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LAW OFFICES

ALVORD AND ALVORD ¹¹ ₁₁ 29

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N.W.

WASHINGTON, D.C.

20006-2973

(202) 393-2266

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD*
CHARLES T. KAPPLER
JOHN H. DOYLE*
JAMES C. MARTIN, JR.*

*ALSO ADMITTED IN NEW YORK
*ALSO ADMITTED IN MARYLAND

OF COUNSEL
JURBAN A. LESTER

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440367 A AND A

TELEFAX
(202) 393-2156

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11/11

May 29, 1991

1-149A061

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17353

RECORDATION NO. FILED 1991

NSW NUMBER

Mr. Sidney L. Strickland, Jr.
Secretary

MAY 29 1991 - 1 50 PM

Interstate Commerce Commission
Washington, D.C. 20423

INTERSTATE COMMERCE COMMISSION

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) fully executed and acknowledged copies of a Chattel Mortgage, Assignment and Security Agreement No. 3601 dated as of May 29, 1991, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

Secured party: John Hancock Leasing Corporation
197 Clarendon Street
Boston, Massachusetts 02117

Debtor: Residual Based Finance Corporation
Three First National Plaza
Chicago, Illinois 60602

A description of the railroad equipment covered by the enclosed document is set forth in Exhibit A attached hereto and made a part hereof.

Also enclosed is a check in the amount of \$15 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

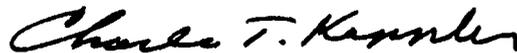
C. Kappler

Mr. Sidney L. Strickland, Jr.
May 29, 1991
Page Two

A short summary of the enclosed primary document to appear in the Commission's Index is:

Chattel Mortgage, Assignment and Security Agreement No. 3601 dated as of May 29, 1991 between John Hancock Leasing Corporation, Secured Party, and Residual Based Finance Corporation, Debtor, covering rotary dump gondola cars bearing DEEX marks and numbers.

Very truly yours,


Charles T. Kappler

CTK/bg
Enclosures

No. 3601

EXHIBIT A

<u>Description</u>	<u>No. of Cars</u>	<u>Car Markings</u>
125 Ton 5160 cubic foot, aluminum bodied, steel underframe high side rotary dump gondola cars	98	DEEX 1081 2142 1083 2146 1086 2148-49 1088 2153 1091-94 3076 1096-98 3078 1100-02 3081-83 1109-10 3085-90 1112 3093 1116 3096-98 1118-19 3104 1121 3108-09 1126-27 3111-12 1130-32 3117 1135-37 3120 1142-43 3123 1145 3125-26 1148-49 3128 1151 3130 1153 3134 2084 3135 2087 3136 2089 3139 2092-93 2095 2097 2100 2105 2107-08 2110-13 2118-19 2125-27 2133 2135-37 2139-40

CHattel Mortgage, Assignment and Security Agreement No. 5001

RECORDATION NO. 17353
MAY 29 1991 - 1 50 PM
INTEREST COMMISSION

THIS CHATTEL MORTGAGE, ASSIGNMENT AND SECURITY AGREEMENT (this "Security Agreement") made as of this 29th day of May, 1991 by and between JOHN HANCOCK LEASING CORPORATION ("Secured Party") and RESIDUAL BASED FINANCE CORPORATION ("Debtor").

WHEREAS, the Debtor is the owner of certain equipment described in Exhibit A attached hereto, including all accessions, additions, attachments, substitutions, repairs, replacements, improvements thereto, to which Debtor has title pursuant to the Lease, as hereinafter defined, (the "Equipment"), which Equipment is subject to certain Railcar Lease Agreement, dated as of January 1, 1989 by and between Debtor as assignee of the interest of CHEMICAL BANK, A New York banking corporation, by assignment dated April 25, 1990, as lessor, and THE DETROIT EDISON COMPANY as lessee ("Lessee"), (the "Lease");

WHEREAS, Debtor will issue the certain Non-Recourse Note of Debtor dated as of May __, 1991 ("Note") in the principal amount of \$1,401,640.11 payable to Secured Party;

WHEREAS, the interests of Debtor in the Equipment, in the Lease and certain obligation of Lessee thereunder are to be granted and assigned to, and retained by the Secured Party as security for the obligations of Debtor under the Note and this Chattel Mortgage, Assignment and Security Agreement ("Security Agreement");

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Debtor and Secured Party hereby agree as follows:

