

SCHIFF HARDIN & WAITE

A Partnership Including Professional Corporations

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14788
REGISTRATION NO. Filed 1425
SEP 16 1985 2:03 PM
INTERSTATE COMMERCE COMMISSION September 13, 1985

BY MESSENGER

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

No. 5-259A034
Date SEP 16 1985
Fee \$ 50.00-10
returned 40.00
ICC Washington D.C.

ICC OFFICE OF
THE SECRETARY
SEP 16 1 52 PM '85
MOTOR OPERATING UNIT

Re: Security Agreement dated as of August 22, 1985 between Residual Based Finance Corporation, Lessor, and The Philadelphia Saving Fund Society, secured party.

Dear Sir or Madam,

I have enclosed an original and one counterpart of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a security agreement dated August 22, 1985.

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

Lessor: Residual Based Finance Corporation
3 First National Plaza
Suite 1400
Chicago, Illinois 60602

Secured Party: 1234 Market Street
12th Floor
Philadelphia, PA 19107

A description of the equipment covered by the document follows:

SCHIFF HARDIN & WAITE

Secretary
September 13, 1985
Page 2

Description of Equipment

The following railroad equipment owned by Lessor:

<u>Type of Unit</u>	<u>Number of Units</u>	<u>Serial Numbers</u>
(1) 86' Boxcars (100 Tons each)	107	295623 through 295729
(2) 52.5' Gondolas (100 Tons each)	28	564695 and 564698 and 564703 and 564706 and 564710 and 564715 through 564718 and 564744 and 564748 and 564769 and 564777 and 564779 and 564781 and 564783 and 564805 and 564815 and 564831 and 564854 and 564871 and 564878 and 564889 and 564903 and 564904 and 564920 and 564935 and 564940
(3) 52.5' Gondolas (100 Tons each)	96	40,000 through 40,043 and 40,045 through 40,063 and 40,065 through 40,081 and 40,084 through 40,099
(4) Coil Steel Flat Cars	132	752600 through 752697 and 752699 through 752712 and 752714 through 752721 and 752723 through 752734
(5) 86' Boxcars (70 Tons each)	15	295607 through 295619 and 295621 through 295622

SCHIFF HARDIN & WAITE

Secretary
September 13, 1985
Page 3

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

Security Agreement dated as of August 22, 1985 between Residual Based Finance Corporation, Lessor, and The Philadelphia Savings Fund Society, secured party.

Very truly yours,



Cheryl B. Stern
Legal Assistant

CBC/c11
Enclosures
cc: Todd Young

14788

REGISTRATION NO. Filed 1425

SEP 16 1985 - 2 02 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

Dated as of August 22, 1985

between

RESIDUAL BASED FINANCE CORPORATION

Lessor

and

THE PHILADELPHIA SAVING FUND SOCIETY

Secured Party

ARTICLE I

Particular Covenants of Lessor

SECTION 1.01. Warranty of Title. Lessor hereby represents and warrants that each of the Lease, the Purchase Agreement, the Assignment, and the Bill of Sale is in full force and effect and warrants that (i) its ownership of the Equipment and its right, title and interest in, and to, each of the Lease, the Purchase Agreement, the Assignment, the Bill of Sale and the other Collateral are each free and clear of all liens, charges and other encumbrances except Permitted Encumbrances and (ii) this Agreement creates a valid lien on Lessor's rights in, and to, the Equipment, the Lease, the Purchase Agreement, the Assignment, the Bill of Sale and the other Collateral, subject only to Permitted Encumbrances. Until payment in full of the Note and all of its other obligations secured hereby, Lessor will warrant and defend its interest in, and to, the Lease, the Equipment, the Purchase Agreement, the Assignment, the Bill of Sale, and the other Collateral against the claims and demands of all persons (other than the Permitted Encumbrances described in clauses (i), (ii), (iv) and (v) of the definition of that term) and will maintain the lien created under this Agreement. Lessor has full power and lawful authority to grant the security interest granted by this Agreement.

SECTION 1.02. Protection of Collateral. Lessor will from time to time execute and deliver all such supplements and amendments hereto and to any Security Instrument, and all such financing statements and continuation statements, and will take such other action, as the Secured Party reasonably requests and deems necessary or advisable to (a) maintain in effect Secured Party's security interest in all or any portion of the Collateral, (b) maintain or preserve the lien of this Agreement or carry out more effectively the purposes hereof, (c) perfect, publish notice of or protect the validity of any Security Instrument, or of any grant made or to be made by this Agreement, whether or not any of the Equipment is moved from its situs as of the date hereof, (d) enforce any Security Instrument, or (e) preserve and defend Lessor's interest in and to the Collateral and the rights of the Secured Party therein against the claims of all persons and parties.

