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INTERSTATE COMMERCE COMMISSION

CONDITIONAL SALE AGREEMENT
Dated as of September 15, 1975

Among

PULLMAN INCORPORATED
(Pullman-Standard division)

and

MIDWEST FREIGHT CAR COMPANY,

Manufacturers

FIRST NATIONAL BANK AND TRUST COMPANY OF EVANSTON,

as Trustee under Illinois Terminal No. 75-2

Vendee

and

ILLINOIS TERMINAL RAILROAD COMPANY

Lessee

(Illinois Terminal No. 75-2)

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CONDITIONAL SALE AGREEMENT dated as of September 15, 1975 among PULLMAN INCORPORATED (Pullman-Standard division), a Delaware corporation ("Pullman") and MIDWEST FREIGHT CAR COMPANY, an Illinois corporation ("Midwest") (Pullman and Midwest being herein sometimes collectively referred to as the "Manufacturers" and individually as a "Manufacturer"), FIRST NATIONAL BANK AND TRUST COMPANY OF EVANSTON, as Trustee (the "Vendee") under a Trust Agreement dated as of September 15, 1975 (the "Trust Agreement") known as Illinois Terminal No. 75-2 and ILLINOIS TERMINAL RAILROAD COMPANY, a Delaware corporation (the "Railroad").

WHEREAS, the Manufacturers are each willing to construct, sell and deliver to the Vendee, and the Vendee is willing to purchase, the railroad equipment described in Schedules A-1, A-2 and B respectively, attached hereto (collectively the "Equipment" and individually "Item of Equipment"); and

WHEREAS, the Vendee is entering into a lease of the Equipment dated as of the date hereof to the Railroad substantially in the form attached as Exhibit B to the Trust Agreement (the "Lease");

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

SECTION 1. CONSTRUCTION AND SALE.

Each of the manufacturers will construct, sell and deliver to the Vendee, and the Vendee will purchase from each Manufacturer and accept delivery of and pay for as hereinafter provided, those Items of Equipment which are indicated on Schedules A-1, A-2 and B, respectively, attached hereto to be constructed and sold by such Manufacturer, each Item of which shall be constructed in accordance with the applicable specifications referred to in said Schedules with such modifications thereof as may be agreed upon in writing by the Vendee, the Railroad and the respective Manufacturer (which specifications and modifications, if any, are hereinafter called the "Specifications"). The design and quality of equipment and material in such Items shall conform to all Department of Transportation requirements and specifications for new equipment, and to all standards recommended by the Association of American Railroads, interpreted as being applicable to new railroad equipment of the character of such Items as of the date of this Agreement.

SECTION 2. DELIVERY.

2.1. Each Manufacturer will deliver the various Items of Equipment to be manufactured by it to the Vendee in accordance

with the applicable delivery schedule set forth in said Schedules A-1, A-2 and B, respectively, provided, however, that the Manufacturers shall have no obligation to deliver any Item of Equipment hereunder so long as any Event of Default pursuant to Section 15.1 hereof shall have occurred and be continuing. Each Manufacturer agrees not to deliver and the Vendee shall have no obligation to accept any Items of Equipment following notice to such Manufacturer from the Vendee, the Railroad or any assignee of such Manufacturer that any Event of Default pursuant to Section 15.1 hereof arising out of any act or omission of the Railroad has occurred and is continuing.

2.2. Each Manufacturer's obligations as to time of delivery is subject however, to delays resulting from causes beyond the Manufacturer's reasonable control, including, but not limited to, acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riots or civil commotion, sabotage, strikes, differences with workmen, accidents, fire, flood, explosion, damage to plant, equipment or facilities, or delays in receiving necessary materials or delays of carriers or subcontractors.

2.3. Notwithstanding the foregoing provisions in this Section 2, the Vendee shall not be obligated hereunder to accept and pay for any Equipment not delivered and accepted on or before the outside delivery date provided therefor in Schedules A-1, A-2 and B, respectively. Any Equipment not so delivered and accepted pursuant to Sections 2.1, 2.3 and 3.1 hereof shall be excluded from this Agreement and not included in the term "Equipment" as used in this Agreement. In the event of any such exclusion the Manufacturer of such excluded Equipment shall remain obligated to construct, sell and deliver to the Railroad, and the Railroad shall remain obligated to purchase from such Manufacturer, accept delivery of and pay for, any of the Equipment thus excluded from this Agreement, and the Railroad, the Vendee and such Manufacturer shall execute an agreement supplemental hereto limiting this Agreement to the Equipment not excluded herefrom, and such Manufacturer and the Railroad shall further execute a separate agreement providing for the sale of such excluded Equipment by such Manufacturer to the Railroad upon the same terms and conditions as those contained herein, modified only to the extent necessary to provide for payment in cash upon delivery of the Equipment, either directly or indirectly by means of a conditional sale agreement, equipment trust or other appropriate method of financing as the Railroad may determine and as may be reasonably satisfactory to such Manufacturer.

2.4. The Equipment during construction shall be subject to inspection by an inspector or other authorized representative of the Railroad and the Vendee. Acceptance of the Equipment by the Railroad under the Lease shall be deemed to be acceptance of the Equipment by the Vendee, and the Vendee agrees to cause the Railroad to furnish, and the Railroad hereby agrees to furnish, the Certificate or Certificates of Acceptance under the Lease to the Manufacturers in such number of counterparts as may be reasonably requested.

2.5. The Manufacturer of each Item of Equipment shall bear the risk of loss thereof or damage thereto until delivery to and acceptance by the Railroad and the Vendee. Upon delivery and acceptance by the Railroad of each of such Items of Equipment, the Vendee shall bear the risk of loss of or damage to such Items.

SECTION 3. PURCHASE PRICE AND PAYMENT.

3.1. The base price per Item of Equipment, including freight charges, if any, to place of delivery, but exclusive of interest, insurance and all other charges, is as set forth in Schedules A-1, A-2 and B, respectively. The base price per Item of Equipment shall be subject to increase or decrease as may be agreed to by the Manufacturer thereof and the Railroad, and the term "Purchase Price" as used herein shall mean the base price as so increased or decreased, as provided in an invoice furnished by the Manufacturer thereof to the Vendee on or prior to the Closing Date therefor and certified by the Railroad as to the correctness of the price set forth therein; provided that the Purchase Price for each Item of Equipment shall not exceed the maximum price provided therefor in the Schedule describing the same and provided further that if the Manufacturer thereof shall not provide such certified invoice covering such Item of Equipment to the Vendee on or prior to the Closing Date (as defined in Section 3.5 hereof) therefor, the Purchase Price for such Item of Equipment shall be the base price therefor as set forth in Schedules A-1, A-2 and B, respectively.

