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16716
RECORDATION NO. FILED 1425

JAN 11 1990 -11 35 AM

INTERSTATE COMMERCE COMMISSION

TELECOPIER (202) 296-1682

HARRY J JORDAN

16716
RECORDATION NO. FILED 1425

JAN 11 1990 -11 35 AM

INTERSTATE COMMERCE COMMISSION

January 11, 1990

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0-011A017
INTERSTATE COMMERCE COMMISSION

Honorable Noretta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Re: Recordation of Mortgage and
Security Agreements, Assignment of
Lease and Rents, and Lease Agreement

Dear Madam Secretary:

Residual Based Finance Corporation (Residual) has borrowed funds, under a Senior Secured Note Purchase Agreement, from the Aid Association for Lutherans (Association) in connection with Residual's purchase of certain 100-ton railroad hopper cars, which are being leased to the Burlington Northern Railroad Company (Burlington Northern) pursuant to a lease agreement dated December 29, 1989.

As evidence of such borrowing, Residual has executed and delivered to the Association its 9.23% Senior Secured Note or Notes (the Notes), maturing on October 15, 2004, in the aggregate principal amount of \$3,513,195, secured by, among other things, a Mortgage and Security Agreement and the Assignment of Lease and Rental payments under the lease agreement with Burlington Northern.

The Mortgage and Security Agreement and the related Assignment of Lease and Rents create a lien in favor of the Association on the railroad property and upon the right, title, and interest of Residual in and under the Lease and Rental Agreement between Residual and the Burlington Northern.

Pursuant to Section 11303 of Title 49 of the U.S. Code and the Commission's regulations as set forth in 49 CFR 1177, enclosed for filing are the original and one copy/counterpart of the following documents involved in the above-described transaction.

(Handwritten notes on the left margin, including a signature)

Honorable Noretta R. McGee

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January 11, 1990

(1) Documents Submitted For Recording:

(a) Mortgage and Security Agreement (Security Agreement), dated January 10, 1990, between Residual (Debtor), and Association (Secured Party);

(b) Assignment of Lease and Rents (Assignment) executed and delivered January 10, 1990, by Residual/Debtor to and for the benefit of Association/Secured Party, as Assignee; and

(c) Lease Agreement (Lease), dated December 29, 1989, between Residual (Residual/Lessor) and Burlington Northern (Lessee).

(2) Primary Or Secondary Documents:

The Security Agreement and the related Assignment and Lease Agreement are being filed simultaneously; a recording number has, therefore, not been previously assigned to the Security Agreement.

(3) Cross-Indexing:

It is requested that the Security Agreement, Assignment, and Lease be cross-indexed in the names of the parties to such documents as reflected in paragraph 5 below.

(4) Description Of Equipment Covered By Documents:

(a) 100-Ton Covered Hopper Cars

Type	Number	A.R.A. Designations
4750, Cubic Foot, (100-Ton Each) Covered, Hopper Cars	64	BN 465001 through BN 465064

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(b) 100-Ton Covered Hopper Cars

Type	Number	A.R.A. Designations
4750, Cubic Foot (100-Ton Each) Covered, Hopper Cars	59	BN 465241 through BN 465266, and BN 465268 through BN 465300

(5) Names And Addresses Of Parties To The Documents:

(a) Mortgage And Security Agreement

Debtor:

Secured Party:

Residual Based Finance Corporation
Three First National Plaza
Suite 1240
Chicago, Illinois 60602

Aid Association for Lutherans
4321 North Ballard Road
Appleton, Wisconsin 54919

(b) Assignment Of Lease And Rents

Assignor:

Assignee:

Residual Based Finance Corporation
Three First National Plaza
Suite 1240
Chicago, Illinois 60602

Aid Association for Lutherans
4321 North Ballard Road
Appleton, Wisconsin 54919

(c) Lease Agreement

Lessor:

Lessee:

Residual Based Finance Corporation
Three First National Plaza
Suite 1240
Chicago, Illinois 60602

Burlington Northern
Railway Company
2900 Continental Plaza
777 Main Street,
Fort Worth, Texas 76102

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(6) Party To Whom Original Documents Should Be Returned:

Daniel W. Gentges, Esq.
Whyte & Hirshboeck
Suite 2100
111 East Wisconsin Avenue
Milwaukee, WI 53202

With notice to:
Harry J. Jordan Esq.
McInerny & Jordan
Suite 900
900 Seventeenth Street, NW
Washington, DC 20006

(7) Filing Fee:

The required filing fee in the amount of \$45 is enclosed.

