

2550 Golf Road
Rolling Meadows, IL 60008

Telephone: 312/640-7000

EVANS PRODUCTS COMPANY / **EVANS RAILCAR LEASING COMPANY**
DIVISION

RECORDATION NO. **13889** Filed 1425

DEC 30 1982-9 50 AM
INTERSTATE COMMERCE COMMISSION

December 29, 1982

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12-261A03/
DEC 30 1982
Date.....
Fee \$ 50.00
OH
ICC Washington, D. C.

Office of the Secretary
Interstate Commerce Commission
Washington, D.C.

Re: Equipment Mortgage and Assignment
of Leases Dated as of December 15, 1982

Gentlemen:

Pursuant to Section 11303(a) of Title 49 of the United States Code and the rules and regulations promulgated thereunder, the undersigned hands you herewith for filing eight (8) executed counterparts of the above-referenced Equipment Mortgage and Assignment of Leases, all as more fully described below:

- Mortgagor: Evans Railcar Leasing Company
The East Tower, Suite 1000
2550 Golf Road
Rolling Meadows, Illinois 60008
- Mortgagee: Marubeni America Corporation
200 Park Avenue
New York, New York 10166

A description of the equipment (including lettering and car reporting numbers) and a description of the leases covered by the Equipment Mortgage and Assignment of Leases is set forth in Schedule I attached hereto. The Mortgagor described above is the lessor under each of the leases described in said Schedule I. The above-referenced Equipment Mortgage and Assignment of Leases should also be filed as a sub-number or cross-referenced under the filing, if any, of any of the leases described in said Schedule I.

C. J. Kornblum
C. J. Kornblum

Office of the Secretary
Page Two
December 29, 1982

Enclosed is Rosenthal and Schanfield's check number 29169 in the amount of \$50.00 in payment of the applicable recording and filing fees.

Since the above-mentioned documents are being delivered to you by hand, we would appreciate it if you would return to the person delivering the same duly stamped copies of the documents not required to be kept by you. If this is not possible, please return the same by mail to:

I. Walter Deitch, Esq.
Rosenthal and Schanfield
Suite 4620
55 East Monroe Street
Chicago, Illinois 60603

Very truly yours,

EVANS RAILCAR LEASING COMPANY

By: *Thomas L. Schoenbach*
Assistant Secretary

IWD:meg
Encl.

SCHEDULE I

DESCRIPTION OF EQUIPMENT AND LEASES

<u>Type of Equipment</u>	<u>Quantity</u>	<u>Lessee</u>	<u>Lease Date</u>	<u>Schedule No.</u>	<u>Schedule Date</u>	<u>Term (Years)</u>	<u>Car Reporting Marks (Both Inclusive)</u>
4,780 cu.ft. 100-ton covered hopper cars	80	Union Oil Company of California	8/22/79	1	8/22/79	15	USLX 26900-26979
56'6" 70-ton XM Box Cars	10	Ferdinand Railroad Company	3/27/80(1)	1	3/27/80	15	FRDN 152-161
4,780 cu.ft. 100-ton covered hopper cars	23	Columbus and Greenville Railway Company	5/15/80	1	5/15/80	15	CAGY 208135, 208138-208159
3,000 cu.ft. 100-ton covered hopper cars	25	Columbus and Greenville Railway Company	8/13/81	2	11/9/81	5	CAGY 375-399
100-ton 56'8" bulkhead flat cars	20	Pacific Coast Transportation	3/27/79	3	11/14/80(2)	15	NOKL 2880-2899
100-ton 56'8" bulkhead flat cars	15	Pacific Coast Transportation	8/20/80	2	11/14/80(3)	15	NOKL 2900-2914
50'6" 70-ton XP box cars	200	Chattahooche Industrial Railroad	5/4/81	1	5/4/81(4)	15	CIRR 91000-91199
3,000 cu.ft. 100-ton covered hopper cars	100	Green Bay & Western Railroad Company	7/24/81	1	8/11/81	15	GBW 9000-9099
4,780 cu.ft. 100-ton covered hopper cars	59	Keokuk Northern Real Estate Company	8/19/81	2	8/18/81	15	(See Schedule 1A)
52'5" 70-ton RBL box cars	10	Keokuk Northern Real Estate Company	8/19/81	3	8/18/81	15	(See Schedule 1B)

-
- (1) Amended 4/29/82
 (2) Amended
 (3) Amended
 (4) Amended

DESCRIPTION OF EQUIPMENT AND LEASES

<u>Type of Equipment</u>	<u>Quantity</u>	<u>Lessee</u>	<u>Lease Date</u>	<u>Schedule No.</u>	<u>Schedule Date</u>	<u>Term (Years)</u>	<u>Car Reporting Marks (Both Inclusive)</u>
21,000 gallon tank cars	50	Polychem Transportation Company	7/18/78	2	1/30/81(5)	2	USLX 21750-21799
21,000 gallon tank cars	17	Polychem Transportation Company	7/18/78	4	6/5/81	1	USLX 21738-21749 (except 21746), and USLX 21800-21805
4,780 cu.ft. covered hopper cars	98	Interail Inc.	8/30/82	N/A	N/A	15	NOKL 3700-3799 (except 3754 & 3781)
21,000 gallon coiled and insulated tank cars	34	(6)					USLX 21860-21874 and USLX 21926-21944
	<u>741</u>						

(5) Amended
(6) Not Under Lease

SCHEDULE I-A

KJRY 531	KJRY 642
KJRY 532	KJRY 646
KJRY 535	KJRY 652
KJRY 542	KJRY 659
KJRY 543	KJRY 677
KJRY 549	KJRY 678
KJRY 554	KJRY 680
KJRY 560	KJRY 681
KJRY 561	KJRY 682
KJRY 563	KJRY 684
KJRY 564	KJRY 685
KJRY 566	KJRY 692
KJRY 571	KJRY 693
KJRY 574	KJRY 698
KJRY 579	KJRY 705
KJRY 580	KJRY 707
KJRY 583	KJRY 708
KJRY 585	KJRY 710
KJRY 591	KJRY 715
KJRY 603	KJRY 718
KJRY 604	
KJRY 605	
KJRY 607	
KJRY 609	
KJRY 610	
KJRY 611	
KJRY 617	
KJRY 621	
KJRY 623	
KJRY 626	
KJRY 629	
KJRY 631	
KJRY 632	
KJRY 633	
KJRY 634	
KJRY 635	
KJRY 637	
KJRY 638	
KJRY 639	

SCHEDULE I-B

KJRY 65609
KJRY 65610
KJRY 65611
KJRY 65620
KJRY 65624
KJRY 65628
KJRY 65631
KJRY 65632
KJRY 65642
KJRY 65650

Interstate Commerce Commission
Washington, D.C. 20423

12/30/82

OFFICE OF THE SECRETARY

I. Walter Deitch, Esq.
Rosenthal And Schanfield
55 East Monroe Street, Suite 4620
Chicago, Illinois 60603

Dear Sir:

The enclosed document (s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/30/82 at 9:50am , and assigned re-
recording number (s) .13889

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure (s)

OK

13889

RECORDATION NO. Filed 1425

DEC 30 1982 9 50 AM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT MORTGAGE AND
ASSIGNMENT OF LEASES

THIS EQUIPMENT MORTGAGE AND ASSIGNMENT OF LEASES dated as of December 15, 1982 (this "Mortgage") by Evans Railcar Leasing Company (the "Mortgagor"), an Illinois corporation, in favor of Marubeni America Corporation (the "Mortgagee"), a New York corporation.