3.2. For the purpose of making settlement for the Equipment, the Equipment shall be divided into three groups of Items of Equipment (each such group of Items being hereinafter called a "Group"). The first Group shall consist of the Items of Equipment described in Schedule A-1, the second Group shall consist of the Items of Equipment described in Schedule A-2 and a portion of the Items of Equipment described in Schedule B, the third Group shall consist of the balance of the Items of Equipment described in Schedule B.

3.3. Subject to the provisions of the next succeeding paragraph and Section 13 hereof, the Vendee hereby acknowledges itself to be indebted to the respective Manufacturers in the amount of, and hereby promises to pay to the respective Manufacturers at such bank or trust company in the United States of America as each of the respective Manufacturers shall designate for payment to it, the Purchase Price of the Items of Equipment as follows:

(a) On each Closing Date an amount equal to 31% of the aggregate Purchase Price for all Items of Equipment in the Group for which settlement is then being made; and

(b) an amount equal to the difference between the aggregate Purchase Price of the Equipment and the aggregate amount paid pursuant to subparagraph (a) of this Section 3.3 (herein sometimes called the "Conditional Sale Indebtedness") plus interest on the unpaid balance thereof payable in installments, as follows:

(1) One installment of interest only at the rate of 10.50% per annum for the period from and including the Cut-Off Date (as defined in the Finance Agreement referred to in the Trust Agreement) to but not including January 1, 1976, payable on January 1, 1976, followed by

(2) Twenty-nine (29) semiannual installments, including both principal and interest at the rate of 10.50% per annum, payable on July 1, 1976 and on the first day of each January and July thereafter to and including July 1, 1990 as set forth in Schedule C hereto.

3.4. The obligation of the Vendee to pay the amounts specified in Section 3.3 hereof is, for each Group of Equipment, subject to the fulfillment on or before the respective dates hereinafter set forth of the following conditions (any of which may be waived by the Vendee and the payment by the Vendee of the amounts specified in clause (a) of Section 3.3 with respect to such Group shall be conclusive evidence that such condition has been fulfilled or irrevocably waived, provided, however, no act or omission of the Vendee other than such payment or a written waiver signed by the Vendee shall constitute a waiver for purposes of this Section 3.4):

(a) Concurrently with the delivery to and acceptance by the Railroad under the Lease of the first Item of Equipment in such Group, the Railroad shall have delivered to the Vendee a certificate of a Vice President of the Railroad to the effect that no Event of Default, as specified herein or in the Lease, or any event which with the lapse of time and/or notice provided for herein or in the Lease would consitute such an Event of Default, has occurred and is continuing, and that there has been no material adverse change in the condition of the Railroad, financial or otherwise, since December 31, 1974;

(b) Concurrently with the delivery to and acceptance by the Railroad under the Lease of each Item of Equipment in such Group, the Vendee shall have received from the Railroad a Certificate of Acceptance covering such Item of Equipment

executed by a duly authorized representative of the Railroad pursuant to Section 1 of the Lease; and

(c) On the Closing Date with respect to such Group the Manufacturer thereof shall have delivered to the Vendee, a bill or bills of sale or other similar instrument or instruments of transfer covering the Items of Equipment in such Group and warranting to the Vendee that, as of such date, the Manufacturer had legal title to such Items and good and lawful right to sell the same, and title thereto was free of all claims, liens and encumbrances of any nature except only the rights of the Vendee under this Agreement and the rights of the Railroad under the Lease.

3.5. The term "Closing Date" with respect to each Group shall mean such date which is not more than ten business days following presentation by the Manufacturer to the Vendee of the invoice, or invoices, and the Certificate or Certificates of Acceptance with respect to such Group, as shall be fixed by the Railroad by written or telegraphic notice delivered to the Vendee, the Manufacturer and any assignee of the Manufacturer at least seven business days prior to the Closing Date designated therein; provided that the Railroad agrees to fix the Closing Date upon a date on which funds will be held in escrow by the Assignee pursuant to Section 4 and 14 of the Finance Agreement referred to in the Trust Agreement in the form of cash in such amount as to permit the consummation of such closing, and provided further that the Closing Date shall be not later than December 31, 1975 for any Group.

3.6. The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and holidays on which banks in the States of Illinois or Minnesota are authorized or required to close.

3.7. Interest under this Agreement shall be determined on the basis of a 360-day year of twelve 30-day months.

3.8. The Vendee will pay interest at the rate of 11.50% per annum upon all unpaid balances of indebtedness and (to the extent legally enforceable) upon interest, after the same shall have become due and payable pursuant to the terms hereof, anything herein to the contrary notwithstanding.

3.9. All payments provided for in this Agreement shall be made by the Vendee in such coin or currency of the United States of

America as at the time of payment shall be legal tender for the payment of public and private debts.

3.10. Except as provided in Section 6.1 hereof the Vendee shall not have the privilege of prepaying any installment of the indebtedness prior to the date it becomes due hereunder.

SECTION 4. TITLE TO THE EQUIPMENT.

4.1. Each Manufacturer shall and hereby does retain the full security title to and property in the Equipment built by it until the Vendee shall have made all of the payments hereunder and shall have kept and performed all its agreements herein contained, notwithstanding the delivery of the Equipment to and the possession and use thereof by the Vendee or the Railroad as herein provided. Any and all additions to the Equipment (not including, however, any parts installed on and additions to any Item of Equipment, any portion of whose cost is furnished by the Railroad and which are readily removable without causing material damage to such Item of Equipment, but including parts installed on and replacements made to any Item of Equipment which constitute ordinary maintenance and repairs made by the Railroad pursuant to Section 8 of the Lease) and any and all replacements of the Equipment and of parts thereof shall constitute accessions to the Equipment and shall be subject to all terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement.

