

**DEFREES & FISKE**

LAW OFFICES

SUITE 1100, 200 SOUTH MICHIGAN AVENUE

**CHICAGO 60604**

FOUNDED 1884

June 7, 1990

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KENNETH M. FISKE, 1928-1978

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16889/B  
RECORDATION NO. FILED 1425  
6/11 1990 - 1:15 PM  
INTERSTATE COMMERCE COMMISSION

16889  
RECORDATION NO. FILED 1425  
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INTERSTATE COMMERCE COMMISSION

6/11 1990 - 1:15 PM  
INTERSTATE COMMERCE COMMISSION

16889/A  
RECORDATION NO. FILED 1425  
6/11 1990 - 1:15 PM  
INTERSTATE COMMERCE COMMISSION  
0-162A014  
\$45.00

3802-9030

Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Attn: Ms. Mildred Lee, Room 2303

Dear Ms. Lee:

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

1. This document is a Note and Security Agreement, a primary document, dated as of June 1, 1990.

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

Lender: The Financial Corporation of Illinois,  
4825 North Scott Street, Schiller Park,  
Illinois 60176.

Debtor: American Income Partners V-B Limited  
Partnership, Exchange Place, Boston,  
Massachusetts 02109.

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

Note and Security Agreement between The Financial Corporation of Illinois, 4825 North Scott Street, Schiller Park, Illinois 60176, secured lender, and American Income Partners V-B, Exchange Place, Boston, Massachusetts, debtor, dated June 1, 1990 and covering two-hundred thirteen (213) 100-ton (4,000 cubic-foot) rotary dump high-side steel gondola rail

*Handwritten notes:*  
Mildred Lee  
O. J. [unclear]

*Handwritten scribbles:*  
[unclear]

Secretary  
Interstate Commerce Commission  
Attn: Ms. Mildred Lee  
June 7, 1990

cars with swivel couplers bearing WISX numbers as listed on Exhibit A to the Note and Security Agreement recorded herewith.

2. This document is a Rental Schedule and Acceptance Certificate (a lease), a primary document, dated as of December 1, 1989.

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

Lessor: American Finance Group, Exchange Place, Boston, MA 02109.

Lessee: Wisconsin Power & Light Company, 222 West Washington Avenue, Madison, WI 53703.

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

Rental Schedule and Acceptance Certificate No. A-1 between American Finance Group, as lessor, and Wisconsin Power & Light Company, as lessee, dated as of December 1, 1989, incorporating by reference the terms and conditions of Master Lease Agreement No. 8911WIG394 dated as of December 1, 1989, and covering two hundred thirteen (213) 100-ton (4,000 cubic foot) rotary dump high-side steel gondola cars with swivel couplers bearing the WISX numbers as listed on Exhibit A to Rental Schedule and Acceptance Certificate No. A-1 recorded herewith.

3. This document is an Acknowledgement of Assignment Letter, a secondary document, dated as of June 1, 1990, the primary documents to which this relates are being filed concurrently herewith. We request that this Acknowledgement of Assignment be cross-indexed.

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

Secretary  
Interstate Commerce Commission  
Attn: Ms. Mildred Lee  
June 7, 1990

Lessor: American Finance Group, Exchange  
Place, Boston, MA 02109

Lessee: Wisconsin Power & Light Company, 222  
Washington Ave., Madison, WI 53703

Debtor: American Income Partners V-B Limited  
Partnership, Exchange Place, Boston,  
MA 02109

Lender: The Financial Corporation of  
Illinois, 4825 North Scott Street,  
Schiller Park, Illinois 60176

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

Acknowledgement of Assignment Letter between American Finance Group, Exchange Place, Boston, MA 02109, lessor, Wisconsin Power & Light Company, 222 West Washington Avenue, Madison, WI 53703, lessee, American Income Partners V-B Limited Partnership, Exchange Place, Boston, MA 02109, debtor, and The Financial Corporation of Illinois, 4825 North Scott Street, Schiller Park, Illinois 60176, lender, dated as of June 1, 1990, and covering two-hundred thirteen (213) 100-ton (4,000 cubic foot) rotary dump high-side steel gondola rail cars with swivel couplers and connected to Rental Schedule and Acceptance Certificate No. A-1 between American Finance Group, as lessor, and Wisconsin Power & Light Company, as lessee, dated as of December 1, 1989.