W I T N E S S E T H:

WHEREAS, the Mortgagor has entered into a Sales Agreement dated as of December 15, 1982 (said Agreement, as it may be amended or otherwise modified from time to time, being herein called the "Sales Agreement") with the Mortgagee, Evans Transportation Company and Marubeni Corporation, providing for the sale by the Mortgagee to the Mortgagor of the 741 railroad cars described below, upon the terms and conditions set forth therein; and

WHEREAS, it is a condition precedent to the sale of such railroad cars by the Mortgagee under the Sales Agreement that this Mortgage for the benefit of the Mortgagee be executed, delivered and filed for recordation by the Mortgagor in order to secure the obligations of the Mortgagor pursuant to the Sales Agreement;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, and to secure the due and punctual payment of all amounts from time to time payable by the Mortgagor to the Mortgagee pursuant to the Sales Agreement and this Mortgage and to secure the performance of all the other obligations and covenants of the Mortgagor under this Mortgage and the Sales Agreement, the parties hereto agree as follows:

Section 1. Collateral.

Section 1.1. Grant of Security Interest. In order to secure the prompt and faithful performance and observance by the Mortgagor of all of its covenants and agreements contained in this Mortgage and in the Sales Agreement including, without limitation, the agreement of the Mortgagor to pay the principal of and interest on the Purchase Price of the railroad cars referred to below on the terms and conditions provided in the Sales Agreement (all such covenants and agreements contained in this Mortgage and

in the Sales Agreement being herein called the "Obligations"), the Mortgagor does hereby assign, pledge, mortgage and grant to the Mortgagee subject to Permitted Liens a first security interest in and to all of its right, title and interest in and to the following property (all such property hereinafter collectively called the "Collateral"):

(a) Any and all railroad cars described in Schedule I hereto (which is hereby made a part hereof and incorporated herein by this reference), as the same may from time to time be amended pursuant to any amendment or supplement hereto which shall hereafter be delivered to the Mortgagee pursuant to the provisions of Sections 1.12(b) and 2 hereof (such railroad cars while the same shall be subject to the Lien and security interest of this Mortgage being herein collectively referred to as the "Equipment"), together with, and the term "Equipment" shall include, all parts, attachments, appurtenances, accessories and accessions owned by the Mortgagor now or hereafter incorporated or installed in or attached to any such railroad cars, and all substitutions, replacements and renewals of any and all such parts, attachments, appurtenances, accessories and accessions owned by the Mortgagor and all other property owned by the Mortgagor which shall hereafter become physically incorporated or installed in or attached to any such railroad cars, whether the same is now owned by the Mortgagor or hereafter acquired by it;

(b) Any and all claims or rights under any warranty, express or implied, relating to any of the Equipment made by any manufacturer, subcontractor, owner or vendor thereof;

(c) Any and all leases and car contracts, whether now or hereafter existing, of Equipment (the "Leases") between the Mortgagor as lessor and other persons as lessees (the "Lessees") entered into in the ordinary course of the Mortgagor's business, including, without limitation, (i) the right to receive all rent due thereunder, (ii) all claims for damages arising out of the breach of any Lease, (iii) the right, if any, to terminate any Lease, to perform thereunder and to compel performance of the terms thereof, (iv) the right to take possession of the Equipment leased under any Lease, and (v) all other rights, remedies, claims and causes of action, if any, which the Mortgagor may have against any Lessee with respect to the Leases; and

(d) All proceeds of any and all of the properties described in paragraphs (a), (b) and (c) above, including, without limitation, whatever is receivable or received when Collateral or proceeds are sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and insurance proceeds from any loss or damage to any item of Equipment and other proceeds of any kind resulting from any Casualty Occurrence (as hereinafter defined), and indemnity payments.

IT IS HEREBY AGREED by the parties hereto that the Collateral is to be held, used and operated subject to the further terms herein set forth.

Section 1.2. Definitions. Except as the context may otherwise require, terms defined in the Sales Agreement and used (but not otherwise defined) herein shall have the respective meanings attributed thereto in the Sales Agreement. The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Mortgage shall have the respective meanings hereinafter specified (the following definitions to be equally applicable to the singular and plural forms of the terms herein defined):

"AAR Value" means, with respect to each item of Equipment or Substituted Equipment, the so-called "Settlement Value" thereof as determined in accordance with the Interchange Rules adopted by the Association of American Railroads, Mechanical Division, Operations and Maintenance Department, in effect on the date on which the relevant AAR Value is to be determined, or if there are no such Interchange Rules then in effect (or if such Rules would not yield a "Settlement Value" for the Equipment or Substituted Equipment in question), the depreciated cost (as determined on a straight-line basis in accordance with accounting principles and practices generally accepted in the United States) of replacement by new railroad cars of the same or an improved model owned by the Mortgagor free and clear of any Lien whatsoever (other than a Lease).

"Canadian Lessee" has the meaning attributed thereto in Section 1.10.

"Casualty Occurrence" has the meaning attributed thereto in Section 1.12.

"Collateral" has the meaning attributed thereto in Section 1.1.

"Default" means an Event of Default or an event which with the lapse of time or the giving of notice or both would constitute an Event of Default.

"Equipment" has the meaning attributed thereto in Section 1.1.

"Event of Default" has the meaning attributed thereto in Section 3.

"Leases" and "Lessees" have the meanings respectively attributed thereto in Section 1.1.

"Mortgagee" has the meaning attributed thereto in the introductory paragraph hereof.

"Obligations" has the meaning attributed thereto in Section 1.1.

"Officer's Certificate" means a certificate signed by the President, any Vice President, the Treasurer, or any Assistant Treasurer of the Mortgagor.

"Opinion of Counsel" means an opinion in writing signed by legal counsel who shall be satisfactory to the Mortgagee.

"Permitted Liens" means (a) the Lien created hereby, (b) the Leases and the rights of the Lessees thereunder, and (c) the Tax Leases and the rights of the Tax Lessors thereunder.

"Request" means a written request for the action specified therein, delivered to the Mortgagee, dated not more than 10 days prior to the date of receipt thereof by the Mortgagee and signed on behalf of the Mortgagor by the President, any Vice President, the Treasurer or any Assistant Treasurer of the Mortgagor.

"Sales Agreement" has the meaning attributed thereto in the first recital clause hereof.

"Substituted Equipment" has the meaning attributed thereto in Section 2.1.

"United States" means the United States of America.

Each reference herein to a specific agreement or document shall, unless the context otherwise requires, be deemed to refer to such agreement or document as amended or otherwise modified from time to time.