Section 1. Grant of Security Interest

As security for the payment and performance of the obligations under the Note and under this Security Agreement, Debtor hereby (a) grants Secured Party a first priority security interest in and lien on all of Debtor's rights in the Equipment described in Exhibit A attached hereto and made a part hereof, whether now owned by Debtor or to be purchased by Debtor with the proceeds of the Note and all proceeds of the Equipment, (b) assigns to Secured Party all monies due and to become due to Debtor under the Lease, and all of Debtor's rights but not obligations under said Lease, and all proceeds thereof, and (c) assigns to Secured Party all proceeds of the Lease; excepting and reserving to Debtor any and all amounts payable to Debtor in its capacity as owner of the Equipment pursuant to any tax indemnity provided for in the Lease or pursuant to any public liability insurance policy maintained under the Lease (the "Excluded Payments"). (The Equipment, the Lease, all monies due and to become due and all proceeds of any of the foregoing, excluding, however, the Excluded Payments, are herein collectively defined to be the "Collateral".)

Section 2. Representations and Warranties of Debtor

Debtor hereby represents and warrants:

- (i) that the Note and Security Agreement have been duly authorized, executed and delivered by Debtor and each constitutes the legal, valid and binding agreement and obligation of Debtor, enforceable according to its terms;

- (ii) that neither the execution and delivery of the Note, the Security Agreement or the Lease or Lease II nor the consummation of the transactions contemplated herein or in the Lease or Lease II nor the fulfillment of or 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 the Articles of Incorporation or By-Laws of Debtor or of any bond, debenture, note, mortgage, indenture, agreement or other instruments to which 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 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 except for the lien created by this Security Agreement;
- (iii) that it is a corporation duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation and is duly qualified to do business in each jurisdiction where its failure to so qualify could have a material adverse effect on its business or where its ownership or leasing of property or the conduct of its business requires such qualification except to the extent that the same would not have a material adverse effect on Debtor;
- (iv) that Debtor has good title to the Equipment free and clear of all security interests, liens and encumbrances, except for the respective interests of Secured Party and Lessee under the Lease and Lease II, and liens on the Equipment arising from time to time in the ordinary course of business for maintenance and/or repairs, and that no other assignment or security interest has been granted with respect to the Collateral;
- (v) that the Equipment has been irrevocably accepted by Lessee under the Lease, is now located primarily within the United States of America and to Lessee's knowledge is in good repair, condition and working order;
- (vi) that the Lease and the assignment and acceptance of the interest of **CHEMICAL BANK** in the Lease to Debtor are valid and binding agreements of Debtor, that the Lease is a valid and binding agreement of Lessee and the respective parties thereto (as the case may be) subject as to enforceability to bankruptcy, insolvency or other similar laws affecting enforcement generally and further subject to general principles of equity and that the Lease constitutes the entire agreement between Debtor and Lessee pertaining to the leasing of the equipment to Lessee;
- (vii) that the rent payable under the Lease is currently \$26,950.00 per month for the term stated therein. Attached hereto is a true and correct copies of the Lease, and that said rents under the Lease are not now subject to any defenses, setoffs or counterclaims, and that there is no rent assigned hereunder now due or owing pursuant to the terms of the Lease nor have there been any payments made in advance with respect to payments being assigned to Secured Party hereunder;
- (viii) that 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 under the Note, or, to the Debtor's knowledge, the Lease has occurred and is continuing;

- (ix) that 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; and
- (x) that each statement of material fact heretofore made, provided by or on behalf of Debtor to Secured Party in connection with the matters contemplated hereby, is true and correct in all material respects.

Section 3. Covenants of Debtor

Debtor agrees:

- (i) that it will take no action to direct or infer that all payments to be made by Lessee under the Lease, and by Debtor hereunder or under the Note, shall be made other than to Secured Party in the manner and at the time and place set forth in the Note or as otherwise required hereunder or thereunder;
- (ii) that it will take no action to encumber or avoid the right, title and interest of Secured Party in and to the Collateral; and Debtor further agrees not to 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 not to sell, assign or transfer its interest in the Lease or the Equipment or any of the other Collateral or take any other action with respect thereto without the prior written consent of Secured Party, which consent shall not be unreasonably withheld;
- (iii) to keep the Collateral free and clear of all mortgages, pledges, liens, charges, security interests and all other encumbrances whatsoever arising by, through or under Debtor (as compared to Lessee), except the Lease and Lease II and those created by this Security Agreement, and, liens on the Equipment arising from time to time in the ordinary course of business for maintenance and/or repairs and to pay or cause to be paid pursuant to the terms of the Lease all charges, including without limitation, all taxes and assessments levied or assessed against Debtor or the Equipment, which if unpaid would constitute a lien on the Collateral or any portion thereof. Debtor shall not be required to pay or discharge any such charges, taxes or assessments if Lessee shall be obligated to pay or discharge the same under the terms of the Lease or so long as it shall diligently in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not affect or endanger Lessee's right of quiet enjoyment and use of the Equipment under the Lease or Lease II or Secured Party's security interest in the Collateral pursuant to this Security Agreement;
- (iv) to execute and deliver any and all papers or documents (including without limitation all filings with the Interstate Commerce Commission) which Secured Party may reasonably request from time to time in order to create, perfect, further perfect or continue said lien created by this Security Agreement, or to facilitate the collection of monies due or to become due from Lessee;