A description of the equipment covered by each of the documents filed herewith follows:

Secretary  
Interstate Commerce Commission  
Attn: Ms. Mildred Lee  
June 7, 1990

Two-hundred thirteen (213) 100-ton (4,000 cubic-foot) rotary dump high-side steel gondola cars with swivel couplers bearing the following WISX numbers:

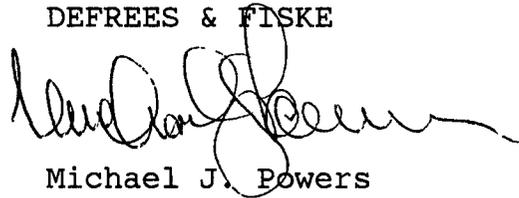
300	353	416	462	520	576
301	354	417	463	521	578
302	356	418	464	522	579
304	358	419	467	523	
305	359	420	470	524	
306	363	421	471	525	
307	364	422	472	527	
308	366	423	474	528	
310	368	424	475	532	
311	369	425	476	533	
312	370	426	477	534	
313	373	427	478	535	
314	374	428	479	536	
316	375	429	480	537	
317	376	430	481	538	
320	377	431	482	539	
321	379	432	483	542	
322	382	433	484	543	
323	383	434	486	544	
324	384	435	487	545	
325	385	436	488	546	
326	386	437	489	547	
327	387	438	490	548	
328	389	440	492	551	
329	390	441	494	553	
330	394	442	495	555	
331	396	444	497	556	
332	397	445	498	557	
333	398	446	499	558	
335	400	447	500	559	
336	402	448	501	562	
338	403	449	502	563	
339	404	450	503	564	
340	405	451	505	565	
341	407	452	509	566	
342	408	453	510	567	
345	409	454	512	568	
347	410	455	514	569	
348	411	456	515	570	
349	412	458	516	572	
351	413	459	518	574	
352	415	461	519	575	

Secretary  
Interstate Commerce Commission  
Attn: Ms. Mildred Lee  
June 7, 1990

A fee of \$45.00 is enclosed representing \$15.00 for each of the above documents. Please return the original and any extra copies not needed by the Commission for recordation to Michael J. Powers, Esq., Defrees & Fiske, 200 South Michigan Avenue, Suite 1100, Chicago, Illinois 60604. In addition, please acknowledge receipt of these documents for filing and provide a secured filing date by date stamping the enclose copy of this letter and returning it to the undersigned. Thank you.

Very truly yours,

DEFREES & FISKE

A handwritten signature in cursive script, appearing to read "Michael J. Powers", written in dark ink.

Michael J. Powers

MJP/amh  
Enclosures

**Interstate Commerce Commission**  
Washington, D.C. 20423

6/11/90

OFFICE OF THE SECRETARY

Michael J. Powers  
DeFrees & Fiske  
200 South Michigan Avenue  
Suite 1100  
Chicago, Illinois 60604

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 6/11/90 at 1:15pm and assigned recordation number(s). 16889, 16889-A & 16889-B

Sincerely yours,



Noreta R. McGee  
Secretary

Enclosure(s)

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR ANY STATE SECURITIES LAWS. IT MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR AN APPLICABLE EXEMPTION UNDER SAID ACT AND LAWS.

NOTE AND SECURITY AGREEMENT

\$2,595,765.75

Date: June 1, 1990

RECORDATION NO 16889  
FILED  
6/11 11 1990 - 1 15 PM  
STATE COMMERCE COMMISSION

As of June 15, 1990, FOR VALUE RECEIVED, the undersigned debtor, AMERICAN INCOME PARTNERS V-B LIMITED PARTNERSHIP (hereinafter called the "Debtor"), hereby promises to pay to the order of The Financial Corporation of Illinois (hereinafter called the "Lender") at its offices at 4825 North Scott Street, Schiller Park, IL 60176, the principal amount of TWO MILLION FIVE HUNDRED NINETY FIVE THOUSAND SEVEN HUNDRED SIXTY FIVE AND 75/100 DOLLARS (\$2,595,765.75), together with interest thereon at the rate of 9.625% per annum, in 15 equal installments of \$207,555.35 each commencing on September 1, 1990 and continuing quarterly in arrears thereafter through and including March 1, 1994. Principal of and interest on this Note and Security Agreement shall be payable in lawful money of the United States of America. Each installment payment, when paid, shall be applied first to accrued and unpaid interest, and the balance shall be applied to principal. Said installment payments shall be made to the holder of this Note and Security Agreement without presentation of this Note and Security for notation of such payments.

Section 1. Grant of Security Interest.