SECTION 1.03. Performance of Obligations. Lessor will punctually perform and observe all of its obligations and agreements contained in each Security Instrument. Lessor will notify the Secured Party of any default by any person under any Security Instrument promptly after obtaining actual knowledge thereof.

SECTION 1.04. Negative Covenants. Lessor will not:

(a) sell, lease, transfer, exchange or otherwise dispose of any of the Collateral except pursuant to the terms of the Lease, except that Lessor may, with the prior written consent of Secured Party (which will not be unreasonably withheld), transfer the Equipment and the Lease to a corporation of which Lessor owns a majority of the outstanding voting stock or a partnership of which Lessor is a controlling general partner if such entity assumes all of Lessor's obligations hereunder and under the Note (but no such transfer shall release Lessor of any obligation hereunder or thereunder);

(b) obtain or carry insurance ("Additional Insurance") relating to the Equipment separate from that required by the Lease or this Agreement, unless (i) the proceeds are payable to the Secured Party under a mortgagee endorsement, or (ii) under the terms of the policy under which such Additional Insurance is obtained, in the reasonable opinion of the Secured Party, the interest of the Secured Party in any insurance required by the Lease or this Agreement is in no way jeopardized, diminished or impaired;

(c) take or permit any action which would result in an Event of Default under subsection (d) or (e) of Section 4.01; or

(d) claim any credit on, or make any deduction from, the principal or interest payable on the Note by reason of the payment of any taxes levied or assessed upon any of the Collateral.

SECTION 1.05. Payment of Taxes. Lessor will pay or cause to be paid all taxes (including income, franchise and gross receipts taxes) which are at any time or from time to time levied upon or assessed against Lessor. The foregoing sentence shall not prevent Lessor from contesting any such tax by appropriate Proceedings so long as (a) such Proceedings shall suspend the collection thereof, (b) no part of the Collateral would be subject to sale, forfeiture or diminution and (c) Lessor shall have furnished such security as may be required in the Proceedings or reasonably requested by the Secured Party. Lessor will conduct such contests in good faith and with due diligence and will, promptly after the final determination of each such contest, pay all amounts which shall be determined to be payable in respect thereof.

SECTION 1.06. Assignment of Lease. Confirmatory of its grant of a security interest in the Lease, Lessor hereby irrevocably assigns to the Secured Party, subject to the provisions of this Agreement, as security for the payment of all amounts payable under or in respect of the Note and this Agreement, and as security for compliance with the provisions hereof and thereof, all of its estate, right, title, interest, claim and demand in, to and under the Lease and all rentals due under the Lease, commencing with the installment of rentals due on August 25, 1985, damages and other moneys from time to time payable to or receivable by Lessor under the Lease (said sums being herein called the "Moneys"). So long as no Event of Default shall have occurred under this Agreement, Lessor shall be entitled to exercise all of its rights under the Lease except the right to receive Moneys from the Lessee and except to the extent that such exercise would violate any provision of this Agreement.

ARTICLE II

Possession, Use and Transfer

SECTION 2.01. Collection of Moneys. The Secured Party may demand payment or delivery of and shall receive and collect all Moneys and other property payable to or receivable by the Secured Party pursuant to this Agreement or any Security Instrument from and after the date hereof. The Secured Party shall hold all such Moneys and property received by it as part of the Collateral, and shall apply and remit it as provided in this Agreement. If any default occurs in the making of any payment or performance under any Security Instrument, the Secured Party may take such action as it shall have power to take and as may be appropriate to enforce such payment or performance, including the institution and prosecution of appropriate Proceedings. Any such action shall be without prejudice to any right to claim a Default or Event of Default under this Agreement and to proceed thereafter as provided in Article IV.

SECTION 2.02. Transfer of Collateral. So long as the Note is outstanding, Lessor will not permit any lien or security interest to attach to the Collateral (other than Permitted Encumbrances) and will not otherwise transfer the Collateral or any part thereof or interest therein, except as provided in Section 1.04 (a), without the prior written permission of the Secured Party.