Section 1.3. Payment. The Mortgagor will pay in lawful money of the United States and in immediately available funds the amount of the Obligations according to the terms and provisions of this Mortgage and the Sales Agreement, or according to the terms of any modification hereof or thereof, when and as the same shall become due and payable.

Section 1.4. Representations, Warranties and Covenants. The Mortgagor hereby represents and warrants, and hereby covenants, as follows:

(a) That it is the owner of all of the Equipment, that there are no Liens against any of the Equipment or against any Lease other than Permitted Liens and that it has good right and lawful authority to assign, pledge, mortgage and grant a security interest in the same.

(b) That it has not assigned, pledged, mortgaged or granted a security interest in, and hereby covenants that it will not assign, pledge, mortgage or grant a security interest in, so long as this Mortgage shall remain in effect, the whole or any part of the Collateral to anyone other than the Mortgagee.

Section 1.5. Receipt of Rent. So long as no Default shall have occurred and be continuing, the Mortgagor shall be permitted to receive and dispose of for its own account all monies due and to become due under the Leases and to exercise all rights and make all claims under the Leases for its own account. Upon the occurrence and during the continuance of any Default, such rights shall devolve upon the Mortgagee and, upon the request of the Mortgagee, the Mortgagor or the Mortgagee in the name of the Mortgagor shall take all action necessary (including the giving of notice to the Lessees) to cause all monies due from the Lessees to be paid to the Mortgagee at such place as the Mortgagee or its assignees shall designate.

Section 1.6. Insurance. (a) The Mortgagor shall, at its own expense, provide and maintain property and public liability insurance in such amounts, of such types, covering such risks and in such manner as it customarily has maintained and maintains as of the date hereof.

(b) Notwithstanding the foregoing, the Mortgagor shall, at its own expense carry public liability (including bodily injury) and property damage insurance providing coverage from insurers of recognized responsibility in an amount not less than \$30,000,000 and naming the Mortgagee as insured or as additional named insured (but without imposing upon the Mortgagee any obligation imposed upon the insured, including, without limitation, the liability to pay the premiums for such policies).

(c) The Mortgagor will pay the premiums on all policies of insurance required to be maintained by the Mortgagor pursuant to this Section 1.6. If the Mortgagor shall fail to maintain such insurance, the Mortgagee may (but shall be under no obligation so to do) cause the risks to be insured pursuant to Section 1.6(b) to be insured in such amount as the Mortgagee shall deem advisable and may demand and recover from the Mortgagor the premiums on such insurance, plus any financing expense incurred by the Mortgagee in order to pay such premiums, such amounts to be added to the Obligations secured by this Mortgage.

Section 1.7. Inspections. Subject to the rights of the Lessees under the Leases, the Mortgagor will permit any authorized representative of the Mortgagee to inspect the Equipment or any part thereof, and to examine, copy or make extracts from, any and all books, records and documents in the possession of the Mortgagor relating to the Collateral or any part thereof and the performance of this Mortgage, all at such reasonable times as the Mortgagee may request. The Mortgagee shall have no duty to make any such inspection or examination and shall not incur any liability or obligation by reason of making or not making any such inspection or examination.

Section 1.8. Marking of Equipment. The Mortgagor will keep and maintain, or cause to be kept and maintained, plainly, distinctly, permanently and conspicuously lettered on each side of each railroad car at any time constituting part of the Equipment in letters not less than one inch in height, the following:

"TITLE TO THIS CAR SUBJECT TO DOCUMENTS FILED WITH THE INTERSTATE COMMERCE COMMISSION."

or other appropriate words approved by the Mortgagee. Such lettering shall be such as to be readily visible. If any such lettering shall at any time be removed, defaced or destroyed, the Mortgagor shall cause the same to be restored or replaced. The Mortgagor shall not change or permit to be changed, the car reporting marks or numbers of any Equipment or Substituted Equipment except in accordance with a statement of new car reporting marks and numbers filed by the Mortgagor with the Mortgagee and with the Interstate Commerce Commission.

The Equipment may be lettered in an appropriate manner for convenience of identification of the ownership by the Mortgagor thereof and may also be lettered in such manner as may be appropriate for convenience of identification of the interests therein of any Lessee under a Lease; but the Mortgagor will not allow the name of any Person to be placed on any of the Equipment as a designation which might be interpreted as a claim of ownership thereof by any Person other than the Mortgagor, or as an indication of any Lien thereon (except the interests of the Lessees as aforesaid) other than the Lien of this Mortgage.

Section 1.9. Compliance with Laws and Rules. During the term of this Mortgage, the Mortgagor will comply, and will require each Lessee or user of the Equipment to comply, with all rules, regulations, orders and laws pertaining to the use, operation or maintenance of the Equipment under the laws of all the jurisdictions in which its or such Lessee's or user's operations involving the Equipment may extend, including without limitation all lawful rules of the ICC and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the use, operation or maintenance of the Equipment; and in the event that such laws or rules require the alteration of the Equipment, the Mortgagor will give notice thereof to the Mortgagee, and will, or will cause the appropriate Lessees

or users to, conform therewith, at its or their expense, and will maintain the same in proper condition for operation under such laws and rules; provided, however, that the Mortgagor, in good faith, may contest or cause to be contested the validity or application of any such law or rule in any reasonable manner which will not in the reasonable judgment of the Mortgagee adversely affect the property or rights of the Mortgagee under this Mortgage.

Section 1.10. Possession and Use. So long as no Event of Default shall have occurred and be continuing, the Mortgagor shall be entitled to the possession and use of the Equipment, but only on and subject to the terms and conditions of this Mortgage. Except as provided in this Section 1.10, the Mortgagor will not, without the prior written consent of the Mortgagee, assign or transfer any of its rights hereunder, assign, pledge, transfer or otherwise dispose of any of its rights under any Leases permitted hereunder or sell, assign, transfer, lease or otherwise dispose of or relinquish possession of, or suffer or allow to pass out of its possession or control, any of the Equipment. An assignment or transfer permitted by Section 5.06 of the Sales Agreement shall not be deemed a breach of this covenant.

(a) So long as no Default shall have occurred and be continuing, the Mortgagor shall be entitled to enter into, maintain, terminate or amend any Lease of the Equipment and to permit its use by one or more Lessees or users in the United States (including any state thereof and the District of Columbia) and in Canada (including any province or territory thereof) and, solely with respect to the Leases with the Green Bay and Western Railroad Company and Chattahooche Industrial Railroad described in Schedule I hereto (the "Unrestricted Leases"), in Mexico; provided, however, that:

(i) The Mortgagor agrees (A) that no material portion of the Equipment shall be kept or used in Mexico, except on a temporary or incidental basis, and (B) to cause substantially the language contained in paragraphs 4(iv) and 19(b) of the standard form of lease of the Mortgagor previously furnished to the Mortgagee to appear in each Lease entered into after the date hereof with a Lessee in the United States.