As security for the payment and performance of the obligations of the Debtor under this Note and Security Agreement and any renewal, modification, extension or refinancing thereof ("Note and Security Agreement"), Debtor hereby gives, grants and assigns to the Lender a security interest in and lien on all of the Debtor's rights in the following described property now owned by the Debtor or to be purchased by the Debtor with the proceeds of this Note and Security Agreement (hereinafter called the "Collateral").

1. Rental Schedule A-1 (the "Rental Schedule") to Master Lease Agreement No. 8911WIG394 dated as of December 1, 1989, between American Finance Group ("AFG"), as lessor, and Wisconsin Power and Light Company, as lessee (the "Lessee") (such Rental Schedule and the Master Lease Agreement as incorporated therein and made a part thereof by reference are hereinafter called the "Lease") and the Assignment and Assumption Agreement and Bill of Sale (the "Assignment"), between AFG, as Seller/Assignor and the Debtor, as Buyer/Assignee, pursuant to which the Debtor acquired title to the Equipment and assumed AFG's interest as Lessor under the Lease.
2. All Rent, Casualty Values, Stipulated Loss Values, Fair Market Values and other moneys due or to become due to the Debtor under the Lease.
3. All the Debtor's rights, but none of its obligations, as lessor under the Lease.
4. All the Debtor's right, title and interest in and to the items of equipment leased by the Debtor pursuant to the Lease (the "Equipment"). A list of the Equipment is attached hereto as Exhibit A.

5. All the Debtor's right, title and interest in and to all additions, replacements, accessions, substitutions and improvements to the Equipment other than those additions, replacements, accessions, substitutions or improvements that are leased by the Debtor to the Lessee pursuant to a lease agreement other than the Lease.
6. All proceeds, cash and non-cash (including insurance proceeds), of the foregoing.

Section 2. Representations and Warranties of the Debtor.

The Debtor hereby represents and warrants as follows.

1. This Note and Security Agreement, the Lease and the Assignment have each been duly authorized, executed and delivered by the Debtor and each constitutes a legal, valid and binding agreement and obligation of the Debtor, enforceable according to its terms, except as such enforcement may be limited by bankruptcy, reorganization, insolvency or laws affecting creditors' rights generally or by equitable remedies in the discretion of the courts, and the Lease, the Assignment and Lessee's letter acknowledging this assignment constitute the entire agreement between the Debtor and the Lessee pertaining to the leasing of the Equipment by the Debtor to the Lessee.
2. Neither the execution and delivery of this Note and Security Agreement, the Lease or the Assignment nor the consummation of the transactions contemplated herein or therein nor the fulfillment of nor compliance with the terms and provisions hereof or thereof will conflict with or result in a breach of any of the terms, conditions or provisions of its Agreement and Certificate of Limited Partnership or of any bond, debenture, note, mortgage indenture, agreement or other instrument to which the Debtor is a party or by which it or its property may be bound, or constitute (with the giving of notice or the passage of time or both) a default thereunder, or result in the creation or imposition of any lien, charge, security interest or other encumbrance of any nature whatsoever upon the Collateral pursuant to the terms of any such agreement or instrument.
3. The Debtor is a limited partnership duly organized and validly existing under the laws of the Commonwealth of Massachusetts and is duly qualified to do business in each jurisdiction where its failure to so qualify would materially adversely affect the enforceability against the Debtor of this Note and Security Agreement, the Lease or the Assignment or its ability to perform its obligations hereunder or thereunder.
4. The Debtor has good title to and ownership of the Equipment, Lease and Basic Rent free and clear of all security interests, liens and encumbrances, except for the respective interests of the Lender hereunder and the Lessee under the Lease (including such as are required to be discharged by the Lessee pursuant to the Lease) and no other assignment or security interest has been granted generally or specifically with respect to the Collateral, except for a lien granted

in favor of First Union National Bank of North Carolina in connection with the interim financing of American Finance Group's purchase of the Equipment, and the purchase money security interest granted to American Finance Group by Debtor in connection with Debtor's purchase of the Equipment, which liens will be discharged with the proceeds hereof.

5. The rents payable under the Lease are not subject to any defenses, set-offs or counterclaims and there is no rent now due and unpaid pursuant to the terms of the Lease nor have there been any payments made in advance on account of the rentals to become due under the Lease.
6. No Event of Default or event which with the passing of time or the giving of notice, or both, would constitute an Event of Default hereunder or, to the best knowledge of the Debtor, under the Lease has occurred.
7. There are three counterpart originals of the Rental Schedule. The Counterpart No. 1 has been delivered to the Lender. No security interest can be created through the transfer and possession of any counterpart other than Counterpart No. 1.
8. The Debtor has made its investment in the Equipment and has acquired its interest in the Lease with its general assets and not directly or indirectly with the assets of or in connection with any arrangement or understanding by it in any way involving any employee benefit plan (or its related trust) all within the meaning of the Employee Retirement Income Security Act of 1974.
9. The Debtor has not offered this Note and Security Agreement for sale, directly or indirectly, or solicited any offer to buy the same or otherwise negotiated with respect thereto, with any person or persons so as to bring the sale of this Note and Security Agreement under the provisions of Section 5 of the Securities Act of 1933, as amended.