4.2. When and only when each Manufacturer shall have been paid the full indebtedness in respect of the Purchase Price of the Equipment built by it, together with interest and all other payments as herein provided and all the Vendee's other obligations herein contained shall have been performed, absolute right to the possession of, title to and property in such Equipment shall pass to and vest in the Vendee without further transfer or action on the part of such Manufacturer, except that each Manufacturer, if requested by the Vendee so to do, will execute a bill or bills of sale of such Equipment releasing its security title thereto and property therein to the Vendee or upon its order free of all liens and encumbrances created or retained hereby and deliver such bill or bills of sale to the Vendee at its address specified in Section 21 hereof, and will execute in the same manner and deliver at the same place, for filing, registering, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Vendee to such Equipment, and will pay to the

Vendee any money paid to such Manufacturers, pursuant to Section 6.1 hereof and not theretofore applied as provided in Section 6.2 hereof. The Vendee hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such bill or bills of sale or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such bill or bills of sale or to file such certificate within a reasonable time after written demand by the Vendee.

SECTION 5. MARKING OF EQUIPMENT.

The Railroad shall keep each Item of Equipment marked as contemplated by Section 4 of the Lease.

SECTION 6. CASUALTY OCCURRENCES.

6.1. In the event that any Item of Equipment shall be or become lost, stolen, destroyed, or, in the opinion of the Railroad, irreparably damaged, or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise (each such occurrence, except for any requisition which by its terms is for an indefinite period or does not exceed the period ending January 1, 1991, being hereinafter called a "Casualty Occurrence"), prior to the payment of the indebtedness in respect of the Purchase Price of such Item, together with interest thereon and all other payments required hereby, the Vendee shall promptly (after it has actual knowledge of such Casualty Occurrence) and fully inform the Manufacturer thereof in regard thereto. When any Item of Equipment suffers a Casualty Occurrence the Vendee, on the date of payment of the next succeeding installment of principal and interest on such indebtedness, shall pay to the Manufacturer thereof the Casualty Payment of such Item as of the date of such payment. Each such payment shall be accompanied by notification from the Vendee that said payment constitutes a Casualty Payment (as defined in Section 6.4 hereof).

6.2. The Manufacturer, shall, immediately upon receipt thereof, apply the money deposited pursuant to Section 6.1 to the prepayment of the indebtedness in respect of the Purchase Price of the Equipment having suffered a Casualty Occurrence, plus interest then accrued on the portion thereof so prepaid, but without premium. The semiannual payments of the indebtedness in respect of the Purchase Price of the remaining Equipment and interest thereon, becoming due thereafter shall be redetermined on the basis of the amount of such indebtedness remaining unpaid and on the basis of the number of semi-annual payments remaining immediately after such application.

6.3. Upon payment to the Manufacturer of the Casualty Payment in respect of an Item of Equipment having suffered a Casualty Occurrence, absolute right to the possession of, title to and property in such Item shall automatically pass to and vest in the Vendee without further transfer or action on the part of the Manufacturer thereof, except that each Manufacturer, if requested by the Vendee so to do, will, subject to the limitations stated therein, take any and all action as specified in Section 4.2 hereof.

6.4. The payment to be made to the Manufacturer in respect of each Item of Equipment having suffered a Casualty Occurrence (the "Casualty Payment") shall be deemed to be that portion of the original Purchase Price thereof remaining unpaid on the date as of which such Casualty Payment shall be determined, plus interest accrued thereon but unpaid as of such date.

6.5. In the event that prior to January 1, 1991, the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for an indefinite period or for a stated period ending on or before said date, the Vendee's duty to pay the indebtedness in respect of the Purchase Price thereof shall continue for the duration of such requisitioning or taking. The Vendee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession.

SECTION 7. REPORTS AND INSPECTIONS.

On or before May 1 in each year, commencing with the year 1976, the Railroad will furnish to the Manufacturers, concurrently with the transmission thereof to the Vendee, copies of each and every report or statement to be furnished to the Vendee by the Railroad pursuant to Section 12 of the Lease. The Manufacturers shall have the right, by their agents, to inspect the Equipment when the Equipment is available for such inspection and records of the Vendee and the Railroad with respect thereto once in every year.

SECTION 8. POSSESSION AND USE.

8.1. The Vendee, so long as it shall not be in default under this Agreement, shall be entitled, from and after delivery of the Equipment by the Manufacturers to the Vendee, to the possession of the Equipment and the use thereof, but only upon and subject to all the terms and conditions of this Agreement.

8.2. Without limiting any of the rights of the Vendee under Section 12 hereof, the Vendee may lease the Equipment to the Railroad or its assigns as permitted by, and for use as provided in,

Section 17 of the Lease, and it is hereby acknowledged and agreed that the rights of the Manufacturers under this Agreement are subject to the rights and interest of the Railroad under the Lease. A copy of any such assignment by the Railroad pursuant to Section 17 of the Lease shall be furnished to the Manufacturers. The Lease shall not be amended or terminated without the prior written consent of the Manufacturers.

SECTION 9. PROHIBITION AGAINST LIENS.

9.1. The Vendee will pay or satisfy and discharge any and all sums claimed by any party by, through or under the Vendee or its successors or assigns (other than the Railroad or its assigns) which, if unpaid, might become a lien or a charge upon any Item of Equipment equal or superior to the security title of the Manufacturer thereof, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of such Manufacturer, adversely affect the property or rights of such Manufacturer hereunder.

9.2. This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent (such liens being herein called "permitted liens").

SECTION 10. INDEMNITIES.

10.1. The Railroad agrees to indemnify, protect and hold harmless the Manufacturers from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including counsel fees, arising out of retention by the Manufacturers of security title to the Equipment, or out of the use and operation thereof during the period when security title thereto remains in the Manufacturers, and also agrees that each Manufacturer shall be entitled to the benefit and protection of all indemnities of the Railroad contained in the Lease to the same extent and with the same force and effect as if said indemnities were set forth herein in full and each Manufacturer were expressly named in the Lease as one of the parties entitled to the benefit and protection thereof. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the indebtedness in respect of the Purchase Price

of the Equipment and the conveyance of the Equipment, as provided in Section 4.2 hereof, or the termination of this Agreement in any manner whatsoever.

10.2. As between the Manufacturer and the Vendee, the Vendee, after delivery to and acceptance by the Railroad pursuant to Section 2.5 hereof, will bear the risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of any Item or of all the Equipment.