(ii) The Mortgagor shall not enter into any Leases relating to the use of Equipment with any Lessee

incorporated, or having its principal place of business, in Canada (herein called "Canadian Lessees") if the aggregate AAR Value of Equipment subject to Leases with Canadian Lessees would exceed 20% of the aggregate AAR Value of all the Equipment, provided, further, that such percentage shall be 0% if not later than the first Installment Date the Mortgagor shall not have provided to the Mortgagee at the expense of the Mortgagor an opinion of counsel satisfactory to the Mortgagee to the effect that deposit of the Mortgage in the office of the Registrar General of Canada pursuant to Section 86 of the Railway Act and the publication of notice thereof in the Canada Gazette are effective to create a valid, perfected prior security interest of the Mortgagee of record in the Rolling Stock or, if no such opinion can be obtained prior to such date, ~~unless~~ prior to such date the Mortgagor shall not have registered, filed, or recorded by way of financing statements of each of the Bills of Sale and the Mortgage in the Canadian Provinces of British Columbia, Saskatchewan and Ontario and recorded by way of financing statements of the Mortgage in the Canadian Province of Manitoba, and furnished to the Mortgagee opinions of counsel to the effect that such registration, filing and recordation are effective to create a valid, perfected prior security interest of record in the Rolling Stock. 

(iii) The Mortgagor shall remain liable under this Mortgage and under the Sales Agreement for the performance of all of its obligations hereunder and thereunder to the same extent as if no such Lease had been entered into.

(b) The Mortgagor covenants and agrees (i) that it will deliver a copy of any Lease entered into after the date hereof and any amendment to any Lease to the Mortgagee promptly upon the execution thereof, and (ii) that upon entering into any Lease with a Canadian Lessee, it will promptly furnish to the Mortgagee an Officer's Certificate to such effect, including the AAR Value of the Equipment subject thereto and the aggregate AAR Value of all the Equipment.

(c) Any Lease by the Mortgagor entered into pursuant to this Section 1.10 may provide (and such provision shall be binding upon the Mortgagee) that the Lessee so long as it shall not be in default under such Lease, shall be

entitled to the possession of the Equipment included in such Lease and the use thereof, and, subject to the provisions of Section 1.8, may provide for lettering or marking upon such Equipment for convenience of identification of the leasehold interest of such Lessee therein.

Section 1.11. Taxes and Other Liens. The Mortgagor will pay or cause to be paid, or otherwise satisfy and discharge, any and all taxes and any and all sums claimed by any party by, through or under the Mortgagor which, if unpaid, might become a Lien upon the Collateral or any part thereof and will keep at all times all and every part of the Collateral free and clear of all Liens, other than Permitted Liens; provided, however, that the Mortgagor shall be under no obligation to pay any taxes or claims the validity of which are being contested by it in good faith and by appropriate legal proceedings so long as the non-payment thereof does not adversely affect the title, Lien, property or rights of the Mortgagee in or to the Collateral under this Mortgage and the Mortgagor shall have furnished an Opinion of Counsel reasonably satisfactory to the Mortgagee to such effect. If any Liens, taxes or claims for which the Mortgagor is liable as aforesaid shall have been charged or levied against the Mortgagee directly and paid by the Mortgagee, the amount thereof shall be added to the Obligations secured by this Mortgage, and the Mortgagor shall reimburse the Mortgagee upon presentation of an invoice therefor.

Section 1.12. Maintenance of Equipment; Casualty Occurrences. (a) The Mortgagor agrees that it will, at no cost or expense to the Mortgagee, maintain or cause to be maintained and keep all the Equipment in good order and proper repair, unless and until it becomes worn out, unsuitable for use, lost, stolen, destroyed or damaged beyond economical repair or requisitioned, taken over or nationalized by any governmental agency under the power of eminent domain or otherwise (any such event being hereinafter sometimes called a "Casualty Occurrence"). The Mortgagor may also make or permit to be made alterations, improvements and additions to the Equipment, provided, however, that no such alteration, improvement or addition shall diminish the value thereof and that each such alteration, improvement and addition shall be deemed a part of the Equipment and subject to all the provisions hereof, and provided, further, that if no Default shall have occurred and be continuing, the Mortgagor may restore the Equipment to its condition preceding such alteration and may, so long as such removal does not reduce the value the Equipment would have had in the absence of

such improvement or addition, remove any such improvement or addition.

(b) Whenever any of the Equipment shall suffer a Casualty Occurrence, the Mortgagor shall promptly (but in any event within ten days after it shall have been informed of such Casualty Occurrence) deliver to the Mortgagee an Officer's Certificate describing such Equipment and stating the AAR Value thereof as of the date immediately prior to the date such Equipment suffered such Casualty Occurrence (assuming the same was in the condition and state of repair required to be maintained hereunder). Within ten days after the Mortgagor shall have knowledge that the aggregate AAR Value of all units of the Equipment that have suffered Casualty Occurrences (excluding units with respect to which a payment or substitution shall previously have been made pursuant to this Section) exceeds \$300,000, the Mortgagor shall give notice to such effect to the Mortgagee (which notice shall include any request that the Mortgagee consent to substitution pursuant to clause (i) of this paragraph (b)). Within 30 days after the Mortgagor shall have such knowledge that the aggregate AAR Value of all units of the Equipment that have suffered Casualty Occurrences exceeds \$300,000, the Mortgagor shall either (i) if the Mortgagee shall have given notice that it consents to substitution (failure to respond to said request within ten Business Days of the receipt thereof shall be deemed consent), substitute therefor Substituted Equipment, in accordance with the requirements of Section 2 or (ii) pay to the Mortgagee an amount equal to the aggregate AAR Value (in each case as of the date immediately prior to the date of such Casualty Occurrence) of all such Equipment. Such payment shall constitute a prepayment without premium or penalty of a portion of the unpaid Purchase Price of the Rolling Stock permitted by Section 2.03(b) of the Sales Agreement. The Mortgagor will bear the responsibility for and risk of, and shall not be released from its Obligations hereunder in the event of, any damage to or the destruction or loss of any or all of the Equipment.

(c) The Mortgagor agrees to furnish to the Mortgagee, on or before April 1, in each year beginning with 1984 and thereafter throughout the term hereof, an Officer's Certificate, dated as of the preceding December 31, stating (i) the amount, description and numbers of all Equipment that shall have suffered any Casualty Occurrence since the date of the preceding statement (or the date of this Mortgage in the case of the first statement) and (ii) identify-

ing the units of Equipment then being leased by the Mortgagor as permitted by Section 1.10 (including the name and address of the Lessee and the date and term of the Lease pursuant to which such Equipment is leased) and identifying the units of Equipment which are not then being leased by the Mortgagor, as lessor.

Section 2. Substitution and Replacement of Equipment.