### Section 3. Covenants of the Debtor.

The Debtor hereby covenants and agrees for the benefit of the Lender as follows.

1. All payments to be made by the Lessee under the Lease and by the Debtor hereunder shall be made on the payment date to The Financial Corporation of Illinois, P.O. Box 75230, Chicago, IL 60675-5230, Attention: Loans Payable or to such other address as the Lender designates in writing.
2. All right, title and interest of the Debtor in and to the Collateral and any payments with respect thereto shall be expressly subject and subordinate to all of the right, title and interest of the Lender therein.
3. The Debtor shall not modify, rescind, cancel or accept surrender of the Lease or waive any of the provisions thereof or extend the time of payment for payments due thereunder and shall not sell, assign, or transfer its interest in the Lease or the Equipment or take any other

action with respect thereto without the prior written consent of the Lender; provided, however, that the consent of the Lender is not required to the sublease of the Equipment by the Lessee to any of Lessee's subsidiaries or corporate affiliates as long as such sublease is expressly made subject and subordinate to the rights of the Debtor and the Lender under the Lease, does not relieve the Lessee of any of its obligations under the Lease and does not create any obligations on the part of the Debtor or the Lender in favor of the sublessee of Lessee.

4. The Debtor shall keep the Collateral free and clear of all mortgages, pledges, liens, charges, security interests and other encumbrances whatsoever, except those created by this Note and Security Agreement, the rights of Lessee under the Lease and those caused by any act or omission on the part of the Lessee or required to be discharged by the Lessee under the terms of the Lease, and shall pay all charges, including without limitation, all taxes and assessments levied or assessed against the Debtor, but not including charges required to be paid or discharged by the Lessee under the terms of the Lease, except to the extent that the Debtor shall have received funds from the Lessee allocable to such charges, which if unpaid would constitute a lien on the Collateral or any portion thereof. The Debtor shall not be required to pay or discharge any such charges, taxes or assessments so long as it shall in good faith and by appropriate legal proceedings being diligently prosecuted, contest the validity thereof in any reasonable manner which will not affect or endanger the Lessee's right of quiet enjoyment and use of the Equipment under the Lease or the Lender's security interest in the Collateral pursuant to this Note and Security Agreement.
5. Only the duplicate original of the Rental Schedule stamped "The FINANCIAL CORPORATION OF ILLINOIS'S ORIGINAL" and that has been delivered to the Lender constitutes chattel paper for purposes of perfecting an interest therein. The Debtor will not relinquish possession and control of any duplicate originals held by it (each of which has been stamped "Lessor's Original on the signature page thereof) to any person without the prior written consent of the Lender.
6. The Debtor, at its expense shall execute and deliver any and all papers or documents which the Lender may request from time to time in order to carry out the purposes hereof and of the Lease, or to facilitate the collection of monies due or to become due from the Lessee under the Lease. In addition, Debtor shall pay all costs, including reasonable attorney's fees and filing fees, relating to the preparation and filing of any financing statements, continuation statements or other documents related to the perfection or protection of the security interest created hereby.
7. The Debtor shall duly fulfill or cause to be fulfilled all of the obligations to be performed or assumed by the Debtor under the Lease.
8. The Debtor shall not secrete, abandon, remove or attempt to remove the Equipment from the location specified in the Lease without the prior written consent of the Lender, except to the extent Lessee is permitted under the terms of the Lease to relocate the Equipment upon notice to, but without the consent of, the Debtor.

9. The Debtor shall notify the Lender immediately upon obtaining knowledge of any Lessee default in the payment or performance of any of the Lessee's obligations under the Lease.
10. The Debtor shall allow the Lender and its representatives free access and right of inspection, as provided for in the Lease, of the Equipment at its location, and in the event that Debtor has knowledge of loss or damage to the Equipment to send prompt written notice thereof to the Lender.
11. The Debtor shall provide the Lessee any and all consents, assistance and co-operation necessary for the Lessee to maintain property insurance and public liability insurance, showing the Lender as additional insured and loss payee, in amounts and with insurance companies satisfactory to the Lender, all to the extent required by and in accordance with the terms of the Lease.
12. The Debtor shall provide the Lessee any and all consents, assistance and co-operation necessary for the Lessee to keep the Equipment in good repair and operating condition without any cost or liability to the Lender.
13. The Debtor will maintain its records concerning the Lease at its principal place of business at Exchange Place, Boston, Massachusetts 02109, and will not remove such records, except to a jurisdiction where the Uniform Commercial Code shall be in effect, and upon 30 days' prior written notice to the Lender.