10.3. Each Manufacturer for itself warrants that the Items of Equipment to be built by it will be built in accordance with the Specifications therefor and warrants that such Items of Equipment will be free from defects in material (except as to specialties incorporated therein specified by the Railroad and not manufactured by the Manufacturer, in respect of which the Manufacturer hereby appoints and constitutes the Railroad its Agent and attorney-in-fact to assert and enforce from time to time in the name of the Manufacturer but for the account of the Vendee, the Railroad and the Manufacturer as their interests may appear and in all cases at the sole cost and expense of the Railroad whatever claims and rights the Manufacturer may have against the manufacturer of the specialty) or workmanship under normal use and service, each Manufacturer's obligation under this Section being limited to making good at its plant any part or parts of any such Item of Equipment which shall, within one year after the delivery of such Item of Equipment to the Vendee, be returned to the Manufacturer thereof with transportation charges prepaid and which the Manufacturer's examination shall disclose to its satisfaction to have been thus defective; provided, however, that this warranty shall not apply to (i) any components which shall have been repaired or altered unless repaired or altered by the Manufacturer or its authorized service representatives, if, in its judgment, such repairs or alterations affect the stability of any such Item of Equipment or (ii) any such Item of Equipment which has been subject to misuse, negligence or accident. THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND OF ALL OTHER OBLIGATIONS OR LIABILITIES ON THE PART OF THE MANUFACTURERS, EXCEPT FOR THEIR OBLIGATIONS HEREUNDER AS LIMITED HEREBY, AND NO MANUFACTURER ASSUMES OR AUTHORIZES ANY PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE CONSTRUCTION AND DELIVERY OF THE EQUIPMENT EXCEPT AS AFORESAID. IN NO EVENT SHALL THE MANUFACTURERS BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR COMMERCIAL LOSS. Each Manufacturer reserves the right to make changes in the design of, or add any improvements to, any Items of Equipment to be built by it at any time with

the approval of the Railroad without incurring any obligation to make similar changes or additions in respect of other Items of Equipment previously delivered to the Railroad. Each Manufacturer further agrees with the Vendee that acceptance of any Items of Equipment under Section 2.4 hereof shall not be deemed a waiver by the Vendee of any of its rights under this Section 10.3.

SECTION 11. PATENT INDEMNITIES.

11.1. Except in cases of designs specified by the Railroad and not developed or purported to be developed by the Manufacturer, and articles and materials specified by the Railroad and not manufactured by the Manufacturer, each Manufacturer agrees for itself to indemnify, protect and hold harmless the Vendee and the Railroad from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Vendee or the Railroad because of the use in or about the construction or operation of any Item of Equipment to be built by it, of any design, article or material which infringes or is claimed to infringe on or which is claimed to constitute contributory infringement with respect to any patent or other right. The Railroad likewise will indemnify, protect and hold harmless the Manufacturers and the Vendee from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against Manufacturers or the Vendee because of the use in or about the construction or operation of any Item of Equipment thereof, of any design specified by the Railroad and not developed or purported to be developed by the Manufacturers, or article or material specified by the Railroad and not manufactured by the Manufacturers, which infringes or is claimed to infringe on or which is claimed to constitute contributory infringement with respect to any patent or other right. In case any Item of Equipment is held to constitute infringement of any patent or other similar right in respect of which liability may be charged against such Manufacturer, and the use of any Item of Equipment is enjoined, such Manufacturer shall, at its own expense and at its option, either procure for the Vendee and the Railroad the right to continue using such Item of Equipment or replace the same with non-infringing equipment reasonably satisfactory to the Vendee and the Railroad, or modify it so it becomes non-infringing. Without intending any limitation of the foregoing, each Manufacturer agrees to and hereby does, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, transfer, assign, set over and deliver to the Vendee every claim, right and cause of action which such Manufacturer has or hereafter shall have against the originator of any design or against the seller or sellers of any designs or articles or materials purchased or otherwise acquired by

such Manufacturer for use in or about the construction or operation of the Items of Equipment to be built by it on the ground that any such design, article or material or operation thereof infringes or is claimed to infringe on or to constitute contributory infringement with respect to any patent or other right and each Manufacturer further agrees to execute and deliver to the Vendee all and every such further assurance as may be reasonably requested by the Vendee, more fully to effectuate the assignment, transfer and delivery of every such claim, right and cause of action. Each Manufacturer will give notice to the Vendee and the Railroad of any claim known to such Manufacturer from which liability may be charged against the Vendee or the Railroad hereunder and the Railroad and the Vendee will each give notice to each Manufacturer of any claim known to it from which liability may be charged against such Manufacturer hereunder.

11.2. The term "design" wherever used in this Agreement or in any assignment of this Agreement shall be deemed to include formulae, systems, processes and combinations.

SECTION 12. ASSIGNMENTS.

12.1. The Vendee will not sell, assign, transfer or otherwise dispose of its rights under this Agreement or, except as provided in Section 8.2 hereof or Section 6.10 of the Trust Agreement, transfer the right to possession of any Item of Equipment without first obtaining the written consent of the Manufacturers, which consent shall not be unreasonably withheld. No such sale, assignment or transfer shall subject the Manufacturers to any duties, obligations or liabilities whatsoever.

12.2. All or any of the rights, benefits and advantages of each Manufacturer under this Agreement, including the right to receive the payments herein provided to be made by the Vendee, may be assigned by such Manufacturer and reassigned by an assignee at any time or from time to time. No such assignment shall subject any assignee to, or relieve such Manufacturer from, any of the obligations of such Manufacturer to construct and to deliver the Equipment in accordance with the provisions hereof or to respond to its warranties and agreements contained in Sections 10.3, 11 and 12.5 (with respect to marking), or relieve the Vendee or the Railroad of their respective obligations to the Manufacturers hereunder.

12.3. Upon any such assignment either the assignor or the assignee shall give written notice to the Vendee and the Railroad, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all of

the assigning Manufacturer's right, security title and interest in and to the Equipment, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Vendee and the Railroad, respectively, of the notification of any such assignment, all payments thereafter to be made by the Vendee hereunder shall, to the extent so assigned, be made to the assignee at the address of the assignee specified in the aforesaid notice, but unless and until the Vendee shall have received such notification, the Vendee shall be entitled to make all payments hereunder to the Manufacturers.