Section 2.1. General. Upon Request, the Mortgagee shall, so long as no Default has occurred and is continuing and subject to the provisions of this Section 2, at any time and from time to time, release from the Lien of this Mortgage (a) any Equipment which has suffered a Casualty Occurrence and with respect to which the Mortgagor shall have made the payment required by paragraph (b)(ii) of Section 2, or with respect to which the Mortgagor shall have received notice of the Mortgagee's consent to substitution pursuant to paragraph (b)(i) of Section 2 or (b) any other Equipment; provided, however, in the case of any substitution, that none of the Equipment shall be so released unless simultaneously in substitution for the Equipment so released there shall be subjected to the Lien of this Mortgage, standard gauge railroad cars first put into service after January 1, 1981 which are of the same car types as those subject to this Mortgage or are open top hoppers or gondolas in each case owned by the Mortgagor free and clear of all Liens other than Permitted Liens (herein called "Substituted Equipment"), the AAR Value of which Substituted Equipment shall be not less than the aggregate AAR Value of the Equipment proposed to be released (in the case of Equipment that has suffered a Casualty Occurrence, as of the date immediately prior thereto and in the case of other Equipment, as of the date of such Request).

Section 2.2. Conditions for Substituted Equipment. At the time of delivery of any Request pursuant to Section 2.1, the Mortgagor shall, if Substituted Equipment is to be substituted for the Equipment proposed to be released, deliver to the Mortgagee the following papers:

(a) an Officer's Certificate certifying (i) the AAR Value of the Equipment proposed to be released (in the case of Equipment that has suffered a Casualty Occurrence, as of the date immediately prior thereto and in the case of other Equipment, as of the date of such Request), and (ii) the AAR Value of such Substituted Equipment as of such date;

(b) an Officer's Certificate certifying (i) that all Equipment so to be substituted is Substituted Equipment as herein defined (including a statement of the date such Equipment was first put into service or that such Equipment was first put into service not earlier than a specified date), has been marked in accordance with Section 1.8 and is in good order and proper repair in accordance with Section 1.12, (ii) that no Default has occurred and is continuing, and (iii) that, in the opinion of the signer, all conditions precedent provided for herein relating to such substitution have been complied with;

(c) an executed counterpart of a supplement hereto amending Schedule I hereto so as to subject such Substituted Equipment to the Lien of this Mortgage; and

(d) an Opinion of Counsel to the effect (i) that the Mortgagor has good and valid title to each item of such Substituted Equipment, free and clear of all Liens other than Permitted Liens, (ii) that the supplement referred to in paragraph (c) above has been duly authorized, executed and delivered by the Mortgagor and is valid and effective, either alone or together with any other instrument referred to in and accompanying such opinion, to validly create a security interest in and to such Substituted Equipment, free from all other Liens other than Permitted Liens, and (iii) that, in the opinion of such counsel, all conditions precedent provided for herein relating to such substitution have been complied with.

Section 3. Events of Default. In the event that any one or more of the Events of Default (an "Event of Default") under and as defined in the Sales Agreement shall have occurred and be continuing, then (a) in the event of the occurrence of any event referred to in paragraphs (ix) and (x) of Section 6 of the Sales Agreement the entire unpaid balance of the Obligations shall become and be immediately due and payable without notice of any kind, and (b) in the event of the occurrence of any other Event of Default at any time thereafter all or any portion of the unpaid balance of the Obligations shall, at the election of the Mortgagee, become and be immediately due and payable upon notice by the Mortgagee to the Mortgagor; and in any such event the Mortgagee may exercise any or all of the remedies referred to in Section 4 and such other remedies as may be otherwise provided by applicable law as the Mortgagee

in its sole and complete discretion may then elect.

Section 4. Remedies

Section 4.1. Remedies. Upon the occurrence and continuance of any Event of Default, and subject to the rights of the Lessees under the Leases, the Mortgagee may; forthwith and, to the extent permitted by law, without notice to the Mortgagor (except as otherwise expressly provided in Section 4.2), do any one or more of the following acts regarding the Collateral, or any portion thereof:

(a) exercise any or all of the rights and remedies upon default, in foreclosure and otherwise, available to mortgagees or secured parties under the provisions of applicable law including, without limitation, all the rights and remedies under Article 9 of the Uniform Commercial Code as in effect in the State of Illinois (whether or not in effect in the jurisdiction where any of the Equipment or other Collateral may be located);

(b) apply to a court of competent jurisdiction to obtain specific performance or observance of any covenants or agreements herein undertaken by the Mortgagor or to obtain aid in the execution of any power or remedy herein granted;

(c) institute legal proceedings to foreclose upon and against the Lien and security interest granted in and by this Mortgage, to recover judgment for all amounts then due and owing as Obligations, and to collect the same out of any sale of the Collateral or of collections upon the Leases;

(d) institute legal proceedings for the sale, under the judgment or decree of any court of competent jurisdiction, of any Collateral;

(e) without regard to the adequacy of the security for the Obligations by virtue of this Mortgage or any other collateral or to the solvency of the Mortgagor, institute legal proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers with respect to any or all of the Collateral pending foreclosure hereunder or otherwise upon such terms and with such powers as the Mortgagee may request and the court may permit;

(f) notify the Lessees under the Leases in the name of the Mortgagor or otherwise to make payments under the Leases directly to the Mortgagee, or as may otherwise be directed by the Mortgagee;

(g) personally or by agents or attorneys, enter upon any premises where the Collateral or any part thereof may then be located and take possession of all or any part thereof; and without being responsible for loss or damage to such Collateral, hold, store and keep idle, or lease, operate, or otherwise use or permit the use of, the Collateral or any part thereof, for such time and upon such terms as the Mortgagee may in its sole and complete discretion deem to be in its own best interest;

(h) demand, collect and retain all rent, earnings and other sums due and to become due in respect of the Collateral from any party whomsoever, accounting only for the net earnings arising from such use, if any, after charging against any receipts from the use of the same and from any subsequent sale thereof all costs and expenses of, and damages or losses by reason of, such use or sale;

(i) sell or dispose of, or cause to be sold and disposed of, all or any part of the Collateral, free from any and all claims of the Mortgagor or of any other party claiming by, through or under the Mortgagor at law, in equity or otherwise, at one or more public or private sales, in such place or places, at such time or times and upon such terms and conditions as the Mortgagee may determine, in its sole and complete discretion and in light of its own best interests, with or without previous demand on or (except as otherwise expressly provided in Section 4.2) notice to the Mortgagor or advertisement of any such sale or other disposal; and for the aforesaid purposes, all notices of sale or other disposition, advertisement and demands and any right or equity of redemption otherwise required by, or available to the Mortgagor under, applicable law are (except as aforesaid) hereby waived by the Mortgagor to the fullest extent permitted by applicable law, provided that the power of sale hereunder shall not be exhausted by one or more sales, and the Mortgagee from time to time may adjourn any sale to be made pursuant to this Section 4.1; or

(j) by instrument in writing appoint any person or persons, whether or not an officer or officers or an employee or employees of the Mortgagee, to be a receiver or receivers of all or any part of the Collateral and remove any receiver or receivers so appointed and appoint another or others in his or their stead; provided that (i) any such receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Mortgagor and in no event the agent of the Mortgagee, and the Mortgagee shall not in any way be responsible for any misconduct, negligence, or nonfeasance on the part of any such receiver, (ii) subject to the provisions of the instrument appointing such receiver, any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on or concur in carrying on the business of the Mortgagor and to sell or concur in selling all or any part of the Collateral and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Mortgagor and to further charge the Collateral in priority to the charge of this Mortgage as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine, (iii) except as may be otherwise directed by the Mortgagee, all monies from time to time received by such receiver shall be in trust for and paid over to the Mortgagee, (iv) the rights and powers conferred by this paragraph are in supplement of and not in substitution for any rights or powers that the Mortgagee may from time to time have pursuant to any applicable law, and every such receiver may in the discretion of the Mortgagee be vested with all or any of the rights and powers of the Mortgagee, and (v) the term "receiver" as used in this paragraph includes a receiver and manager.