(8) Summary Of Documents Submitted For Recording:

Primary Documents:

(a) Mortgage and Security Agreement:

Mortgage and Security Agreement, dated January 10, 1990, between Residual Based Finance Corporation (Residual/Debtor), and Aid Association for Lutherans (Association/Secured Party), creating a security interest in 123 covered hopper rail cars under lease to Burlington Northern Railroad Company.

(b) Assignment of Lease and Rents:

Assignment of Lease and Rents, dated January 10, 1990, by which Residual Based Finance Corporation (Assignor), has assigned to Aid for Lutherans Association (Assignee) all rents, reserved rents and proceeds payable by the Burlington Northern Railroad Company under its lease of the 123 covered hopper rail cars.

(c) Lease Agreement:

Agreement of Lease, dated December 29, 1989, by which Residual Based Finance Corporation has leased the 123 covered hopper rail cars to the Burlington Northern Railroad Company, and which has been assigned by Residual to Aid for Lutherans Association.

Please stamp all counterparts of the enclosed documents with your official recording stamp. One copy of each instrument and this transmittal letter is for the Commission's files. It is

Honorable Noreta R. McGee
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requested that the remaining counterparts of the document be delivered to the bearer of this letter.

Very truly yours,



Harry J. Jordan
McInerny & Jordan
Ninth Floor
900 Seventeenth Street, NW
Washington, DC 20006
(202) 783-8131

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

1/11/90

OFFICE OF THE SECRETARY

Harry J. Jordan
McInerny Jordan
900 17th St N.W.
Washington, D.C. 20006

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 1/11/90 at 11:35am, and assigned recordation number(s). 16716 16716-A & 16716-B

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

16716 A

RECORDATION NO _____ FILED 1428

JAN 11 1990 -11 35 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE

AND RENTS

From

RESIDUAL BASED FINANCE CORPORATION
(an Illinois corporation)

to

AID ASSOCIATION FOR LUTHERANS

This ASSIGNMENT OF LEASE AND RENTS, dated as of January 10, 1990 ("Assignment"), is executed and delivered by Residual Based Finance Corporation, an Illinois corporation ("Assignor"), having an address at Three First National Plaza, Suite 1240, Chicago, Illinois, 60602, to and for the benefit of Aid Association For Lutherans ("Assignee"), having an address at 4321 North Ballard Road, Appleton, Wisconsin 54919.

Preliminary Recitations:

A. At or about the time of the delivery hereof, Assignor is borrowing certain sums of money from the Assignee pursuant to a Senior Secured Note Purchase Agreement of even date herewith ("Note Purchase Agreement"), and in order to evidence such borrowing is executing and delivering its 9.23% Senior Secured Note or Notes, maturing on October 15, 2004 ("Note(s)") in the aggregate principal amount of \$3,513,195.00, secured by, among other things, a Security Agreement by and between Assignor and Assignee, of even date herewith (the "Security Agreement") and this Assignment.

B. The Security Agreement creates a lien on the railroad property described in Exhibit A hereto (the "Cars"), and upon the right, title and interest of the Assignor in and under the Lease Agreement (the "Lease") between Assignor, as lessor and Burlington Northern Railroad Company, as Lessee (the "Lessee"), dated as of December 29, 1989.

C. In order to induce Assignee to purchase the Note(s) and to accept the Security Agreement, Assignor is executing and delivering this Assignment to and for the benefit of Assignee.

Agreement:

1. Assignment. For value received, the receipt of which is hereby acknowledged, the Assignor, as additional security for the payment of the principal of, premium, if any, and interest and all other sums payable on, the Note(s), and for the performance and observance of the provisions of the Note Purchase Agreement and the Security Agreement, has assigned, transferred, conveyed and set over, and by these presents does assign, transfer, convey and set over to Assignee all of Assignor's estate, right, title and interest in, to and under the Lease, together with all rights, powers, privileges, options and other benefits of Assignor as lessor under the Lease, including, but not by way of limitation: (i) the