SECTION 2.03. Condemnation. Lessor shall notify the Secured Party of any condemnation or other eminent domain proceedings with respect to the Equipment immediately upon its obtaining knowledge thereof. The Secured Party may participate in any such proceedings. Lessor shall provide

the Secured Party with all instruments required by it to permit such participation upon obtaining actual knowledge thereof.

ARTICLE III

Application of Moneys; Prepayment

SECTION 3.01. Payments. If no Event of Default shall be continuing, Moneys received under the Lease by the Secured Party, except as otherwise provided herein, shall be applied forthwith to the payment of all interest (including penalties) and principal then payable on the Note, and any balance shall be remitted to or upon the order of Lessor.

SECTION 3.02. Casualty Value Payments. Provided no Event of Default shall be continuing, if Secured Party receives any payment of Casualty Value pursuant to Section 6 of the Lease (including any insurance proceeds and condemnation or similar awards), Secured Party will apply to prepayment of the Note (at a price of 100% of the unpaid principal amount thereof, together with all interest then accrued and unpaid thereon, but without any prepayment penalty or premium) the amount determined by multiplying the amount of Casualty Value so received by a fraction, the numerator of which is the original purchase price of the item which is the subject of the payment of Casualty Value (determined by reference to Schedule A to the Original Lease), and the denominator of which is the original purchase price of all the Equipment subject to this Agreement (as so determined); and the balance, if any, shall be paid to or upon the order of Lessor.

SECTION 3.03. Prepayment in General. The Note shall be prepaid only to the extent expressly permitted by Section 3.02 of this Agreement. Any prepayment under Section 3.02 will be applied to the principal portions of the remaining installments due under the Note in the proportion which such principal portions bear to each other. Upon any such prepayment, Lessor will prepare a revised amortization schedule which, when approved by Secured Party, will replace the amortization schedule theretofore attached to the Note.

ARTICLE IV

Events of Default and Remedies

SECTION 4.01. Events of Default. Any of the following occurrences or acts shall constitute an Event of Default under this Agreement:

(a) If default shall be made in the payment of any interest or principal on the Note when and as the same shall become payable, whether at maturity or by acceleration or as part of any prepayment or otherwise, and such default should have continued for a period of 10 days after Secured Party shall have given Lessor written or telephonic notice thereof; or

(b) If there shall be default in the due observance of any provision of Section 1.04 (a), (c) or (d) hereof; or

(c) If there shall be default in the due observance or performance of any other provision of this Agreement, and such default shall have continued for a period of 30 days after notice thereof shall have been given to Lessor by the Secured Party; or

(d) If any Security Instrument shall be amended, hypothecated, subordinated, terminated or discharged or if any person shall be released from any of its covenants or obligations under any Security Instrument, in each case except to the extent that the same shall be caused by, or shall occur with the express written consent of, the Secured Party; or

(e) If any lien, charge, security interest, mortgage, pledge or other encumbrance shall be created on, or extend to or otherwise arise upon or burden the Collateral or any part thereof or any interest therein or the revenues, rents, issues or profits thereof, other than Permitted Encumbrances; or

(f) If any material representation or warranty of Lessor made in this Agreement, in any Security Instrument or in any certificate or other writing delivered pursuant hereto or thereto, shall prove to be incorrect in any material respect as of the time when the same shall have been made; or

(g) In an Event of Default as defined in the Lease shall occur and shall be deemed material by the Secured Party in its reasonable discretion; or

(h) If Lessor shall file a petition in bankruptcy or for reorganization or for an arrangement or any composition, readjustment, liquidation, dissolution or similar relief pursuant to the

Bankruptcy Code or under any similar present or future federal or state law, or shall be adjudicated a bankrupt or if an order for relief or similar order shall be entered in any such proceeding;

(i) If a petition or answer shall be filed proposing the adjudication of Lessor as a bankrupt or its reorganization or arrangement, or any composition, readjustment, liquidation, dissolution or similar relief with respect to it pursuant to the Bankruptcy Code or any similar present or future federal or state law, and Lessor shall consent to the filing thereof, or such petition or answer shall not be discharged or denied within 90 days after the filing thereof; or

(j) If a receiver, trustee or liquidator (or other similar official) of Lessor, or of all or substantially all of the assets of Lessor or of the Collateral or any portion thereof shall be appointed and shall not be discharged within 60 days thereafter, or if Lessor shall consent to or acquiesce in such appointment.