Section 4.2. Sale. Any sale of Collateral may be in one lot or as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Mortgagee may determine. In the event that any mandatory requirement of applicable law shall obligate the Mortgagee to give prior notice to the Mortgagor of any of the acts specified in Section 4.1, the Mortgagor hereby covenants and agrees that a notice of such act sent to it as provided in Section 5.11 by telex or by certified mail, return receipt requested, at

least ten Business Days before the date of any such act shall be and is reasonable notification of such act, including reasonable notification of the time and place of any public sale hereunder and reasonable notification of the time after which any private sale or other intended disposition to be made hereunder is to be made. The Seller may bid for and become the purchaser of the Collateral, or any of it, so offered for sale.

At any sale pursuant to this Section 4, whether under the power of sale or by virtue of judicial proceedings, it shall not be necessary for the Mortgagee or a public officer under order of a court to have present physical or constructive possession of the Collateral to be sold. The recitals contained in any conveyances and receipts made and given by the Mortgagee or such public officer to any purchaser at any sale made pursuant to this Mortgage shall, to the extent permitted by applicable law, conclusively establish the truth and accuracy of the matters stated therein (including, without limiting the generality of the foregoing, the Obligations, the accrual and nonpayment thereof and advertisement and conduct of such sale in the manner provided herein and by applicable law); and all prerequisites to such sale shall be presumed to have been satisfied and performed. Upon any sale hereunder of any or all of the Collateral or any interest therein, the receipt of the officer making such sale under judicial proceedings or of the Mortgagee shall be sufficient discharge to the purchaser for the purchase money, and such purchaser shall not be obligated to see to the application thereof. Any sale hereunder of any or all of the Collateral or any interest therein shall forever be a perpetual bar against the Mortgagor with respect to such Collateral or interest therein, as the case may be.

Section 4.3. Demand for Possession of the Equipment. In case the Mortgagee shall demand possession of the Equipment or any unit thereof in pursuance of this Mortgage and shall designate a point or points (which may, but need not, be upon premises occupied by the Mortgagor) for delivery of the Equipment or any unit thereof to the Mortgagee, the Mortgagor will, subject to the rights of the Lessees under the Leases, at its own expense forthwith cause the Equipment or any such unit thereof to be moved to such point and there be delivered to the Mortgagee; and, at the option of the Mortgagee, the Mortgagee may keep the Equipment or any part thereof on any lines of railroad or other premises approved by it, at the expense of the Mortgagor, until the

Mortgagee shall have sold, leased or otherwise disposed of the same. The provisions of this Section 4.3 are of the essence of this Mortgage and, upon application to any court of equity having jurisdiction in the premises, the Mortgagee shall be entitled to a decree against the Mortgagor requiring specific performance hereof, and the Mortgagor will pay to the Mortgagee upon demand all expenses incurred in locating or taking possession of any Collateral, and all such expenses, with interest thereon at the rate of 16% per annum, shall be included among the Obligations secured by this Mortgage.

Section 4.4. Application of Proceeds. If, as provided in this Section 4, the Mortgagee shall exercise any of the powers and remedies conferred by this Mortgage, all payments made by the Mortgagor to the Mortgagee hereunder and the proceeds of any judgment collected from the Mortgagor by the Mortgagee hereunder, and the proceeds of every sale, lease or other disposition of any of the Collateral and all other sums realized by the Mortgagee pursuant to this Mortgage or any proceedings hereunder, together with any other sums which may then be held by the Mortgagee under any of the provisions hereof, shall be applied in the following order of priority:

First: To the payment of the costs and expenses of taking, transporting and preparing the Collateral, and of any such sale, lease disposition or other realization, including reasonable compensation to the Mortgagee's agents and counsel, and all expenses, liabilities and advances made or incurred by the Mortgagee in connection therewith, including, without limitation, taxes upon or with respect to the sale, lease, disposition or realization and the payment of taxes and liens, if any, prior to the Lien and security interest of this Mortgage (except any taxes or Liens to which the respective sale, lease, disposition or realization shall have been subject) and to the payment of expenses and the reimbursements of payments incurred or made by the Mortgagee pursuant to Section 5.6;

Second: To the payment of all amounts due and payable by the Mortgagor with respect to the Obligations in such order as the Mortgagee shall determine; and

Third: The remainder, if any, shall be remitted to the Mortgagor or as a court of competent jurisdic-

tion may otherwise direct.

Section 5. General.

Section 5.1. Rights Cumulative. Each and every right, power and remedy hereby specifically given to the Mortgagee shall be in addition to every other right, power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every right, power and remedy may be exercised from time to time simultaneously and as often and in such order as may be deemed expedient by the Mortgagee. All such rights, powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No failure or delay of the Mortgagee in exercising, and no course of dealing with respect to, any such right, power or remedy, no renewal or extension of any payments due hereunder and no notice or demand which may be given to or made upon the Mortgagor with respect to any such right, power or remedy shall constitute a waiver thereof or limit or impair any such right, power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. No foreclosure of this Mortgage, pursuant to the terms hereof or as provided by law, shall release the Mortgagor until full payment has been made to the Mortgagee, in cash, of all amounts secured hereby. Any extension of time for payment hereunder or other indulgence duly granted to the Mortgagor shall not otherwise alter or affect the Mortgagee's rights or the Mortgagor's Obligations hereunder. The Mortgagee's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Mortgagor's Obligations or the Mortgagee's rights hereunder with respect to any subsequent payments or default therein.

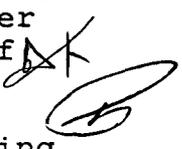
Section 5.2. Expenses of Collection. The Mortgagor will pay all reasonable expenses, including attorneys' fees, incurred by the Mortgagee in exercising its rights, powers and remedies under the terms of this Mortgage. In the event that the Mortgagee shall bring any suit to enforce any rights hereunder and shall be entitled to judgment, then in such suit the Mortgagee may recover reasonable expenses including reasonable attorneys' fees, and the amount thereof shall be included in such judgment.

Section 5.3. Applicable Laws. Any provision of this Mortgage which is prohibited or unenforceable in any jurisdiction (which is not overridden by applicable Federal

law) shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, 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, the Mortgagor hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect, it being the intention of the parties hereto that this Mortgage shall be deemed to be, inter alia, a security agreement and enforced as such.