- (v) to duly fulfill or cause to be fulfilled all of the obligations to be performed or assumed by Debtor as lessor under the Lease including without limitation Lessor's covenant of quiet enjoyment and the giving of all notices, consents, assistance and cooperation with and to Lessee and to remain liable thereunder including but not limited to such consent, assistance and cooperation necessary for Lessee to maintain, in accordance with, and to the extent required by, the Lease, "All Risks" property insurance coverage on the Equipment and public liability insurance showing Secured Party as additional insured and loss payee in amounts and with insurance companies satisfactory to Secured Party; any and all consents, necessary for Lessee to keep the Equipment in good repair and operating condition as required by the terms of the Lease, without any cost or liability to Secured Party; provided, however, that the decision to repair or replace any lost, damaged or destroyed Equipment shall require the prior written consent of Secured Party;
- (vi) not to interfere with Lessee's quiet use and enjoyment of the Equipment and not to secrete, abandon or remove or attempt to remove the Equipment from any location stated or identified in the Lease without prior written notification to Secured Party and conformance to the Lease;
- (vii) to promptly notify Secured Party upon obtaining knowledge of any default by Lessee in the payment or performance of any of Lessee's obligations under the Lease or Lease II;
- (viii) to allow in accordance with and subject to the terms of the Lease Secured Party and its representatives access to and right of inspection of the Equipment at its location, and in the event of loss or damage to the Equipment to send prompt written notice thereof to Secured Party;
- (ix) that Debtor will not move its records concerning the Lease except to a jurisdiction where the Uniform Commercial Code shall be in effect, and upon 30 days' prior written notice to Secured Party;
- (x) that Debtor shall take no action which will cause the Equipment to be or to become, and shall take all steps to prevent the Equipment from becoming, fixtures under applicable law; and Debtor further agrees that it will not allow or suffer Lessee to permit the Equipment to be or to become fixtures under applicable law;
- (xi) to deliver to Secured Party within one hundred fifty (150) days after the end of each fiscal year or as soon thereafter as the same be available, copies of the balance sheet of Debtor as of the end of such fiscal year and copies of the statements of earnings, changes in financial position and stockholders' equity of Debtor for such fiscal year, all in reasonable detail, certified by independent certified public accountants and stating in comparative form the financial statements as of the prior fiscal year all in conformity with generally accepted accounting principles consistently applied; to deliver to Secured Party from time to time, after request of Secured Party as soon as available, copies of the unaudited quarterly statements of Debtor; and to deliver such other information concerning the Lease or the Equipment which Debtor has, as Secured Party may from time to time reasonably request; and
- (xii) **INTENTIONALLY OMITTED**

- (xiii) that the Equipment shall, at all times be located primarily within the United States of America.

Section 4. Rights of Secured Party

Debtor hereby irrevocably constitutes and appoints Secured Party, and any officer thereof, with full power of substitution, as its true and lawful attorney in fact to take any and all appropriate action and to execute any and all documents and instruments on behalf of Debtor and without notice to or assent by Debtor, to take the following specific action:

- (i) to 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;
- (ii) to 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;
- (iii) upon the occurrence and continuance of any Event of Default under the terms of the Lease:
 - (a) to receive payment of and receipt for any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral;
 - (b) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of the Collateral;
 - (c) to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as Secured Party may deem appropriate;
 - (d) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Secured Party were the absolute owner thereof for all purposes, and to do, at Secured Party's option, at any time, or from time to time, all acts and things which Secured Party deems necessary to protect, preserve or realize upon the collateral and Secured Party's security interest therein in order to effect the intent of this Security Agreement and the Note, all as fully and effectively as Debtor might do; and
 - (e) to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Security Agreement or the Lease and to pay all or any part of the premiums therefor and the costs thereof.