#### Section 4. Covenants of the Lender.

The Lender hereby covenants and agrees for the benefit of the Debtor as follows.

1. So long as Lessee is not in default of any of its obligations under the Lease, the interest of the Lender in the Lease and the Equipment shall be subject and subordinate to Lessee's leasehold estate in the Equipment and the Lender will not disturb Lessee's quiet use and possession of the Equipment and will defend and protect such use and possession against all persons claiming by, through and under the Lender.
2. The Lender shall promptly pay over to the Debtor all sums received from the Lessee in payment of Basic Rent due under the Lease to the extent such sums exceed all amounts then due hereunder. The Lender shall promptly pay over to the Debtor, and the Debtor may receive and retain any payments made by the Lessee pursuant to its indemnification obligations under the Lease as compensation to the Debtor for costs, charges or losses incurred by the Debtor.

## Section 5. Rights of the Lender.

The Debtor hereby irrevocably constitutes and appoints the Lender, and any officer thereof responsible for enforcing the terms of this Note and Security Agreement, Debtor's agent and attorney-in-fact to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Note and Security Agreement. Without limiting the generality of the foregoing, the Debtor hereby gives the Lender the power and right, on behalf of the Debtor and without notice to or assent by the Debtor, to do the following.

1. Receive directly from the Lessee all payments of Basic Rent, Additional Rent, Casualty Value, Fair Market Value and other sums due and to become due under the Lease (other than sums not payable to the Lessor under the Lease) and to exercise all rights, privileges and remedies of Lessor under the Lease, including without limitation, the right to grant waivers or consents of any character.
2. Endorse any loss payment or returned premium check and to make, settle and release any claim under any insurance policy with respect to the Equipment,
3. File any claim or take any other action or proceeding in any court of law or equity for the purpose of collecting any and all monies due under the Lease.
4. File financing statements or such other documents as may evidence Lender's Security interest granted hereunder signed only by the Lender with respect to this Note and Security Agreement in accordance with the Uniform Commercial Code or the rules of the Interstate Commerce Commission or signed by the Lender as attorney-in-fact for the Debtor. Debtor further agrees that a carbon or photographic copy or other reproduction of this Note and Security Agreement or of a financing statement shall be deemed to be a sufficient writing to file as a financing statement.

The Debtor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest, shall be irrevocable and shall terminate only upon payment in full of the obligations set forth herein and the termination of this Note and Security Agreement. The powers conferred on the Lender hereunder are solely to protect the Lender's interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Lender shall be accountable to the Debtor only for amounts that it actually receives in excess of all amounts then due hereunder as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Debtor for any action taken or omitted to be taken in good faith or in reliance on the advice of counsel except for its own gross negligence or willful misconduct.

## Section 6. Casualty.

Upon the occurrence of an Event of Loss under and as defined in the Lease (hereinafter referred to as "Casualty"), a portion of the unpaid principal under this Note and Security Agreement shall become due and payable, together with accrued interest thereon, on the date on which the Casualty Value or fair market value due under the Lease is paid in full. The amount of principal to

be prepaid shall be calculated by multiplying the outstanding principal balance by a Prepayment Factor determined by dividing the original cost for the item or items of Equipment suffering the Casualty by the original cost for all items of Equipment subject to the related Rental Schedule immediately prior to the Casualty. Each remaining installment of principal and interest due hereunder shall be reduced by an amount equal to the amount obtained by multiplying the debt service payment due before the prepayment by the Prepayment Factor. This Note and Security Agreement shall be prepaid only to the extent permitted in this Section 6.

#### Section 7. Late Payment Rate.

All payments not made when due under this Note and Security Agreement shall bear interest at a rate (the "Late Payment Rate") equal to the higher of (a) 2% above the rate of interest per annum being charged hereunder or (b) the overdue rate to the extent applicable to late rental payments under the Lease. In any event, the Late Payment Rate shall not be higher than the maximum legally enforceable rate.