12.4. The Vendee and the Railroad recognize that it is the custom of railroad equipment manufacturers or sellers to assign agreements of this character and understand that the assignment of this Agreement, or of some or all of the rights of the Manufacturers hereunder, is contemplated. The Vendee and the Railroad expressly represent, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Manufacturers hereunder, and for the purpose of inducing such acquisition, that in the event of such assignment by the Manufacturers as hereinbefore provided the rights of such assignee to the entire unpaid indebtedness in respect of the Purchase Price of the Equipment or such part thereof as may be assigned, together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever arising out of any breach of any obligation of any Manufacturer with respect to the Equipment or the delivery or warranty thereof, or with respect to any indemnity herein contained, nor subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee or the Railroad by any Manufacturer. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Vendee or the Railroad as the case may be, against and only against the Manufacturers.

12.5. In the event of any such assignment or successive assignments by the Manufacturers of security title to the Equipment and of the Manufacturers' rights hereunder with respect thereto, the Vendee will, whenever requested by such assignee, change the names and word or words to be marked on each side of each Item of Equipment or, in the event such Item shall then be leased to the Railroad, the Railroad shall change the names and word or words to be marked on each side of such Item, so as to indicate the security title of such assignee to the Equipment with such names and word or words as shall be specified by such assignee, subject to the requirements of the laws of the jurisdictions in which the Equipment shall be operated

relating to such names and word or words for use on equipment covered by conditional sale agreements with respect to railroad equipment. The cost of marking such names and word or words with respect to the first assignee of this Agreement, (or to a successor agent or trustee in case the first assignee is an agent or trustee) and with respect to the Vendee shall be borne by the Manufacturers. The cost of marking such names and word or words in connection with any subsequent assignment (other than to a successor agent or trustee if the first assignee is an agent or trustee) will be borne by the Railroad.

12.6. In the event of any such assignment prior to the completion of delivery of the Equipment, the Vendee will, in connection with settlement for any Group of Equipment subsequent to such assignment, deliver to the assignee, at the time of delivery by the Vendee of notice fixing the Closing Date with respect to such Group, all documents reasonably required by the terms of such assignment to be delivered by the Vendee to the assignee in connection with such settlement, in such number of counterparts as may reasonably be requested, except for any opinion of counsel for the assignee.

SECTION 13. LIMITATION OF VENDEE'S OBLIGATIONS.

It is expressly understood and agreed by and between the Vendee, the Trustor under the Trust Agreement and the Manufacturers and their respective successors and assigns that this Agreement is executed by First National Bank and Trust Company of Evanston, not individually or personally but solely as Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee (and First National Bank and Trust Company of Evanston hereby warrants that it possesses full power and authority to enter into and perform this Agreement); and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on First National Bank and Trust Company of Evanston, or on said Trustor individually or personally, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the Manufacturers and by each and every person now or hereafter claiming by, through or under the Manufacturers; and that so far as First National Bank and Trust Company of Evanston or the Trustor or the Manufacturers, individually or personally are concerned, the Manufacturers and any person claiming by, through or under the Manufacturers shall look solely to the Trust Estate as defined in the Trust Agreement for payment of the indebtedness in respect of the Purchase Price of the Equipment, together with interest thereon and all other payments and obligations as herein provided. Notwithstanding the foregoing, nothing in this Section 13 shall be deemed to prevent enforcement of any claim for damages based upon the gross negligence or willful misconduct of the Trustee or the Trustor. Nothing in this Section 13 shall limit any rights of the Manufacturers under this Agreement against the Railroad.

SECTION 14. APPLICATION OF PROVISIONS OF SECTION 15, "DEFAULTS", AND SECTION 16, "REMEDIES".

It is contemplated and agreed that each Manufacturer will, coincidentally with the execution and delivery of this Agreement, assign certain of its rights under this Agreement, and all its respective right, security title and interest in and to the Equipment to a single assignee. It is desired by the parties hereto that such single assignee should upon such assignment be entitled to enforce any remedies in case of default by the Vendee or Railroad in respect of their obligations under this Agreement with any of the Manufacturers as if such breach were a default in respect of the Vendee's or Railroad's obligations under this Agreement with each of the Manufacturers. Accordingly, on the assumption that such assignments to a single assignee will be made by each Manufacturer, the defaults and the remedies therefor as set forth in Sections 15 and 16 hereof are set forth as if there were but a single Manufacturer.

SECTION 15. DEFAULTS.

15.1. In the event that any one or more of the following Events of Default shall occur and be continuing, to-wit:

(a) The Vendee shall fail to pay in full any sum payable by the Vendee when payment thereof shall be due hereunder and such default shall continue for ten days; or

(b) The Vendee or the Railroad shall fail or refuse to comply with any covenant, agreement, term or provision of this Agreement on its part to be kept and performed or to make provision satisfactory to the Manufacturer for such compliance for more than 30 days after written notice from the Manufacturer specifying the default and demanding the same to be remedied; or

(c) A petition for reorganization under Section 77 of the Bankruptcy Act, as now constituted or as said Section 77 may be hereafter amended, shall be filed by or against the Railroad and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Railroad under this Agreement shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees, within 30 days after such appointment, if any, or 60 days after such petition shall have been filed, whichever shall be earlier; or

(d) Any other proceeding shall be commenced by or against the Vendee or the Railroad for any relief which includes, or might result in, any modification of the obligations of the Railroad or the Vendee hereunder under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the obligations of the Vendee or the Railroad under this Agreement), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Vendee or the Railroad, as the case may be, under this Agreement shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Vendee or the Railroad, as the case may be, or for their respective property in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier; or

(e) The Vendee shall make or suffer any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of any Item of Equipment; or

(f) An Event of Default shall have occurred and be continuing under the Lease;

then at any time after the occurrence and during the continuance of such an Event of Default the Manufacturer may, upon written notice to the Vendee and the Railroad and upon compliance with any legal requirements then in force and applicable to such action by the Manufacturer, declare the entire indebtedness in respect of the Purchase Price of the Equipment, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such declaration at the rate of 11.50% per annum, to the extent legally enforceable, and the Manufacturer shall thereupon be entitled, subject to the provisions and limitations of Section 13 hereof, to recover judgment for the entire unpaid balance of the indebtedness in respect of the Purchase Price of the Equipment so payable, with interest as aforesaid, and to collect such judgment out of any property of the Vendee subject to the provisions and limitations of Section 13 hereof.

