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RECORDATION NO. _____ FILED 1425

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ASSIGNMENT OF RENTS AND LEASES STATE OF ILLINOIS COMMERCE COMMISSION

THIS ASSIGNMENT OF RENTS AND LEASES ("Assignment") is granted as of December ____, 1993, by Residual Based Finance Corporation, an Illinois corporation ("Borrower"), to THE CIT GROUP/EQUIPMENT FINANCING, INC., a New York corporation ("Lender").

WHEREAS, (i) Lender extended certain credit and other financial accommodations to Borrower pursuant to that certain Loan and Security Agreement of even date herewith (as amended, the "Loan Agreement") to be secured by, among other things, the railcars described on Schedule 1 hereto (collectively, the "Railcars"), (ii) Borrower has agreed to grant to Lender the liens and security interests in the Lease described on Schedule 2 hereto (the "Lease") and other personal property described herein, and (iii) Borrower has agreed to assign to Lender its right under the Lease to receive certain payments, as more fully described below.

NOW, THEREFORE, it is agreed:

SECTION 1. ASSIGNMENT.

Section 1.1 Capitalized Terms. All capitalized terms used in this Assignment, and not otherwise defined, shall have the meanings ascribed thereto in the Loan Agreement.

Section 1.2 Assignment of Basic Rental. To secure payment and performance of the Liabilities, Assignor hereby assigns, conveys, transfers and sets over to Assignee all rights to the Basic Rental (as defined in the Lease) (Basic Rental may be referred to as the "Assigned Rent") and hereby constitutes Lender as its attorney, in its name to take all legal measures which may be proper or necessary for the complete recovery of the Assigned Rent, and hereby authorizes, empowers and directs Lessee (as defined in the Lease) to pay the Assigned Rent to Lender during the term of the Lease, without notice or demand and without abatement, reduction, deduction, counterclaim, recoupment, defense or setoff of any amount whatsoever.

Section 1.3 Direction to Pay. Borrower hereby directs all obligors of the Assigned Rent to make payment thereof to or at the direction of Lender, and acknowledges that such direction shall remain in full force and effect for the duration of the term of the Lease.

Section 1.4 Grant of Security Interest. As security for the Borrower's payment and performance obligations of the Liabilities, as defined in the Loan Agreement, Borrower hereby grants to Lender a security interest in and chattel mortgage on all of the following (the "Collateral"):

(a) All of Borrower's leases, assignments, usage agreements, management agreements, bailment agreements and any other arrangements to deliver possession relating to the Equipment, including, without limitation, the Lease (as defined herein) (collectively, the "Leases"), whether now or hereafter existing, between the Borrower as lessor and other parties as lessees, users or otherwise (the "Lessees"), including, without limitation, (i) all rents 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 and to use any and all of the Equipment, subject to the right of the Lessees therein, (v) the right to make all waivers and agreements and to enter into any amendments relating to any Lease or any provision thereof, (vi) the right to take such action upon the occurrence of an event of default under any Lease, including, without limitation, the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by any Lease or by law, and (vii) all other rights, claims, causes of action, if any, which Borrower may have against any Lessee with respect to any Lease including, without limitation, the right to exercise any options or remedies under such Leases and the right to enforce any indemnification provision under the Lease; and

(b) All books, records, reports and documents, in whatever form and wherever located relating in any way to the foregoing, including, without limitation, all lease records and reports (the "Records").

Section 1.5. Borrower's Agreements with Respect to the Leases. To protect the grant of security interest to Lender in the Leases, Borrower hereby agrees as follows:

(a) Borrower shall faithfully abide by, perform and discharge each and every material obligation, covenant, condition, duty and agreement which the Leases provide are to be performed by Borrower.

(b) Borrower will deliver to Lender the chattel paper counterpart of the Leases.

Section 1.6. Loan Agreement. Borrower agrees to perform each and every obligation of Borrower under or pursuant to the Loan Agreement. To the extent there is a conflict between the terms of the Loan Agreement and the terms of this Assignment, the terms of the Loan Agreement shall control.

SECTION 2. DEFAULT

Section 2.1. Event of Default. The occurrence of any Event of Default under the Loan Agreement or the Equipment Mortgage, shall constitute an Event of Default hereunder.

SECTION 3. REMEDIES.

Section 3.1. Remedies. Upon the occurrence and during the continuance of any Event of Default hereunder, Lender may do any one or more of the acts set forth in the Loan Agreement following an Event of a Default thereunder or hereunder (but shall be under no obligation to do so), regarding the Collateral, or any portion thereof. In the event that Lender exercises any of its rights under this Assignment, all payments or proceeds received by Lender resulting from such exercise shall be applied in accordance with the terms of the Notes.

SECTION 4. GENERAL.

Section 4.1. Rights Cumulative. Each and every power and remedy hereby specifically given to Lender shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time simultaneously and as often and in such order as may be deemed expedient by Lender. All such 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 delay or omission of Lender in the exercise of any such power or remedy and no renewal or extension of any payments due under the Loan Agreement or hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment or other indulgence duly granted to Borrower shall not otherwise alter or affect Lender's rights or the Liabilities. Lender's acceptance of any payment after it shall have become due shall not be deemed to alter or affect the Liabilities or Lender's rights hereunder with respect to any subsequent payments or default therein.

Section 4.2. Waiver. Except as otherwise provided in this Assignment or the Loan Agreement, Borrower, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, or any other requirements with respect to the enforcement of Lender's rights under this Assignment.