SECTION 4.02. Remedies. If an Event of Default shall have occurred and be continuing, the Secured Party may do one or more of the following:

(a) give notice to Lessor declaring the entire unpaid principal amount of the Note, together with all accrued interest and other sums then owing under this Agreement, to be forthwith payable, and demanding that the same be paid, and thereupon all such amounts shall be forthwith payable, together with all costs and expenses of collection, notwithstanding any contrary provision contained in this Agreement or the Note;

(b) institute Proceedings for the collection of all amounts then payable on the Note or under this Agreement, whether by declaration or otherwise, enforce any judgment obtained, and collect moneys adjudged due from the Collateral;

(c) sell the Collateral or any portion thereof or rights or interest therein, at one or more public or private sales called and conducted in any manner permitted by law;

(d) take any other appropriate action to protect and enforce the rights and remedies of the

Secured Party hereunder, or under or in respect of any Security Instrument, or otherwise; and

(e) exercise all the rights and remedies provided to a secured party by the Uniform Commercial Code;

provided, that, so long as Lessee shall not be in default of any of the provisions of either the Lease or the Consent, the Secured Party shall not disturb Lessee's quiet and peaceful possession of the Equipment and its unrestricted right to use the Equipment for its intended purpose.

SECTION 4.03. Sale of Collateral.

(a) The Secured Party's right to sell the Collateral shall not be exhausted by any one or more sales as to any portion of the Collateral remaining unsold, but shall continue unimpaired until the entire Collateral shall have been sold or all amounts payable on the Note and under this Agreement shall have been paid. The Secured Party may from time to time postpone any sale by public announcement made at the time and place of such Sale.

(b) The Secured Party may bid for and acquire any portion of the Collateral in connection with a public sale thereof, and may pay all or part of the purchase price by crediting against amounts owing on the Note or other amounts secured by this Agreement, all or part of the net proceeds of such sale after deducting the costs, charges and expenses incurred by the Secured Party in connection with such sale. The Note need not be produced in order to complete any such Sale, or in order to cause there to be credited thereon such net proceeds. The Secured Party may hold, lease, operate, manage or otherwise deal with any property so acquired in any manner permitted by law.

(c) The Secured Party shall execute and deliver an appropriate instrument of conveyance transferring its interest in any portion of the Collateral in connection with a sale thereof. No purchaser or transferee at such a sale shall be bound to ascertain the Secured Party's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys.

(d) If any Equipment is subject to the Lease at the time of any sale, the Secured Party need not obtain actual possession of such Equipment in

order to effect such sale, but may effect such sale subject to the Lease without interference with Lessee's rights under the Lease, including, without limitation, Lessee's rights to quiet and peaceful possession of the Equipment and its unrestricted right to use the Equipment for its intended purpose.

SECTION 4.04. Action on the Note. The Secured Party's right to seek and recover judgment on the Note or under this Agreement shall not be affected by seeking, obtaining or application of any other relief under or with respect to this Agreement. Neither the lien of this Agreement nor any rights or remedies of the Secured Party shall be impaired by the recovery of any judgment by the Secured Party against Lessor or by the levy of an execution under such judgment upon any portion of the Collateral.

SECTION 4.05. Distribution of Collateral. Upon enforcement of this Agreement, all moneys constituting a part of the Collateral shall be applied from time to time by the Secured Party as follows:

First: To the payment of all costs, expenses, liabilities and compensation of the Secured Party (including reasonable fees and expenses of its agents and counsel) incurred or accrued in connection with any Proceedings brought by the Secured Party or in connection with the maintenance, sale or other disposition of the Collateral.

Second: To the payment of all amounts of unpaid interest then due and payable on the Note.

Third: To the payment of all amounts of unpaid principal of the Note then due and payable.

Fourth: To the payment of all other sums secured by this Agreement.

Fifth: To the payment of any surplus to Lessor or any other person legally entitled thereto.

SECTION 4.06. Rights Cumulative. All rights and remedies from time to time conferred upon or reserved to the Secured Party are cumulative, and none is intended to be exclusive of another. No delay or omission 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 of such provision, nor shall it impair such right or remedy. Every right

and remedy may be exercised from time to time and as often as deemed expedient.