Section 5.4. Waiver. Except as otherwise expressly provided in Section 4.2, the Mortgagor, to the extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease any or all of the Equipment and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Mortgagee's rights under this Mortgage and any and all rights of redemption.

Section 5.5. Recording. The Mortgagor will, at its own expense, (a) cause this Mortgage and any amendments or supplements hereto to be filed and recorded with the ICC in accordance with Section 11303 of the Interstate Commerce Act and the regulations promulgated thereunder and promptly furnish to the Mortgagee an opinion of counsel as to, and certificates covering or other evidence of, such filing and recordation and, (b) within two weeks of the Delivery Date cause this Mortgage and any amendments or supplements hereto to be deposited in the office of the Registrar General of Canada pursuant to Section 86 of the Railway Act and notice thereof to be delivered for publication in the Canada Gazette and promptly thereafter furnish to the Mortgagee an opinion or certificate of counsel to the effect that such Mortgage and any amendments or supplements thereto have been so deposited and that notice has been so delivered (the "Canadian Central Filing") and, (c) not later than the first Installment Date, register or file executed counterparts of, or record by way of financing statements of, each of the Bills of Sale and the Mortgage in the Canadian Provinces of British Columbia, Alberta, Saskatchewan and Ontario and record by way of financing statements of the Mortgage in the Canadian Province of Manitoba, and furnish to the Mortgagee opinions of counsel as to, and certificates covering or other evidence of, such registration, filing and

recordation, provided, however, that as to the foregoing clause (c) the Bills of Sale and the Mortgage need not be registered, filed, or recorded in the Canadian Provinces if, not later than the first Installment Date, the Buyer either has (i) amended the Unrestricted Leases to restrict use of the Equipment covered thereby to the effect set forth in paragraph 4(iv) of the Mortgagor's Standard form lease, or (ii) substituted a lease or leases covering Equipment having an AAR Value not less than the AAR Value of the Equipment covered by the Unrestricted Leases, which lease or leases contain or contains a provision restricting use of the Equipment covered thereby to the effect set forth in paragraph 4(iv) of the Mortgagor's standard form lease or (iii) furnished the Mortgagee with an opinion of counsel to the effect that the Canadian Central Filing referred to in clause (b), above, is effective to create a valid, perfected prior security interest in Canada of the Mortgagee of record in the Equipment. 

Promptly after the execution and delivery of each supplement hereto, the Mortgagor will furnish to the Mortgagee an Opinion of Counsel stating that, in the opinion of such counsel, this Mortgage or such supplement, as the case may be, has been properly filed and recorded and refiled and rerecorded, if necessary or advisable, and any other necessary or advisable action has been taken so as effectively to establish the Mortgagor's title to the Collateral as against third parties and duly to perfect the security interest in favor of the Mortgagee contemplated hereby in compliance with the preceding paragraph of this Section 5.5 in each jurisdiction in which this Mortgage or any financing statement with respect thereto has been filed and recorded and reciting the details of such action.

Section 5.6. The Mortgagee's Right to Perform for the Mortgagor. If the Mortgagor fails to make any payment required to be made by it hereunder or fails to perform or comply with any of its agreements contained herein, the Mortgagee may (but shall not be obligated to) itself make such payment or perform or comply with such agreement (including, without limitation, the agreement of the Mortgagor to maintain insurance pursuant to Section 1.6), and the amount of such payment and the amount of the reasonable expenses of the Mortgagee incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, together with interest thereon at the rate of 16% per annum, shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute additional

indebtedness secured by the lien and security interest of this Mortgage.

Section 5.7. Further Assurances. The Mortgagor shall, at the request of the Mortgagee, promptly correct any defect, error or omission which may at any time hereafter be discovered in the contents of this Mortgage or in the execution, acknowledgment or delivery hereof, and execute, acknowledge and deliver to the Mortgagee such further documents and assurances and take such further action as the Mortgagee may from time to time reasonably request in order more effectively to carry out the intent and purpose of this Mortgage and to establish and protect the rights and remedies created or intended by the parties to be created in favor of the Mortgagee hereunder.

Section 5.8. Indemnification and Expenses. Without limiting its obligations under the Sales Agreement, the Mortgagor does hereby assume liability for, and does hereby agree to indemnify, protect, save and keep harmless the Mortgagee and its successors, assigns, representatives, agents and servants from and against, any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including legal expenses, of whatsoever kind and nature imposed on, incurred by or asserted against the Mortgagee or its successors, assigns, representatives, agents and servants (whether or not also indemnified against by any other person or entity), in any way relating to or arising out of this Mortgage or the ownership, lease, possession, use, operation, condition, sale or other disposition of any Collateral; provided that the Mortgagor shall not be required to indemnify any such Person for the gross negligence or the wilful misconduct of such Person or its successors, assigns, representatives, agents and servants. The Mortgagee agrees to give the Mortgagor prompt written notice of any claim or liability hereby indemnified against. The indemnities contained in this Section shall continue in full force and effect notwithstanding the termination of this Mortgage and shall be enforceable by the Mortgagee and any other Person indemnified hereunder, respectively, with respect to claims arising or liabilities incurred prior to such termination.

Section 5.9. Defense of Litigation. If the rights of the Mortgagee in the Collateral or any part thereof or the Lien of this Mortgage thereon shall be in danger, or shall be attacked directly or indirectly, or if any legal proceedings are instituted against the Mortgagor

or the Mortgagee with respect thereto, the Mortgagor will promptly give written notice thereof (to the extent known to it) to the Mortgagee and at its own cost and expense will exert itself diligently to cure any defect that may have developed or be claimed to exist and will take all necessary and proper steps for the protection and defense thereof and take such action as is reasonably appropriate to the defense of any such legal proceedings.

Section 5.10. Amendments, etc. No amendment, variation or modification of this Mortgage and no waiver or discharge of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Mortgagor and the Mortgagee. All captions in this Mortgage are inserted for convenience only and shall not define or limit any of the terms or provisions hereof.

Section 5.11. Notices. All notices hereunder to any of the parties designated below shall be deemed to be properly served if delivered, mailed or dispatched by telex with confirmed answerback to the respective addresses set forth below (or to such other address of which the party receiving notice shall have notified the party giving notice):

(a) To the Mortgagor:

Evans Railcar Leasing Company
The East Tower, Suite 1000
2550 Golf Road
Rolling Meadows, Illinois 60008

Attention: Paul R. Leak

Telex No.: 206411
Answerback: EVANS PRODUCTS

(b) To the Mortgagee:

Marubeni America Corporation,
200 Park Avenue
New York, New York 10166

Attention: General Manager
of Machinery
Division

Telex No.: 12424
Answerback: MARUBENI NYK

Section 5.12. Governing Law. This Mortgage shall be governed by and construed in accordance with the law of the State of Illinois.

