of the Patents and Trademarks.** The Debtor shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. **Events of Default.** Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) the Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it and such failure shall continue for a period of ten (10) calendar days after written notice from the Secured Party; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Guaranty.

(b) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) The Secured Party may enforce the Patents and Trademarks and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

7. Intercreditor Agreement. The Co-Borrowers are pursuing additional financing from GE Capital. In the event GE Capital provides such financing, the Secured Party and GE Capital will enter into an intercreditor agreement. This agreement, including without limitation, Sections 2 and 6, shall be subject to the terms of such intercreditor agreement.

8. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged only explicitly in a writing signed by the Secured Party and the Debtor, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to the Debtor under this Agreement shall be given in the manner and with the effect provided in the Guaranty. The Secured Party shall not be obligated to preserve any rights the Debtor may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Debtor and delivered to the Secured Party, and the Debtor waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement signed by the Debtor or of any financing statement shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of Illinois without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or

unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

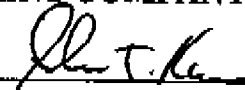
THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

[Signature Page Follows]

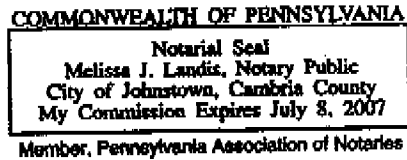
IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

Address: 17 Johns Street
Johnstown, PA 15907
Attention: Glen T. Karan
Facsimile: (814) 533-5010

JAC PATENT COMPANY

By 
Name: Glen T. Karan
Title: Vice President-Finance and
Administration, Secretary and Treasurer

STATE OF Pennsylvania)
COUNTY OF Cambria)



The foregoing instrument was acknowledged before me this 12th day of September, 2003, by Glen T. Karan, the Vice President-Finance and Administration, Secretary, and Treasurer of JAC Patent Company, a Delaware corporation, on behalf of the corporation.


Notary Public

[Signature Page 1 of 2 to JAC Patent Company Patent and Trademark Security Agreement]

Address:

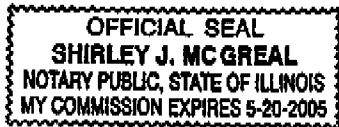
LASALLE BANK NATIONAL ASSOCIATION

135 South LaSalle Street
Chicago, Illinois 60603
Attn: Robert W. Hart, First Vice
President
Telecopy No. (312) 904-2903

By *Robert W. Hart*
Name: Robert W. Hart
Title: Its First Vice President

STATE OF ILLINOIS)
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 11 day of
September, 2003, by Robert W. Hart, First Vice President of LaSalle Bank National
Association, a national banking association, on behalf of the national association.



Shirley J. McGreal
Notary Public

[Signature Page 2 of 2 to JAC Patent Company Patent and Trademark Security Agreement]

EXHIBIT A**UNITED STATES ISSUED PATENTS**

Description	Status	Application Number	Application Date	Patent Number	Patent Date
Top Chord Structure	Issued	09/920,436	Aug-01	6,601,522	Aug-03
Manual Discharge Door Operating System for a Hopper Car with Lever (Uniflood)	Issued	09/584,571	May-00	6,405,658	Jun-02
Railroad Car Tub	Issued	09/561,152	Aug-00	6,330,863	Dec-01
Method of Cold Forming Center Sill for a Railcar (One and Two Piece)	Issued	08/953,337	Oct-97	6,119,345	Sep-00
Lightweight Hopper Car (AutoFlood II)	Issued	08/843,007	Apr-97	5,934,200	Aug-99
Gondola Railcar Chinese BethGon	Issued	08/786,920	Jan-97	5,813,353	Sep-98
Side Stake for Rotary Dump Railroad Cars	Issued	08/667,368	Jun-96	5,727,475	Mar-98
Non-metallic Polymer Longitudinal Hood Collar	Issued	176,661	Jan-94	5,390,607	Feb-95
Two Piece Center Sill Shroud for Railway Cars	Issued	08/202,805	Feb-94	5,367,958	Nov-94
Top Chord Member for Railway Cars	Issued	639,459	Jan-91	5,070,793	Dec-91

FOREIGN ISSUED PATENTS

Country	Description	Status	Application	
			Number	Date
Brazil	Railroad Car Having Cold Formed Center Sill	Allowed	PI 9,711,464.2	Sep-97
Canada	One Piece Center Sill	Pending	2,189,726	Nov-96
Canada	Railroad Car Having Cold Formed Center Sill	Pending	2,266,032	Sep-99
PCT	AVC Doors	Filed	PCT/US01/42203	Sep-01

US PENDING PATENT APPLICATIONS

Description:	Application Number:	Filed:
REDACTED		

EXHIBIT B**UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS
AND COLLECTIVE MEMBERSHIP MARKS****REGISTRATIONS**

Country	Description	Filed	Application Number	Registration Number
Canada	Trademark - "BethGon Coalporter"	7/26/93	733,822	440,527
Canada	Trademark - "Coalporter"	7/26/93	733,814	440,526
Canada	Trademark - "Johnstown America"	2/2/93	721,859	463,111
Canada	Trademark - "BethGon"	7/26/93	733,792	442,306
US	Trademark - "BethGon"	11/25/91	224680	1,798,623

APPLICATIONS

None.

COLLECTIVE MEMBERSHIP MARKS

None.

UNREGISTERED MARKS

None.