#### Section 8. Right of Lender to Perform for Debtor.

If the Debtor defaults in its obligations hereunder, the Lender may, at its option, effect insurance and pay all taxes, assessments, and charges levied on the Equipment or for the storage, maintenance or repair thereof. Any insurance premiums, taxes, assessments and charges so paid shall be secured by this Note and Security Agreement and shall be payable on demand by the Debtor as obligations independent hereof with interest at the Late Payment Rate.

#### Section 9. Limitations of Liability.

Principal and interest due hereunder is repayable from the Collateral only, and the Lender shall have no further recourse against the Debtor personally; provided, however, that the Lender shall have recourse against the Debtor personally for any claims arising out of or in connection with the breach by the Debtor of any of its representations, warranties, covenants and undertakings set forth herein (other than the payment of principal and interest provided for in this Note and Security Agreement) or provided for in any other document executed by the Debtor pursuant hereto.

#### Section 10. Events of Default.

Any of the following events shall constitute an Event of Default hereunder.

1. The Debtor shall fail to make any payment due hereunder within ten days after the Debtor's receipt of written notice of the non payment thereof.
2. An Event of Default under and as defined in the Lease shall have occurred and be continuing unremedied to the satisfaction of the Lender.
3. There shall be imposed upon the Collateral or any part thereof any claim, lien, security interest, encumbrance or charge which is prior to or a parity with the security interest granted hereunder, other than the Lease and liens expressly permitted by the Lease.

4. The Debtor shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by the Debtor hereunder or in any agreement or certificate furnished to the Lender in connection herewith and such failure shall continue unremedied for a period of 30 days after notice thereof to the Debtor.
5. Any representation or warranty made by the Debtor herein or in any document or certificate furnished to the Lender in connection herewith shall have been incorrect in any material respect when made.
6. The Debtor shall (a) be generally not paying its debts as they become due within the meaning of Title 11 of the United States Code, (b) file, or consent by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, (c) make an assignment for the benefit of its creditors, (d) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property, or (e) take corporate or comparable action for the purpose of any of the foregoing.
7. Any petition for any relief under any bankruptcy or insolvency law of any jurisdiction shall be filed against the Debtor and such petition shall not be stayed or dismissed within 60 days of the date of filing.
8. A court or governmental authority of competent jurisdiction shall enter an order (a) appointing, without consent by the Debtor, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or (b) constituting an order for relief or (c) approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or (d) ordering the dissolution, winding-up or liquidation of the Debtor.

#### Section 11. Remedies.

If an Event of Default hereunder shall have occurred then, or at any time thereafter while such Event of Default is continuing, the Lender may declare the principal balance hereof and all accrued interest due and payable, whereupon it shall become immediately due and payable without notice or demand. It shall then be lawful for the Lender (and the Debtor hereby authorizes and empowers the Lender with the aid and assistance of any persons) to exercise any one or more of the following remedies.

1. Subject and subordinate to the rights of the Lessee under the Lease, to enter upon such place as the Equipment may be found and take possession of and carry away the Equipment with process of law at any time or times, and to dispose of the Equipment and apply the proceeds thereof to the balance hereof or any other obligation arising hereunder, all to the extent permitted by and in accordance with law and with the Lease.

2. If any Event of Default has occurred and is continuing under the Lease, as assignee of the Lessor's interest in the Lease, to exercise any or all of the rights and powers and pursue any or all of the remedies provided for in the Lease.
3. To exercise any or all of the rights and powers and pursue any or all of the remedies that are available to a secured party under the Uniform Commercial Code or any other applicable law or in equity in respect to the Collateral.

The Debtor will reimburse the Lender for all UCC filing fees, ICC filing fees or charges, fees of attorneys or collection agencies and all expenses, costs and charges paid or payable to third persons or suffered or incurred by the Lender in attempting or effecting protection or preservation of its security interest in the Collateral or the enforcement of any provision of this Note and Security Agreement. Costs of collecting the amounts secured hereby shall be added to the principal amount due hereunder and shall be secured by, and payable out of, the Collateral.

The proceeds of any sale of the Collateral or any part thereof or any interest therein and the proceeds of the exercise of any other remedy with respect to the Collateral, shall be applied by the Lender, first, to the repayment of any costs and expenses incurred by the Lender or any person or party acting on behalf of the Lender in connection with the exercise of remedies hereunder, second, to the payment of any amount due hereunder other than principal and interest, third, to the payment of accrued but unpaid interest hereon, fourth, to the repayment of the outstanding principal balance hereof, and fifth, to whomever shall be lawfully entitled thereto.