15.2. In addition to the right of the Vendee to elect to cure a default hereunder as provided in Section 15.4 hereof, and notwithstanding the rights of the Manufacturer otherwise expressed herein, in the case of any default under Section 14.1(a) of the Lease, the Manufacturer shall not, without the prior written consent of the Vendee and the Trustor, exercise any of the rights or remedies provided herein or in the Lease during a 30-day period following the giving of written notice of such default by the Manufacturer to the Vendee. During such 30-day period the Vendee shall have the right to cure such default on behalf of the Railroad; provided that such right to cure a default arising out of the failure to make a rental payment shall be limited to not more than two consecutive rental payments and in any event to not more than four rental payments in the aggregate. No party exercising the right to cure a default pursuant to this Section 15.2 shall obtain any lien, charge or encumbrance of any kind on any of the Equipment or any rentals or other amounts payable therefor under the Lease in respect of any sums paid or expenses incurred in connection with the exercise of such right or the curing of such default, nor shall any claims of such party against the Railroad or against any other party for the repayment of such sums so advanced or expenses so incurred impair the prior right of the Manufacturer to the sums payable by the Railroad hereunder and under the Lease.

15.3. The Manufacturer may waive any such Event of Default and its consequences and rescind and annul any such declaration by notice to the Vendee and the Railroad in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such default had existed and no such declaration had been made. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Vendee and the Railroad that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

15.4. Any default hereunder shall be deemed cured and not continuing if the Vendee, prior to any sale by the Manufacturer of the Equipment as provided in Section 16.3, shall pay or cause to be paid to the Manufacturer the total unpaid balance of the indebtedness in respect of the Purchase Price of the Equipment, together with interest thereon accrued and unpaid and all other payments due under this Agreement.

SECTION 16. REMEDIES.

16.1. If an Event of Default shall have occurred and be continuing as hereinbefore provided, then at any time after the entire indebtedness in respect of the Purchase Price of the Equipment shall have been declared immediately due and payable as hereinbefore provided and during the continuance of such default, the

Manufacturer may, upon such further notice, if any, as may be required for compliance with any mandatory requirements of law then in force and applicable to the action to be taken by the Manufacturer, take or cause to be taken by its agent or agents immediate possession of the Equipment, or any Item thereof, without liability to return to the Vendee any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Section 16 expressly provided, and may remove the same from possession and use of the Vendee (but subject to the then existing rights and interests of the Railroad under the Lease, if any) and for such purpose may enter upon premises where the Equipment may be located without judicial process if this can be done without breach of the peace, and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Vendee.

16.2. In case the Manufacturer shall rightly demand possession of the Equipment in pursuance of this Agreement and shall reasonably designate a point or points on the lines of the Railroad for the delivery of the Equipment to the Manufacturer, the Vendee shall use its best efforts to cause the Railroad, at the expense of the Railroad, forthwith and in the usual manner to cause the Equipment to be moved to such point or points as shall be reasonably designated by the Manufacturer and shall there deliver the Equipment or cause it to be delivered to the Manufacturer. The agreement to deliver the Equipment as hereinbefore provided is of the essence of this Agreement between the parties, and, upon application to any court of equity having jurisdiction in the premises, the Manufacturer shall be entitled to a decree against the Vendee requiring specific performance hereof. The Vendee hereby expressly waives any and all claims against the Manufacturer and its agent or agents for damages of whatever nature in connection with any retaking of any Item of Equipment in any reasonable manner.

16.3. If an Event of Default shall have occurred and be continuing as hereinbefore provided, then at any time thereafter during the continuance of such default and after the entire indebtedness in respect of the Purchase Price of the Equipment shall have been declared immediately due and payable as hereinbefore provided, the Manufacturer with or without the retaking of possession thereof may, at its election, sell the Equipment, or any Item thereof, free from any and all claims of the Vendee, or of any other party claiming by, through or under the Vendee (but subject to the then exisiting rights of the Railroad under the Lease, if any), at law or in equity, at public or private sale and with or without advertisement as the Manufacturer may determine; and the proceeds of such sale, less the attorneys' fees and any other expenses incurred by the Manufacturer in taking possession of, removing, storing and selling the Equipment, shall be credited to the amount due to the Manufacturer under the provisions of this Agreement.

16.4. Any sale hereunder may be held or conducted at such place or places and at such time or times as the Manufacturer may specify, in one lot and as an entirety, or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Manufacturer may determine, provided that the Vendee shall be given written notice of such sale not less than ten days prior thereto, by mail addressed as provided herein and provided further that such sale shall be conducted in a commercially reasonable manner. If such sale shall be a private sale, it shall be subject to the rights of the Vendee to purchase or provide a purchaser, within ten days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. The Manufacturer may bid for and become the purchaser of the Equipment, or any Item thereof, so offered for sale without accountability to the Vendee (except to the extent of surplus money received as hereinafter provided in this Section), and in payment of the purchase price therefor the Manufacturer shall be entitled to have credited on account thereof all sums due to the Manufacturer from the Vendee hereunder.

16.5. Each and every power and remedy hereby specifically given to the Manufacturer shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Manufacturer. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Manufacturer in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein.

16.6. All sums of money realized by the Manufacturer under the remedies herein provided shall be applied, first to the payment of costs and expenses of suit, if any, and of such sale and of all proper expenses, liabilities and advances, including legal expenses and attorneys' fees incurred or made by the Manufacturer (but only to the extent such costs, expenses, liabilities and advances have not been otherwise paid by the Railroad), second to the payment of interest on the indebtedness in respect of the Purchase Price of the Equipment accrued and unpaid and third to the payment of the indebtedness in respect of the Purchase Price of the Equipment. If, after applying as aforesaid all sums of money realized by the Manufacturer, there shall remain any amount due to it under the provisions of this Agreement, the Manufacturer may bring suit therefor and shall be entitled to recover a judgment therefor against the Vendee, subject to the provisions of Section 13 hereof. If, after applying as aforesaid all sums realized by the Manufacturer, there shall remain a surplus in the possession of the Manufacturer, such surplus shall be paid to the Vendee.