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 hereunder and under the Note and the termination of this Security Agreement and the Note. The powers conferred on Secured Party hereunder are solely to protect Secured Party's interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Secured Party shall be accountable only for amounts that it actually receives 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 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 5. Event of Loss

Following the occurrence of an event of loss or casualty under the Lease, the unpaid principal under the Note shall become due and payable together with accrued interest thereon, without penalty, on the date on which the stipulated loss value or casualty value is due under the Lease in the proportion that the original purchase price of the Equipment suffering such event of loss or casualty bears to the original purchase price of all Equipment then subject to the Lease; provided, however, that payments of principal and interest shall continue to be payable under the Note together with any additional interest required pursuant to Section 6 hereof with regard to payments of principal and interest remaining unpaid after the same have become due and payable until payment in full of such stipulated loss value or casualty value. Each of the remaining principal installments due under the note shall be reduced in the proportion that the principal amount of the prepayment made pursuant to this section bears to the unpaid principal amount outstanding immediately prior to such prepayment. Upon receipt of payment in full of the sums required by this Section 5, Secured Party will release its security interest in the affected Equipment, at the expense of Debtor. Except as set forth in this Section 5, the Note shall not be subject to prepayment or redemption, either in whole or in part, prior to its stated maturity.

Section 6. Late Payment

All payments under the Note or this Security Agreement not received by Secured Party within ten (10) days of the due date thereof shall bear interest from the due date until paid at the highest late rental payment rate specified in the Lease; but in any event such interest shall not be higher than the maximum legally enforceable rate (the "Late Payment Rate").

Section 7. Right of Secured Party to Perform for Debtor and Lessee

If Debtor defaults in its obligation hereunder or if Lessee defaults in its obligations under the Lease, Secured Party may, at its option, effect insurance, 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 Security Agreement and shall, if a result of Debtor's default hereunder, be payable on demand by Debtor as an obligation independent hereof with interest at the Late Payment Rate.

Section 8. Non-Recourse.

The Debtor's obligations under the Note and this Security Agreement shall be non-recourse to Debtor and payable only out of the Collateral as defined in this Security Agreement and out of any other collateral hereafter given as security for the Note, and, except as expressly set forth in this paragraph, neither

Secured Party nor any transferee of the Secured Party and no claimant asserting any rights derived directly or indirectly hereunder shall have any claim, remedy or right to proceed (at law or in equity) against the Debtor, or any director, officer, employee or shareholder of Debtor, for any sum or sums owing on account of the indebtedness evidenced hereby from any source other than the Collateral; provided, however, nothing in this paragraph shall be deemed to release or impair the indebtedness evidenced by the Note (subject to the foregoing), the Secured Party's security interest in the Collateral, or the assignment of rentals due and to become due under the Lease, or to preclude the Secured Party from resorting to the Collateral in case of any default hereunder or from enforcing any of its rights in respect of the Collateral under the Note or the Security Agreement or under the Lease. Notwithstanding anything to the contrary herein contained, the foregoing shall not be deemed to bar or prohibit the Secured Party or any holder of the Note or the Security Agreement from proceeding personally against the Debtor for recovery of any damages, costs or expenses (including without limitation any costs of the kind described in the second paragraph of Section 10 of the Security Agreement) proximately caused by the material falsity of any representation contained herein or any material breach of any warranty or covenant contained herein, or the willful interference with Secured Party's enforcement of its rights hereunder, or under the Lease.

Section 9. Events of Default

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

- (i) Debtor shall fail to make any payment due under the Note within ten (10) days after such payment shall become due;
- (ii) an event of default under and as defined in the Lease shall occur;
- (iii) Debtor, except to the extent provided in Section 3(iii), shall suffer the imposition upon the Collateral or any part thereof of any claim, lien, security interest, encumbrance or charge which is prior to or on a parity with the security interest granted hereunder under the Note or under the Lease (other than the Lease);
- (iv) Debtor shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by Debtor hereunder, under the Note or under the Lease or in any agreement or certificate furnished to Secured Party in connection herewith or therewith and such failure shall continue unremedied for a period of fifteen (15) days after notice thereof to Debtor;
- (v) any representation or warranty made by Debtor herein or in any document or certificate furnished to Secured Party in connection herewith shall have been incorrect in any material request when made;
- (vi) Debtor shall have become insolvent or bankrupt or admit in writing its inability to pay any of its debts as they mature or make an assignment for the benefit of creditors, or a receiver or trustee shall have been appointed with respect to Debtor or any of Debtor's estate; and
- (vii) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under Title XI of the United States Code or any bankruptcy law or similar law now or hereafter in force for the relief of debtors shall be instituted by

Debtor, or such proceedings shall be instituted against Debtor and Debtor shall fail to take action to dismiss or to stay such proceedings within sixty (60) days of such institution.