Section 4.3. Termination of Security Interest; Reconveyance of Assigned Rents. When all the Liabilities have been paid in full, at the request and expense of Borrower, Lender shall release the lien of this Assignment with respect to the Leases and reconvey to Borrower Lender's interest in the Assigned Rent by an appropriate document or documents and thereupon this Assignment shall be satisfied and void.

Section 4.4. Section Headings, Effect and Modification of Agreement. All section headings are inserted for convenience only and shall not affect any construction or interpretation of this Assignment.

Section 4.5. Modifications. No variation or modification of this Assignment and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of Lender and Borrower.

Section 4.6. Notices. Except as otherwise expressly herein, any notice required or desired to be served, given or delivered hereunder shall be in writing, and shall be deemed to have been validly served, given or delivered (i) three (3) days after deposit in the United States mails, with proper postage prepaid, (ii) when sent after receipt of confirmation or answerback if sent by telecopy, telex or other similar facsimile transmission, (iii) one (1) Business Day after deposited with a reputable overnight courier with all charges prepaid, or (iv) when delivered, if hand-delivered by messenger, all of which shall be properly addressed to the party to be notified and sent to the address or number indicated as follows:

(i) If to Lender at:

THE CIT GROUP/EQUIPMENT FINANCING, INC.
1211 Avenue of the Americas
New York, New York 10036
Attention: Senior Vice President - Credit
Fax Number: 212-536-1385

with a copy to:

THE CIT GROUP/EQUIPMENT FINANCING, INC.
1211 Avenue of the Americas
New York, New York 10036
Attention: Senior Vice President - Legal
Fax Number: 212-536-1388

and to:

Seyfarth, Shaw, Fairweather & Geraldson
55 East Monroe Street, Suite 4200
Chicago, Illinois 60603
Attention: Richard Demarest Yant
Fax Number: 312-269-8869

(ii) If to Borrower at:

Residual Based Finance Corporation
Three First National Plaza, Suite 1240
Chicago, Illinois 60602
Attention: President
Fax Number: 312-725-3690

with a copy to:

Schiff, Hardin & Waite
7200 Sears Tower
Chicago, Illinois 60606
Attention: Scott Pickens
Fax Number: (312) 258-5600

or to such other address or number as either party designates to the other in the manner herein prescribed.

Section 4.7. Law Governing. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of New York without regard to conflicts of laws rules; provided, however, that Lender shall be entitled to file, record or deposit this Assignment in the appropriate office(s) pursuant to Section 11303 of the Interstate Commerce Act or in such other offices as may be appropriate in the jurisdiction in which the Equipment is operated.

Section 4.8. Successors and Assigns. This Assignment shall be binding upon Borrower and inure to the benefit of Lender and its successors and assigns.

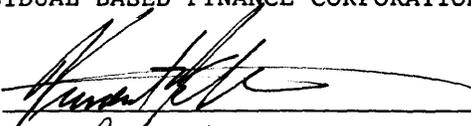
Section 4.9. Severability. The provisions of this Assignment are severable and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction or any other clause or provision of this Assignment in any jurisdiction. Without limiting the generality of the foregoing, the parties hereto intend that the security interest created by this Assignment and securing the Liabilities shall be severable, and if any portion of the Liabilities shall be invalid, unenforceable or void under applicable law, then the security interest created by this Assignment shall be invalid, unenforceable or void solely to the extent of such invalidity, unenforceability or voidance of such portion of the Liabilities without rendering the remainder of the security interest created by this Assignment unenforceable, invalid or void.

4.10. Further Assurances. Borrower will, from time to time, do and perform any other act or acts and will execute, acknowledge, and deliver, and file, register, and record (and will re-file, re-register and re-record whenever required) any further instrument, including any extensions and renewals thereof, required by law or reasonably requested by Lender in order to confirm or further assure the interests of Lender hereunder.

4.11 Non-Recourse. Borrower shall not be personally liable for payment of any liabilities secured by this Assignment, and any action to enforce the obligations of Borrower to pay such liabilities shall be enforceable against Borrower only to the extent of its interest in the Collateral, and as described in the Loan Agreement.

IN WITNESS WHEREOF, Borrower has caused this Assignment to be duly executed all as of the date first above written, and the undersigned hereby declares pursuant to 28 U.S.C. Section 1746 under penalty of perjury that the foregoing is a true and correct document and was executed on the date indicated below its signature.

RESIDUAL BASED FINANCE CORPORATION

By: 

Title: President

Date: 12/22/93

ATTEST: 

By: 

Title: Secretary

Date: 12/22/93

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this 22nd day of December, 1993, 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, an Illinois corporation, and that said instrument was signed 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.



Veronica L. Nachtwey
Notary Public

(NOTARIAL SEAL)

My Commission Expires: 12/23/96

SCHEDULE 1

RAILCARS

Ninety-six (96) 4,750 cubic foot 100-ton grain covered hopper cars with gravity gates, trough hatches, rack and pinion equipped built in 1978 by Pullman formerly marked and numbered in series FLIX 600-699 (inclusive) (excluding numbers 615, 650, 679 and 685) and currently or to be marked and numbered in series OFCX 600-699 (inclusive) (excluding numbers 615, 650, 679 and 685).

SCHEDULE 2

LEASE

Car Leasing Agreement dated as of October 6, 1993, by and between Residual Based Finance Corporation and General Mills, Inc.

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