immediate and continuing right to receive and collect all rents, income, revenues, issues, profits, insurance proceeds, condemnation awards, moneys and security payable or receivable under the Lease or pursuant to any of the provisions thereof, whether as rents, casualty value, termination value, purchase price or otherwise (except sums payable directly to any person other than the lessor thereunder), all of which sums payable to the Assignee pursuant to this clause (i) Assignor agrees shall be forwarded, in immediately available funds, directly by the Lessee to the Assignee at the address set forth above (or at such other place or in such other manner as the holder of the Note(s) shall have designated to the Lessee and the Assignor in writing), (ii) the right to make all inspections, requests, demands, agreements and elections, (iii) the right to give all waivers, notices, consents, approvals and releases, (iv) the right to take such action upon the happening of a default or Event of Default under the Lease including the commencement, conduct and consummation of proceedings at law or in equity as shall be permitted under any provision of the Lease or by law or in equity, and (v) the right to do any and all things whatsoever which the Assignor is or may become entitled to do under the Lease, but, as to all of the foregoing, subject to those matters set forth on Exhibit B attached hereto.

2. Lease Obligations of Assignor. This Assignment is executed as collateral security, and the execution and delivery hereof shall not in any way impair or diminish the obligations of the Assignor under the provisions of the Lease nor shall any of the obligations contained in the Lease be imposed upon the Assignee. Upon the payment of the principal of and premium, if any, and all accrued interest on the Note(s) and of all other sums payable on the Note(s) and under the Note Purchase Agreement, the Security Agreement and this Assignment and the performance and observance of the provisions thereof, this Assignment and all rights herein assigned to the Assignee shall cease and terminate and all the estate, right, title and interest of the Assignor in and to the above-described assigned property shall revert to the Assignor, and the Assignee shall, at the request of the Assignor, deliver to the Assignor an instrument in a form proper for recording with the Interstate Commerce Commission (ICC) Registry, pursuant to the Interstate Commerce Act (the "Act"), cancelling this Assignment.

3. Lease Notices to Assignee. The Assignor hereby designates the Assignee to receive a duplicate copy of all notices, offers, undertakings, demands, statements,

documents and other communications which the Lessee is required or permitted to give, make, deliver to or serve upon the lessor under the Lease. The Assignor hereby directs the Lessee to deliver to the Assignee at its address set forth above or at such other address as the Assignee shall have designated in writing to the Lessee, duplicate original copies of all such notices, offers, undertakings, demands, statements, documents and other communications.

4. Pledge. The Assignor herewith pledges and delivers to and deposits with the Assignee an original executed copy of the Lease as provided under the Security Agreement for the payment of the principal of, premium, if any, interest and all other sums payable on the Note(s), and of all other sums payable under the Note Purchase Agreement, the Security Agreement and this Assignment, and the performance and observance of the provisions thereof.

5. Lease in Effect. The Assignor represents to the Assignee that the Lease is in full force and effect, without amendment or modification, and with no defaults existing thereunder. The Assignor represents to the Assignee that the Assignor has not executed any other assignment of the subject matter of this Assignment other than the Security Agreement.

6. No Inconsistent Action. The Assignor agrees that this Assignment and the designation and direction to the Lessee hereinabove set forth are irrevocable and that it will not, while this Assignment is in effect or thereafter until the Lessee has received from the Assignee written notice of the termination thereof, take any action as lessor under the Lease or otherwise which is inconsistent with this Assignment, or make any other assignment, designation or direction inconsistent therewith, and that any attempted assignment, designation or direction inconsistent therewith shall be void. The Assignor will, from time to time, upon the request of the Assignee, execute all instruments of further assurance and all such supplemental instruments as the Assignee may specify.

7. Subleases. This Assignment shall extend to and include all permitted subleases and amounts payable thereunder.

8. Representations and Warranties. The Assignor represents and warrants to the Assignee as follows:

(a) The Assignor (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois; (ii) is duly qualified to do business and is in good standing under the laws of those states where the failure to be so qualified and in good standing would have a material adverse effect upon this Assignment or the ability of the Assignor to perform its obligations hereunder; (iii) has the power to acquire, own and give a lien on, and security interest in, the Cars, as defined in the Security Agreement, and to lease the Cars and to engage in the transactions contemplated by the Note Purchase Agreement, the Security Agreement, the Lease, this Assignment and all related UCC Financing Statements and/or filings under the Act with the ICC Registry; and (iv) has full power, authority and legal right to execute and deliver the Note Purchase Agreement, the Note(s), the Security Agreement, the Lease, this Assignment and all related UCC Financing Statements and/or filings under the Act with the ICC Registry and to perform and observe the terms and provisions of such instruments.