ARTICLE V

Defined Terms

SECTION 5.01. Definitions. When used in this Agreement, each term defined in this Article V shall have the meaning indicated:

"After-Acquired Property" - all future extensions, improvements, betterments, alterations, repairs, renewals, substitutions and replacements of, and all future additions and appurtenances to, and all other equipment to be physically annexed to, the Equipment except any of the foregoing which are not financed by the Secured Party and which can be removed from the Equipment without materially impairing its operation or value; all moneys and other property (including amendments or supplements to any Security Instrument) which may from time to time be or become subject to the lien hereof, or which may come into the possession or be subject to the control of the Secured Party pursuant to this Agreement or any Security Instrument.

"Assignment" - as defined in the Note Agreement.

"Bill of Sale" - as defined in the Note Agreement.

"Collateral" - all money, instruments and other property subject or intended to be subject to the lien of this Agreement as of any particular time (including, without limitation, all property and interests described in the Granting Clause of this Agreement), and all right, title and interest of the Secured Party in, to and under each Security Instrument and all money and property received by the Secured Party pursuant thereto.

"Consent" - the Consent of Lessee dated August 22, 1985.

"Default" - any occurrence which with notice or lapse of time would be an Event of Default.

"Equipment" - the property described in Schedule A annexed hereto.

"Event of Default" - as defined in Section 4.01 of this Agreement.

"Installment Payments" - as defined in the Note.

"Lease" - as defined in the Note Agreement.

"Lessee" - Consolidated Rail Corporation, a Pennsylvania corporation.

"Lessor" - as defined in the introductory paragraph of this Agreement.

"Note" - Lessor's 12.10% Secured Installment Note due June 25, 1990, issued under the Note Agreement.

"Note Agreement" - the Note Agreement, dated August 22, 1985, between Lessor and the Secured Party which provides for the purchase and sale of the Note.

"Permitted Encumbrances" - with respect to the Collateral: (i) the sublease to the Delaware and Hudson Railway Company of the Equipment listed in part (3) of Schedule A hereto; (ii) the sublease to the Detroit, Toledo and Aronton Railroad Company of the Equipment listed in part (5) of Schedule A hereto; (iii) any lien thereon for any governmental charge or for work or service performed or materials furnished, which lien secures amounts which are not due and payable or which are not delinquent; (iv) the Lease and any sublease or assignment permitted thereby; and (v) this Agreement.

"Proceeding" - any suit in equity, action at law or other judicial or administrative proceeding.

"Purchase Agreement" - as defined in the Note Agreement.

"Sale" - as defined in Section 4.02 of this Agreement.

"Secured Party" - as defined in the introductory paragraph of this Agreement.

"Security Instrument" - the Lease, this Agreement, the Consent, the Assignment, the Purchase Agreement and the Bill of Sale, and any other instrument with respect to which any right or interest in or in respect of the Collateral has been granted to the Secured Party.

ARTICLE VI

Discharge of Agreement

SECTION 6.01. Final Discharge. This Agreement and all agreements contained herein shall cease and terminate when all principal, interest and other amounts payable under or in respect of or secured pursuant to the terms of

this Agreement shall have been paid in full, whether at the end of the term of the Note, by acceleration, by prepayment or otherwise.

SECTION 6.02. Delivery of Discharge. Upon the termination of this Agreement, the Secured Party shall execute and deliver such instruments as Lessor shall furnish to the Secured Party and which shall be reasonably required to satisfy and discharge the lien of this Agreement. The Secured Party shall then transfer the Collateral to Lessor or any other person entitled thereto.

ARTICLE VII

Miscellaneous

SECTION 7.01. Non-Recourse Obligations. Any provision in this Agreement to the contrary notwithstanding, no recourse shall be had against Lessor personally, or against any incorporator, shareholder, officer or director of Lessor under or in respect of this Agreement or the Note. It is expressly understood that all such obligations are non-recourse obligations enforceable only against the Collateral or, in the case of negative covenants and agreements, by injunction or other equitable remedies.

SECTION 7.02. Notices. All notices and demands hereunder shall be in writing and shall be deemed to have been given when actually received and receipted for, or, if earlier, three days after the date of mailing by registered or certified mail, return receipt requested, postage prepaid, and addressed in each case as follows: (a) if to the Secured Party, at 1234 Market Street, 12th Floor, Philadelphia, Pennsylvania 19107, Attention: Private Placements, Securities Investment Department or (b) if to Lessor, at 3 First National Plaza, Suite 1400, Chicago, Illinois 60602, Attention: President, with a copy to Schiff, Hardin & Waite, 7220 Sears Tower, Chicago, Illinois 60606, Attention: Scott Pickens. Either party may change its address for notices hereunder by giving notice of such change to the other party in accordance with the provisions of this Section 7.02.