Section 10. Remedies

If an Event of Default hereunder shall have occurred and be continuing, all of the payments hereunder and under the Note shall become immediately due and payable, without notice or demand, and subject only to Lessee's right of quiet use and enjoyment of the Equipment, it shall be then lawful for Secured Party (and Debtor hereby authorizes and empowers Secured Party with the aid and assistance of any persons) to enter upon any premises or such other place as the Equipment may be found and take possession of and/or carry away the Equipment without process of law at any time or times, and to dispose of the Equipment and apply the proceeds thereof to the balance due hereunder and under the Note or any other obligation arising hereunder or thereunder, all to the extent permitted by and in accordance with law. Debtor hereby waives the right to interpose (i) any counterclaims or offsets in any litigation between Debtor and Secured Party with respect to this Security Agreement or the Note or (ii) claims arising out of or relating to or connected with the loan secured hereby or the Collateral or repossession thereof. The rights of Secured Party under this Security Agreement including but not limited to this Section and the obligation of Debtor are subject to terms of the Lease and the rights of the Lessee in the Equipment.

To the limited extent provided in Section 8 Debtor will reimburse Secured Party for all fees of attorneys or collection agencies and all expenses, costs and charges paid or payable to third persons or suffered or incurred by Secured Party in attempting or effecting protection or preservation of its security interest in the Collateral or the enforcement of any provision hereof or in the enforcement of the Note or in the collection of the amounts secured hereby or thereby or in the exercise of any authority right or remedy conferred upon Secured Party herein or by law, together with interest thereon at the Late Payment Rate from the date of Secured Party's request for reimbursement until the date of reimbursement.

All rights, remedies and options conferred upon Secured Party 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 Secured Party 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 Secured Party 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 Secured Party shall not exhaust such rights or constitute a waiver of any other right provided herein. To the extent permitted by law, Debtor hereby waives presentment, demand, notice and protest in connection with the delivery, acceptance, performance and enforcement of this Security Agreement or the Note.

If an Event of Default hereunder arises out of the nonpayment of rent due under the Lease (a "Rent Payment Default"), Secured Party shall give Debtor not less than ten (10) days' prior written notice of the date (the "Enforcement Date") on or after which Secured Party may exercise any remedy or remedies described in Section 10 of this Security Agreement, described in the Lease or otherwise available to Secured Party. Debtor shall have the right, but not the obligation, to cure such Rent Payment Default by paying to Secured Party, on or prior to the Enforcement Date, any and all payments, including without limitation overdue interest, then due and payable under this Security Agreement and the Note and, unless Lessee has failed for any reason to pay when due the

immediately preceding three (3) payments of rent due under the Lease or Debtor has cured six (6) previous Rent Payment Defaults, such payment by Debtor shall be deemed to cure such Rent Payment Default (but not any other Event of Default which shall have occurred and be continuing).

Section 11. Successors and Assigns

Secured Party may at any time assign all or any portion of the Note or its interests hereunder without notice to Debtor. This Security Agreement and the Note shall inure to the benefit of the successors and assigns of Secured Party.

Section 12. Miscellaneous

Any monies coming into the possession of Secured Party hereunder, whether paid by Debtor or Lessee or derived from insurance or the proceeds of any sale of the Collateral, shall be applied in whole or in part upon the obligations of Debtor to Secured Party and Debtor's right to specify any such application is hereby waived. If any monies at any time are payable to Debtor hereunder, the same shall be deposited as Debtor may direct, so long as no Event of Default has occurred and is continuing.

Upon the payment in full of all principal, interest and other amounts due and payable hereunder and under the Note, in accordance with the terms and conditions hereof and thereof, this Security Agreement shall cease and determine, whereupon the Collateral shall revert to Debtor and Secured Party's estate therein shall be void. In such event, at Debtor's request, cost and expense, Secured Party shall (within a reasonable time) execute and deliver proper instruments acknowledging satisfaction of and discharging this Security Agreement and the Note, and shall redeliver to Debtor any Collateral then in Secured Party's possession. The foregoing notwithstanding, nothing herein shall be deemed to authorize the prepayment of the Note, either in whole or in part, except as expressly provided in Section 5 hereof.