(b) Neither the execution, delivery nor performance of the Note Purchase Agreement, the Note(s), the Security Agreement, the Lease, this Assignment or any related UCC Financing Statement and/or filings under the Act with the ICC Registry by the Assignor (i) conflicts with, or results in a breach of, or constitutes or will constitute a default under (A) the Articles of Incorporation or By-Laws of the Assignor, or (B) any applicable law, rule or regulation, or (C) any judgment, order, writ, injunction, decree or decision of any court, governmental authority or arbitrator to which the Assignor is a party or by which it is bound, or (D) any license, permit, agreement or instrument to which the Assignor is a party or by which it is bound, or (ii) results or will result in the creation or imposition of any lien, charge or encumbrance upon the Cars or the Lease (or the rents accruing thereunder), except the lien and security interest created, and as permitted, by the Security Agreement and this Assignment.

(c) The Note Purchase Agreement, the Note(s), the Security Agreement, the Lease, this Assignment and all related UCC Financing Statements and/or filings under the Act with the ICC Registry have been duly authorized, executed and delivered, for good and valuable consideration, by the Assignor and constitute the legal, valid and binding obligations of the Assignor, enforceable against the Assignor, and against the security referred to in the Security Agreement, this Assignment and all related UCC Financing Statements and/or filings under the Act with

the ICC Registry, in accordance with their respective terms.

(d) There is no litigation, action, suit or proceeding pending, or to the knowledge of the Assignor threatened, against or affecting the Assignor before any court, administrative body or other agency which, if adversely determined, would result in a material and adverse change in the business or financial condition of the Assignor or impair its capacity to comply with the Note Purchase Agreement, the Note(s), the Security Agreement, the Lease, this Assignment and any related UCC Financing Statements and/or filings under the Act with the ICC Registry.

(e) No consent, authorization or approval of, or registration, declaration or filing with, any governmental authority of the United States of America, the State of Illinois or the States in which the Cars are located and/or operating, is necessary in connection with the execution, delivery and performance by the Assignor of the Note Purchase Agreement, the Note(s), the Security Agreement, the Lease, this Assignment and any related UCC Financing Statement and/or filings under the Act with the ICC Registry.

(f) Except for the interim rent described in the Lease, the Assignor has received no payments pursuant to the Lease, including, but not limited to, rent, in advance of the due date thereof.

(g) No event has occurred or is continuing which would constitute a default or Event of Default under the Note Purchase Agreement, the Note(s), the Security Agreement or the Lease or would constitute such a default or Event of Default but for the requirement that notice be given or that a period of time elapse, or both.

9. No Amendment of Lease. The Assignor will not enter into any agreement subordinating, terminating, amending, modifying or supplementing the Lease without the consent thereto in writing of the Assignee and any attempted subordination, termination, amendment, modification or supplement without such consent shall be void. In the event that the Lease shall be amended, modified or supplemented as herein permitted, the Lease as so amended, modified or supplemented shall continue to be subject to the provisions of this Assignment without the necessity of any further act by any of the parties hereto.

10. Cross Defaults. Any default, Event of Default or failure to perform any of the obligations contained in the Note Purchase Agreement, the Note(s), the Security Agreement or the Lessee's Certificate and Agreement of even date herewith shall, at the option of the Assignee, also be a default, Event of Default or failure to perform under this Assignment, and any default, Event of Default or failure to perform any of the obligations contained in this Assignment shall, at the option of the Assignee, also be a default, Event of Default or failure to perform under the Note Purchase Agreement, the Note(s), and the Security Agreement.

11. Other Security. The Assignee may resort for the payment of the Note(s) and all other amounts secured by this Assignment, or any part thereof, to any other security therefor held by the Assignee in such order and manner as the Assignee may elect.