Section 5.13. Counterparts. This Mortgage may be executed in several counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

Section 5.14. Successors and Assigns. All the terms, provisions, conditions and covenants contained in this Mortgage shall be binding upon the Mortgagor, its successors and assigns and inure to the benefit of the Mortgagee and its successors and assigns.

Section 5.15. Termination. Unless otherwise provided herein, this Mortgage and the lien and security interest granted by this Mortgage shall terminate when all obligations of the Mortgagor under the Sales Agreement and under this Mortgage shall be fully paid and performed. Upon termination of this Mortgage, as aforesaid, the Mortgagee shall execute and deliver to the Mortgagor, at the Mortgagor's expense, and without any recourse, representation or warranty, such instruments of release and termination as shall be appropriate in the premises.

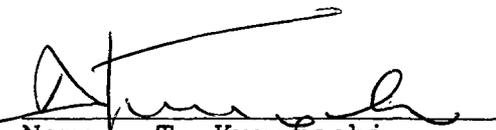
IN WITNESS WHEREOF, the undersigned have caused this Mortgage to be executed by their respective duly autho

rized representatives as of the day and year first set forth above.

EVANS RAILCAR LEASING COMPANY

By 
Name: Paul R. Leak
Title: Vice President

MARUBENI AMERICA CORPORATION

By 
Name: T. Kuramochi
Title: Senior Vice President
and Treasurer

SCHEDULE I

DESCRIPTION OF ROLLING STOCK AND LEASES

<u>TYPE OF CAR</u>	<u>QUANTITY</u>	<u>LESSEE</u>	<u>LEASE DATE</u>	<u>SCHEDULE NO.</u>	<u>SCHEDULE DATE</u>	<u>TERM (YEARS)</u>	<u>CAR NUMBERS (BOTH INCLUSIVE)</u>
4,780 cu. ft. 100-ton covered hopper cars	80	Union Oil Company of California	8/22/79	1	8/22/79	15	USLX 26900- 26979
56'6" 70-ton XM Box Cars	10	Ferdinand Railroad Company	3/27/80 (1)	1	3/27/80	15	FRDN 152-161
4,780 cu. ft. 100-ton covered hopper cars	23	Columbus and Greenville Railway Company	5/15/80	1	5/15/80	15	CAGY 208135, 208138-208159
3,000 cu. ft. 100-ton covered hopper cars	25	Columbus and Greenville Railway Company	8/13/81	2	11/9/81	5	CAGY 375-399
100-ton 56'8" bulkhead flat cars	20	Pacific Coast Transportation	3/27/79	3	11/14/80 (2)	15	NOKL 2880-2899
100-ton 56'8" bulkhead flat cars	15	Pacific Coast Transportation	8/20/80	2	11/14/80 (3)	15	NOKL 2900-2914

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- (1) Amended 4/29/82
(2) Amended
(3) Amended

<u>TYPE OF CAR</u>	<u>QUANTITY</u>	<u>LESSEE</u>	<u>LEASE DATE</u>	<u>SCHEDULE NO.</u>	<u>SCHEDULE DATE</u>	<u>TERM (YEARS)</u>	<u>CAR NUMBERS (BOTH INCLUSIVE)</u>
50'6" 70-ton XP box cars	200	Chattahooche Industrial Railroad	5/4/81	1	5/4/81(4)	15	CIRR 91000-91199
3,000 cu. ft. 100-ton covered hopper cars	100	Green Bay & Western Railroad Company	7/24/81	1	8/11/81	15	GBW 9000-9099
4,780 cu. ft. 100-ton covered hopper cars	59	Keokuk Northern Real Estate Company	8/19/81	2	8/18/81	15	KJRY 531 KJRY 532 KJRY 535 KJRY 542 KJRY 543 KJRY 549 KJRY 554 KJRY 560 KJRY 561 KJRY 563 KJRY 564 KJRY 566 KJRY 571 KJRY 574 KJRY 579 KJRY 580 KJRY 583 KJRY 585 KJRY 591 KJRY 603 KJRY 604 KJRY 605 KJRY 607 KJRY 609 KJRY 610 KJRY 611 KJRY 617 KJRY 621 KJRY 623

<u>TYPE OF CAR</u>	<u>QUANTITY</u>	<u>LESSEE</u>	<u>LEASE DATE</u>	<u>SCHEDULE NO.</u>	<u>SCHEDULE DATE</u>	<u>TERM (YEARS)</u>	<u>CAR NUMBERS (BOTH INCLUSIVE)</u>
							KJRY 626 KJRY 629 KJRY 631 KJRY 632 KJRY 633 KJRY 634 KJRY 635 KJRY 637 KJRY 638 KJRY 639 KJRY 642 KJRY 646 KJRY 652 KJRY 659 KJRY 677 KJRY 678 KJRY 680 KJRY 681 KJRY 682 KJRY 684 KJRY 685 KJRY 692 KJRY 693 KJRY 698 KJRY 705 KJRY 707 KJRY 708 KJRY 710 KJRY 715 KJRY 718
52'5" 70-ton RBL box cars	10	Keokuk Northern Real Estate Company	8/19/81	3	8/18/81	15	KJRY 65609 KJRY 65610 KJRY 65611 KJRY 65620 KJRY 65624 KJRY 65628 KJRY 65631 KJRY 65632 KJRY 65642 KJRY 65650

<u>TYPE OF CAR</u>	<u>QUANTITY</u>	<u>LESSEE</u>	<u>LEASE DATE</u>	<u>SCHEDULE NO.</u>	<u>SCHEDULE DATE</u>	<u>TERM (YEARS)</u>	<u>CAR NUMBERS (BOTH INCLUSIVE)</u>
21,000 gallon tank cars	50	Polychem Transportation Company	7/18/78	2	1/30/81 (5)	2	USLX 21750-21799
21,000 gallon tank cars	17	Polychem Transportation Company	7/18/78	4	6/5/81	1	USLX 21738-21749 (except 21746), and USLX 21800-21805
4,780 cu. ft. covered hopper cars	98	Interail Inc.	8/30/82	N/A	N/A	15	NOKL 3700-3799 (except 3754 & 3781)
21,000 gallon coiled and insulated tank cars	34	(6)					USLX 21860-21874 and USLX 21926-21944
	<u>741</u>						

(5) Amended
(6) Not Under Lease

SUPPLEMENT TO EQUIPMENT MORTGAGE AND ASSIGNMENT OF LEASES

THIS SUPPLEMENT TO EQUIPMENT MORTGAGE AND ASSIGNMENT OF LEASES dated as of _____, 19____, (this "Supplement") from Evans Railcar Leasing Corporation (the "Mortgagor"), an Illinois corporation, having its principal office at _____, as mortgagor, to Marubeni America Corporation (the "Mortgagee"), as mortgagee under the Mortgage described below.

WHEREAS, the Mortgagor has heretofore executed and delivered to the Mortgagee an Equipment Mortgage and Assignment of Leases dated as of _____, 198____ (hereinafter, "Mortgage"), covering certain railroad cars of the Mortgagor to secure all obligations of the Mortgagor under the Mortgage