16.7. The Vendee, subject to the provisions of Section 13 hereof, will pay all reasonable expenses, including attorneys' fees, incurred by the Manufacturer in enforcing its remedies under the terms of this Agreement. In the event that the Manufacturer shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Manufacturer may recover reasonable expenses, including attorneys' fees and the amount thereof shall be included in such judgment.

16.8. The foregoing provisions of this Section are subject in all respects to all mandatory requirements of law at the time in force and applicable thereto.

SECTION 17. APPLICABLE STATE LAWS.

17.1. Any provision of this Agreement prohibited by any applicable law of any state, or which by any applicable law of any state would convert this Agreement into any instrument other than an agreement of conditional sale, shall as to such state be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any applicable state law may be waived, they are hereby waived by the Vendee to the full extent permitted by law, to the end that this Agreement shall be deemed to be a conditional sale and enforced as such.

17.2. Except as otherwise provided in this Agreement, the Vendee, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell the Equipment, or any Item thereof, and any other requirements as to the time, place and terms of sale thereof, and other requirements with respect to the enforcement of the Manufacturers' rights hereunder and any and all rights of redemption.

17.3. Nothing in this Section 17 or any other provision of this Agreement shall be deemed to make ineffective, or to modify or waive, the provisions and limitations of Section 13 hereof.

SECTION 18. EXTENSION NOT A WAIVER.

No delay or omission in the exercise of any power or remedy herein provided or otherwise available to the Manufacturers shall impair or affect the Manufacturers' right thereafter to exercise the same. Any extension of time for payment hereunder or other indulgence duly granted to the Vendee shall not otherwise alter or affect the Manufacturers' rights or the obligations of the Vendee hereunder. The Manufacturers' acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Vendee's obligations or the Manufacturers' rights hereunder with respect to any subsequent payments or defaults therein.

SECTION 19. RECORDING.

The Railroad will cause this Agreement, the first assignment hereof and any supplements hereto and thereto to be filed, recorded or deposited and refiled, re-recorded or redeposited, if necessary, with the Interstate Commerce Commission, and otherwise as may be required by law or reasonably requested by the Manufacturers for the purpose of proper protection, to the satisfaction of counsel for the Manufacturers of their security title to the Equipment and their rights under this Agreement or for the purpose of carrying out the intention of this Agreement; and the Railroad will promptly furnish to the Manufacturers certificates or other evidences of such filing, recording or depositing, and an opinion or opinions of counsel for the Railroad with respect thereto, satisfactory to the Manufacturers.

SECTION 20. NOTICE.

Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it at its chief place of business at the following specified addresses:

(a) to the Vendee: First National Bank and Trust Company of Evanston, 800 Davis Street, Evanston, Illinois 60204, Attention: Vice President - Corporate Trust Department

(b) to the Railroad: Illinois Terminal Railroad Company, Post Office Box 7282, St. Louis, Missouri 63177, Attention: Mr. L. B. Rudloff, Controller

(c) to Pullman: Pullman Incorporated (Pullman-Standard division), 200 South Michigan Avenue, Chicago, Illinois 60604, Attention:

(d) to Midwest: Midwest Freight Car Company, P. O. Box 279, Clinton, Illinois 61727, Attention:

(e) to any assignee of the Manufacturers, or of the Vendee, at such address as may have been furnished in writing to the Vendee or the Manufacturers, as the case may be, and to the Railroad, by such assignee,

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

SECTION 21. HEADINGS.

All section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

SECTION 22. EFFECT AND MODIFICATION OF AGREEMENTS.

This Agreement and the Schedules relating hereto, together with the Lease exclusively and completely state the rights and agreements of the Manufacturers, the Vendee and the Railroad with respect to the Equipment and supersede all other agreements, oral or written, with respect to the Equipment. Except as otherwise provided herein, no variation of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and duly executed on behalf of the Manufacturers, the Vendee and the Railroad. Without the prior written consent of the Manufacturers, the Vendee will not consent to any amendment, modification, waiver or supplement to the Lease or, except in accordance with Section 13 thereof, cancel or terminate the Lease prior to the payment in full of the indebtedness in respect of the Purchase Price of the Equipment, together with interest thereon.

SECTION 23. LAW GOVERNING.

The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording or depositing hereof and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited.

SECTION 24. DEFINITIONS.

The term "Manufacturers", whenever used in this Agreement, means, before any assignment of any of their rights hereunder, Pullman and Midwest, respectively, and any successor or successors for the time being to the manufacturing properties and business of each respectively, and, after any such assignment, any assignee or assignees for the time being of such particular assigned rights as regards such rights, and also any assignor as regards any rights hereunder that are retained and excluded from any assignment. The rights and undertakings of each of the Manufacturers hereunder are several and not joint.

SECTION 25. ASSIGNMENT OF LEASE.

As contemplated by the preamble hereto and the provisions of Section 8 hereof, and subject to the limitations of Section 13 hereof, to further secure the payment of the full amount of the indebtedness in respect to the Purchase Price of the Equipment, together with interest thereon, and all other payments as herein provided and for the performance of the Vendee's obligations herein contained, the Vendee hereby assigns, transfers and sets over unto each Manufacturer, and grants a security interest in, all the Vendee's right, title and interest, as Lessor under the Lease, together with all