12. Recourse and Non-Recourse Obligations. Notwithstanding anything herein to the contrary (except as provided in the next succeeding sentence), no recourse shall be had against the Assignor or against any incorporator, shareholder, officer or director of the Assignor for any obligation to make payments hereunder, it being understood that all such obligations are payable solely from payments under the Lease and from the other Collateral (defined in the Mortgage and Security Agreement). Liabilities which may be based upon a finding of fraud, or which may arise out of any of the Assignor's representations and warranties (or obligations relating to such representations and warranties), are recourse obligations of the Assignor but (except for liabilities which may be based upon a finding of fraud) shall be without recourse to any incorporator, shareholder, officer or director of the Assignor.

13. Wisconsin Law. This Assignment of Lease and Rents shall be deemed delivered in the State of Wisconsin and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Wisconsin.

14. Invalidity. If any provision of this Assignment or any application thereof shall be invalid or unenforceable, the remainder thereof and any other application of such provision shall not be affected thereby.

15. Successors and Assigns. This Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the Assignor has caused this Assignment to be executed, as of the day and year first above written.

RESIDUAL BASED FINANCE CORPORATION

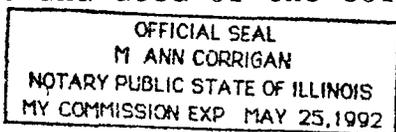
By *Vincent A. Polber*

Attest: *M. Ann Corrigan*

STATE OF ILLINOIS)
COUNTY OF *Cook*) SS.

On this *10th* day of *January*, 1990, before me personally appeared, *Vincent A. Polber* to me personally known, who being by me duly sworn, says that he is the *President* of Residual Based Finance Corporation, that the seal affixed to the foregoing instrument is the corporate seal of the corporation, that the instrument was signed and sealed on behalf of the 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 the corporation.

[SEAL]



M. Ann Corrigan
Notary Public

My commission expires *May 25, 1992*.

EXHIBIT A

EQUIPMENT:

- (i) Fifty-nine (59), 1980 built, approximately 4,750 cubic foot capacity, 100-ton covered hopper cars bearing the following Association of American Railroads ("A.A.R.") reporting marks:

BN 465241 through BN 465266
BN 465268 through BN 465300

The above-referenced hopper cars were formerly registered with the A.A.R. under the following reporting marks:

FTCX 80039 through 80065, except 80058
FTCX 80067 through 80100, except 80094

- (ii) Sixty-four (64), 1980 built, 4,750 cubic foot capacity, 100-ton covered hopper cars bearing the following A.A.R. reporting marks:

BN 465001 through BN 465064

The above-referenced hopper cars were formerly registered with the A.A.R. under the following reporting marks:

OFCX 102250 through 102299
OFCX 260391
OFCX 260393 through 260396
OFCX 260398 through 260401
OFCX 260403
OFCX 260406 through 260409

EXHIBIT B

Reservation of Rights

Assignor reserves the following rights under the provisions of the Lease:

1. The right to receive or retain the interim rent already received in the amount of \$10,000, based upon the average delivery date of the Cars being prior to December 1, 1989, assuming the payment of such interim rent by the Lessee does not affect the amount of the regular fixed rental payments scheduled to commence January 15, 1990.

2. The right to purchase any Car which has suffered a Casualty Occurrence as set forth in Article 11D of the Lease (as amended pursuant to Article XI of the Riders), assuming all amounts payable to the Assignee as a result of such Casualty Occurrence have been made and there does not then exist any Event of Default or event which, with the passage of time or the giving of a notice, would constitute an Event of Default under the Note Purchase Agreement, the Note(s), the Security Agreement, the Assignment of Lease and Rents or the Lease.

3. The right to indemnification under Articles 13 and 15A, subject to the subordination provisions of Article 16C.

4. The right to a return of the Cars pursuant to Article 17 assuming there does not then exist any Event of Default or event which, with the passage of time or the giving of a notice, would constitute an Event of Default under the Note Purchase Agreement, the Note(s), the Security Agreement, the Assignment of Lease and Rents or the Lease.

5. The right to inspect Cars under Article 18 provided such inspection does not unreasonably interfere with the corresponding right of inspection on the part of the Assignee.

6. The right to receive information under Articles 23 and 27 provided the same does not unreasonably interfere with the corresponding right of Assignee to receive such information.

7. The right to receive duplicate notices under Article 29.

8. The right, in conjunction with the Assignee, to consent to markings under Article 4, to modifications under Article 9 and to subleases under Article 16A, provided that in the event of a disagreement between the Assignor and the Assignee, the decision of the Assignee shall control.