All rights, remedies and options conferred upon the Lender hereunder or by law shall be cumulative and may be exercised successively or concurrently and are not alternative or exclusive of any other such rights, remedies or options. No express or implied waiver by the Lender of any default or event of default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent default or event of default. The failure or delay of the Lender in exercising any rights granted it hereunder shall not constitute a waiver of any such right in the future and any single or partial exercise of any particular right by the Lender shall not exhaust such rights or constitute a waiver of any other right provided herein.

#### Section 12. Registration, Replacement and Transfer

The Debtor shall cause to be kept at its principal office a register (herein called the "Register") in which the Debtor shall provide for the registration of this Note and Security Agreement and of transfers of this Note and Security Agreement. Upon surrender for transfer of this Note and Security Agreement at the principal office of the Debtor, the Debtor shall execute and deliver, in the name of the designated transferee or transferees, a new Note and Security Agreement of a like principal amount. Each such new Note and Security Agreement shall bear a legend indicating the payments of interest and principal previously made on the Note and Security Agreement for which it was exchanged. Every Note and Security Agreement presented or surrendered for transfer shall (if so required by the Debtor) be duly endorsed or be accompanied by a written instrument of transfer, duly executed by the registered owner thereof or its attorney duly authorized in writing. No

service charge shall be made for any transfer of this Note and Security Agreement, but the Debtor may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed on the Debtor in connection with any transfer of this Note and Security Agreement and the Debtor shall be entitled to be reimbursed for its actual costs and any out-of-pocket expenses incurred in connection with any such transfer. The Debtor shall not be required to register any transfer of this Note and Security Agreement within 10 days prior to or after any date for the making of a payment hereunder. In connection with a transfer of this Note and Security Agreement, the Debtor may require verification that such transfer will not require the registration of this Note and Security Agreement under the Securities Act of 1933, as amended, which verification may be in the form of an opinion of counsel for the registered owner of this Note and Security Agreement.

If this Note and Security Agreement is lost, stolen or destroyed, or upon the surrender and cancellation of this Note and Security Agreement, if mutilated, the Debtor will, without charge and upon the written request of the registered owner hereof, deliver to the registered owner hereof, within a reasonable time after such request and in lieu of such lost, stolen, destroyed or mutilated Note and Security Agreement, a new Note and Security Agreement (a) of the same tenor, (b) in a principal amount equal to the unpaid principal amount thereof, (c) dated such date as will result in no gain or loss of interest or principal, and (d) bearing a legend that such Note and Security Agreement is a new Note and Security Agreement and the reason or reasons why the prior Note and Security Agreement was replaced. If this Note and Security Agreement was lost, stolen or destroyed, the registered owner thereof will deliver, prior to receiving a replacement Note and Security Agreement, to the Debtor an affidavit stating that this Note and Security Agreement was lost, stolen, or destroyed, as the case may be.

Any new Note and Security Agreement issued pursuant to this Section 12 shall evidence the same indebtedness as the Note and Security Agreement so replaced.

The Debtor may deem and treat the registered owner of this Note and Security Agreement as the absolute owner hereof (whether or not this Note and Security Agreement shall be overdue) for the purpose of receiving payments of principal and interest on this Note and Security Agreement and for all other purposes, and the Debtor shall not be affected by any notice to the contrary.

### Section 13. Miscellaneous.

This Note and Security Agreement may not be amended, waived, or discharged, except by an agreement in writing by the party against which or whom enforcement of the amendment, waiver or discharge is sought. In case any one or more of the provisions contained in this Note and Security Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby in such jurisdiction, nor shall such provision be invalid, illegal or unenforceable in another jurisdiction to which the holding thereof shall not apply. Any provision of this Note and Security Agreement which is prohibited or unenforceable in any jurisdiction

shall be, as to such jurisdiction, 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 provisions in any other jurisdiction. Time and exactitude are of the essence hereof.

If the Debtor shall be a party to a merger, combination or consolidation or other comparable reorganization and if it shall not be the surviving entity, then the surviving entity shall promptly assume the obligations under this Note and Security Agreement in writing.

All notices to be made hereunder shall be in writing and (a) if to Debtor, addressed to it at Exchange Place, Boston, MA 02109, and (b) if to the Lender, addressed to it at 4825 North Scott Street, Schiller Park, IL 60176 ATTN: Dennis Roesslein. Either party hereto may change the address to which notice to such party shall be sent by giving written notice of such change to the other party to this Note and Security Agreement.

It is the intention of the parties that the provisions of this Note and Security Agreement shall be governed by the laws of The State of Illinois.