Neither this Security Agreement nor the Note may be amended, waived, or discharged, except by an agreement in writing signed 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 Security Agreement or the Note shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall not in any way be affected or impaired thereby in such jurisdiction. Any provision of this Security Agreement or the Note 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 Debtor shall be a party to a merger, combination or consolidation or other corporate reorganization and if it shall not be the surviving corporation, then the surviving corporation shall promptly assume the obligations under this Security Agreement and the Note in writing.

All notices to be made hereunder shall be in writing and (a) if to Debtor, addressed to it at Three First National Plaza, Chicago, Illinois 60602, Attention: Vincent A. Kolber, and (b) if to Secured Party, addressed to it at John Hancock Place, P.O. Box 111, Boston, Massachusetts 02117, Attention: Vice President/Credit Administration. 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 Security Agreement.

IT IS THE INTENTION OF THE PARTIES THAT THE PROVISIONS OF THIS SECURITY AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS.

Section headings and captions are inserted for convenience only and shall not affect any construction or interpretation of this Note. The words "herein", "hereof", "hereby", "hereto", "hereunder", and words of similar import refer to this Security Agreement as a whole and not to any particular section, subsection, paragraph, clause or other subdivision hereof.

The principal place of business of Debtor is as set forth in Section 12 hereof, and Debtor shall notify Secured Party immediately and execute additional financing statements, to be filed at Debtor's expense, should such address change.

IN WITNESS WHEREOF, Debtor and Secured Party have caused this Security Agreement to be signed, with the intention that it shall take effect as a sealed instrument, as of the 29th day of May, 1991.

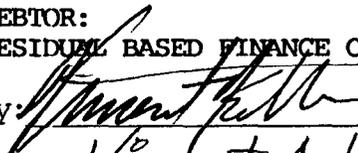
(Signatures on following page)

JTW1.15
052391
(Lease A)

ATTEST

Title: Secretary
[Corporate Seal]

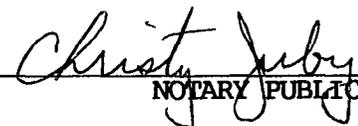
DEBTOR:
RESIDUAL BASED FINANCE CORPORATION

By: 
Name: Vincent A. Kolber
Title: President

STATE OF ILLINOIS

COUNTY OF COOK

On this 24th day of May, 1991, before me personally appeared VINCENT A. KOLBER, to me personally known, who, being by me duly sworn, says that he is PRBS of Residual Based Finance Corporation that said instrument was signed on behalf of said company by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was his free act and deed and that of said company.


NOTARY PUBLIC

MY COMMISSION EXPIRES:

Aug 13, 1991

OFFICIAL SEAL
Christy Juby
Notary Public, State of Illinois
My Commission Expires Aug. 13, 1991

JTW1.15
052391
(Lease A)

SECURED PARTY:
JOHN HANCOCK LEASING CORPORATION

By: *John M. Butler*

Name: John M. Butler

Title: Senior Vice President
Treasurer/ Finance and Treasury

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF SUFFOLK

On this 3rd day of May, 1991, before me personally appeared John M. Butler, to me personally known, who, being by me duly sworn, says that he is Senior Vice-President of John Hancock Leasing Corporation, that said instrument was signed on behalf of said company by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was his free act and deed and that of said company.

John T. Wallace
NOTARY PUBLIC
JOHN T WALLACE, Notary Public
My Commission Expires
April 23, 1993
MY COMMISSION EXPIRES:

JTW1.15
052391
(Lease A)

No. 3601

EXHIBIT A

<u>Description</u>	<u>No. of Cars</u>	<u>Car Markings</u>
125 Ton 5160 cubic foot, aluminum bodied, steel underframe high side rotary dump gondola cars	98	DEEX 1081 2142 1083 2146 1086 2148-49 1088 2153 1091-94 3076 1096-98 3078 1100-02 3081-83 1109-10 3085-90 1112 3093 1116 3096-98 1118-19 3104 1121 3108-09 1126-27 3111-12 1130-32 3117 1135-37 3120 1142-43 3123 1145 3125-26 1148-49 3128 1151 3130 1153 3134 2084 3135 2087 3136 2089 3139 2092-93 2095 2097 2100 2105 2107-08 2110-13 2118-19 2125-27 2133 2135-37 2139-40