SECTION 7.03. Separability. No provision hereof, or of the Note, shall require the payment or permit the collection of interest in excess of the maximum permitted by applicable law, any contrary provision herein, or in the Note notwithstanding. Any provision hereof, or of the Note, which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, or of the Note, and any

such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by law, the parties hereto hereby waive any provision of law which renders any such provision prohibited or unenforceable in any respect.

SECTION 7.04. Binding Effect. All provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns of the parties hereto.

SECTION 7.05. Amendment and Waiver. The provisions of this Agreement may not be changed orally, but only by an agreement signed by Lessor and the Secured Party. No requirement of this Agreement may be waived at any time except by an instrument signed by the Secured Party, nor shall any waiver be deemed a waiver of any subsequent breach or Default.

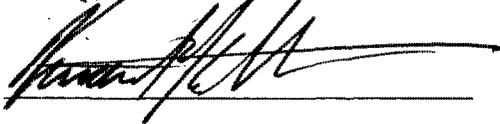
SECTION 7.06. Counterpart Execution; Construction; Governing Law. The section and article headings herein are for convenience of reference only, and shall not limit or otherwise affect the meaning hereof. This Agreement may be executed in several counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same Agreement. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

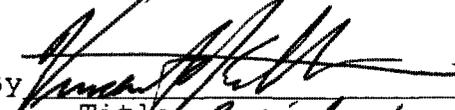
IN WITNESS WHEREOF, Lessor and the Secured Party have caused this Agreement to be executed, all as of the day and year first above written.

[Corporate Seal]

RESIDUAL BASED FINANCE
CORPORATION, Lessor

Attest:



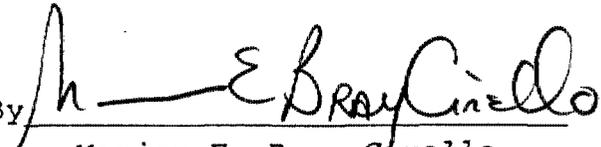
By 
Title: *President*

[Corporate Seal]

THE PHILADELPHIA SAVING FUND
SOCIETY, Secured Party

Attest:

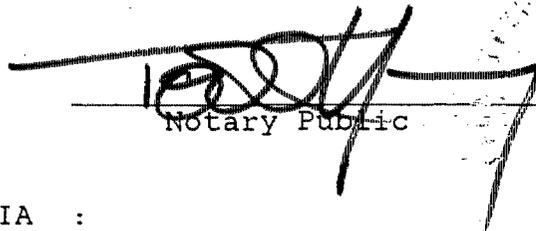

G. L. Banyai, Corporate Secretary

By 
Marian E. Bray Cirello

-14- Title: Assistant Vice President

STATE OF ILLINOIS :
 : ss.
COUNTY OF COOK :

On this 10th day of September, 1985, before me personally appeared Vincent A. Kolber to me personally known who, being by me duly sworn, says that he is the President of Residual Based Finance Corporation that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

COMMONWEALTH OF PENNSYLVANIA :
 : ss.
COUNTY OF PHILADELPHIA :

On this 22nd day of August, 1985; before me personally appeared Marian E. Bray Cirello, to me personally known, who, being by me duly sworn says that she is an Assistant Vice President of The Philadelphia Saving Fund Society, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

PAULETTE S. RICHARDSON
Notary Public, Phila., Phila. Co.
My Commission Expires Nov. 2, 1987

SCHEDULE A TO SECURITY AGREEMENT

Description of Equipment

The following railroad equipment owned by Lessor:

<u>Type of Unit</u>	<u>Number of Units</u>	<u>Serial Numbers</u>
(1) 86' Boxcars (100 Tons each)	107	295623 through 295729
(2) 52.5' Gondolas (100 Tons each)	28	564695 and 564698 and 564703 and 564706 and 564710 and 564715 through 564718 and 564744 and 564748 and 564769 and 564777 and 564779 and 564781 and 564783 and 564805 and 564815 and 564831 and 564854 and 564871 and 564878 and 564889 and 564903 and 564904 and 564920 and 564935 and 564940
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