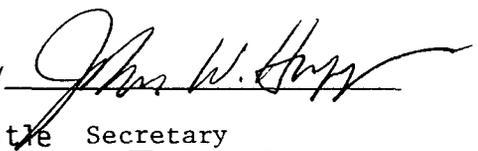
All interest due hereunder shall be computed on the basis of a 360 day year.

Section headings and captions are inserted for convenience only and shall not affect any construction or interpretation of this Note and Security Agreement. The words "herein", "hereof", "hereby", "hereto", "hereunder", and words of similar import refer to this Note and Security Agreement as a whole and not to any particular section, subsection, paragraph, clause or other subdivision hereof. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Lease.

AMERICAN INCOME PARTNERS V-B  
LIMITED PARTNERSHIP

THE FINANCIAL CORPORATION OF  
ILLINOIS

By: AFG Leasing IV Incorporated  
Managing General Partner

By   
Title Secretary

By   
Title Treasurer

Exhibit A

Two-hundred thirteen (213) 100-ton (4,000 cubic-foot) rotary dump high-side steel gondola cars with swivel couplers bearing the following WISX numbers:

300	353	416	462	520	576
301	354	417	463	521	578
302	356	418	464	522	579
304	358	419	467	523	
305	359	420	470	524	
306	363	421	471	525	
307	364	422	472	527	
308	366	423	474	528	
310	368	424	475	532	
311	369	425	476	533	
312	370	426	477	534	
313	373	427	478	535	
314	374	428	479	536	
316	375	429	480	537	
317	376	430	481	538	
320	377	431	482	539	
321	379	432	483	542	
322	382	433	484	543	
323	383	434	486	544	
324	384	435	487	545	
325	385	436	488	546	
326	386	437	489	547	
327	387	438	490	548	
328	389	440	492	551	
329	390	441	494	553	
330	394	442	495	555	
331	396	444	497	556	
332	397	445	498	557	
333	398	446	499	558	
335	400	447	500	559	
336	402	448	501	562	
338	403	449	502	563	
339	404	450	503	564	
340	405	451	505	565	
341	407	452	509	566	
342	408	453	510	567	
345	409	454	512	568	
347	410	455	514	569	
348	411	456	515	570	
349	412	458	516	572	
351	413	459	518	574	
352	415	461	519	575	

PARTNERSHIP FORM OF ACKNOWLEDGEMENT

STATE OF MASSACHUSETTS )  
  ) SS.  
COUNTY OF SUFFOLK      )

On this 4<sup>th</sup> day of June, 1990, before me personally appeared Robert J. Bukala, to me personally known, who being by me duly sworn says that he is the Treasurer of American Income Partners V-B Limited Partnership, that the foregoing instrument was signed and sealed on behalf of said partnership by authority of its Managing General Partner, AFG IV Leasing Incorporated, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said partnership.

Christina L. Thorpe  
Signature of notary public

My commission expires 5/22/92

Note and Security Agreement

STATE OF ILLINOIS     )  
                                  ) SS.  
COUNTY OF C O O K     )

On this 4th day of June, 1990 before me personally appeared, John W. Hupp, to me personally known, who being by me duly sworn, says that he is the Secretary of The Financial Corporation of Illinois, that the foregoing 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.

Mary McCarthy  
Signature of notary public

My commission expires March 8, 1993



STATE OF MASSACHUSETTS        )  
  )    SS.  
COUNTY OF SUFFOLK            )

On this 4th day of June, 1990, I compared the foregoing certified copy of the attached document with the original of such document and found such copy to be complete and identical in all respects to the original document.



\_\_\_\_\_  
Signature of Notary Public

My commission expires

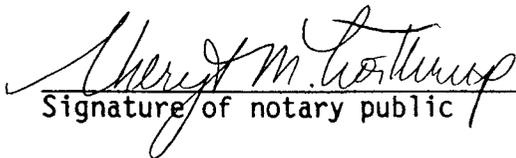
2/15/96

**Note and Security Agreement**

PARTNERSHIP FORM OF ACKNOWLEDGEMENT

STATE OF MASSACHUSETTS )  
  ) SS.  
COUNTY OF SUFFOLK      )

On this 4th day of June, 1990, before me personally appeared Robert J. Bukala, to me personally known, who being by me duly sworn says that he is the Treasurer of American Income Partners V-B Limited Partnership, that the foregoing instrument was signed and sealed on behalf of said partnership by authority of its Managing General Partner, AFG IV Leasing Incorporated, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said partnership.

  
\_\_\_\_\_  
Signature of notary public

My commission expires 5/22/92

Note and Security Agreement