rights, powers and privileges, and all other benefits of the Vendee as Lessor under the Lease, insofar as the same cover or relate to the Equipment built by such Manufacturer (other than payments owing to the Lessor or the Trustor pursuant to Section 6 of the Lease) including, without limitation, except as hereinafter provided, the immediate right to receive and collect all rentals and profits and other sums payable to or receivable by the Vendee under or pursuant to the provisions of the Lease insofar as the same cover or relate to said Equipment, and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default under the Lease and to do any and all other things whatsoever which the Vendee, as Lessor, is or may become entitled to do under the Lease with respect to said Equipment. In furtherance of the foregoing assignment, the Vendee hereby irrevocably authorizes and empowers each Manufacturer, in its own name, or in the name of its nominee, or in the name of the Vendee, or as its attorneys, to ask, demand, sue for, collect and receive any and all sums to which the Vendee is or may become entitled under the Lease in respect of the Equipment built by such Manufacturer, and to enforce compliance by the Lessee with all the terms and provisions of the Lease with respect to said Equipment. The Vendee further agrees to notify promptly the Manufacturers of any Event of Default under the Lease of which it has actual knowledge. This assignment being made only as security shall not subject the Manufacturers to, or transfer, or pass, or in any way affect or modify, the liability of the Vendee under the Lease, it being understood and agreed that notwithstanding this assignment, or any subsequent assignment, all obligations of the Vendee to the Lessee under the Lease, shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Vendee. Further, the Vendee covenants and agrees that it will perform all its obligations to be performed under the terms of the Lease, and hereby irrevocably authorizes and empowers each Manufacturer, in its own name, or in the name of its nominee, or in the name of the Vendee, as its attorney, on the happening of any failure by the Vendee to perform or cause to be performed, any such obligation. Upon the full discharge and satisfaction of the full amount of the indebtedness in respect of the purchase price of the Equipment, together with interest thereon, and all other payments as herein provided and the performance of all of the Vendee's obligations herein contained, the assignment made hereby and all rights herein assigned to the Manufacturers shall cease and terminate, and all estate, right, security title and interest of the Vendee in and to the Lease shall revert to the Vendee.

SECTION 26. SEVERABILITY.

Any provision of this 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.

SECTION 27. EXECUTION.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. It shall not be necessary that any counterpart be signed by all Manufacturers so long as any counterpart which is executed by any Manufacturer is also executed by the Vendee and the Railroad. Although this Agreement is dated for convenience as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by their officers or representatives, thereunto duly authorized, and their respective corporate seals to be hereunto affixed, duly attested, all as of the date first above written.

PULLMAN INCORPORATED
(PULLMAN-STANDARD DIVISION)

By _____
Its Vice President

(Corporate Seal)

Attest:
_____
~~ASSISTANT~~ Secretary

MIDWEST FREIGHT CAR COMPANY

By _____
Its Vice President

Attest:
_____
Assistant Secretary

FIRST NATIONAL BANK AND TRUST
COMPANY OF EVANSTON, as
Trustee under Illinois Terminal
No. 75-2

By _____
Its Vice President

(Corporate Seal)

Attest:

_____
Cashier

ILLINOIS TERMINAL RAILROAD COMPANY

By _____
Its Vice President

(Corporate Seal)

Attest:

_____
Secretary

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 3rd day of November, 1975, before me personally appeared Stanley Brown, to me personally known, who being by me duly sworn, says that he is a Vice President of PULLMAN INCORPORATED (PULLMAN-STANDARD DIVISION), that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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.

Notary Public

(Seal)

My Commission Expires: May 4, 1978

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 3rd day of November, 1975, before me personally appeared W. H. Stout, to me personally known, who, being by me duly sworn, says that he is the Vice President of MIDWEST FREIGHT CAR COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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.

Notary Public

(SEAL)

My Commission Expires: MY COMMISSION EXPIRES MAY 14, 1979

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 3rd day of Nov, 1975, before me personally appeared Warren E. Power, to me personally known, who being by me duly sworn, says that he is a Vice President of FIRST NATIONAL BANK AND TRUST COMPANY OF EVANSTON, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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.

Notary Public

(Seal)

My Commission Expires: JUL 13 1976

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 3rd day of Nov, 1975, before me personally appeared Max E. Goetman, to me personally known, who being by me duly sworn, says that he is a Vice President of ILLINOIS TERMINAL RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Driectors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

(Seal)

My Commission Expires: JUL 13 1976

SCHEDULE A-1
(to Conditional Sale Agreement)

MANUFACTURER:	Pullman Incorporated (Pullman-Standard Division)
PLANT OF MANUFACTURER:	Butler, Pennsylvania
DESCRIPTION OF EQUIPMENT:	38 one hundred-ton 52'6" Gondola Cars bearing Illinois Terminal Railroad Company identifying numbers 3862 to 3899, both inclusive
SPECIFICATIONS:	
BASE PRICE:	$28,250 per Item ($1,073,500 for 38 Items)
MAXIMUM PRICE:	$29,662.50 per Item ($1,127,175 for 38 Items)
DELIVERY TO:	Illinois Terminal Railroad Company
PLACE OF DELIVERY:	Butler, Pennsylvania
ESTIMATED DELIVERY DATES:	October, 1975
OUTSIDE DELIVERY DATE:	December 15, 1975
Lessee:	Illinois Terminal Railroad Company
Assignee of Manufacturer:	First National Bank of Minneapolis

SCHEDULE A-2
(to Conditional Sale Agreement)

MANUFACTURER:	Pullman Incorporated (Pullman-Standard Division)
PLANT OF MANUFACTURER:	Butler, Pennsylvania
DESCRIPTION OF EQUIPMENT:	150 one hundred ton 4,750 cubic foot capacity Covered Hopper Cars bearing Illinois Terminal Railroad Company identifying numbers 2000 to 2149, both inclusive
SPECIFICATIONS:	
BASE PRICE:	$27,300 per Item ($4,095,000 for 150 Items)
MAXIMUM PRICE:	$28,665 per Item ($4,299,750 for 150 Items)
DELIVER TO:	Illinois Terminal Railroad Company
PLACE OF DELIVERY:	Butler, Pennsylvania
ESTIMATED DELIVERY DATES:	October-November, 1975
OUTSIDE DELIVERY DATE:	December 15, 1975
Lessee:	Illinois Terminal Railroad Company
Assignee of Manufacturer:	First National Bank of Minneapolis

(Illinois Terminal No. 75-2)

SCHEDULE B
(to Conditional Sale Agreement)

MANUFACTURER:	Midwest Freight Car Company
PLANT OF MANUFACTURER:	Clinton, Illinois
DESCRIPTION OF EQUIPMENT:	25 seventy-ton 60' Flat Cars bearing Illinois Terminal Railroad Company identifying numbers 1300 to 1324, both inclusive
SPECIFICATIONS:	
BASIC PRICE:	$24,482 per Item ($612,050 for 25 Items)
MAXIMUM PRICE:	$25,706.10 per Item ($642,652.50 for 25 Items)
DELIVER TO:	Illinois Terminal Railroad Company
PLACE OF DELIVERY:	Clinton, Illinois
ESTIMATED DELIVERY DATES:	October-November, 1975
OUTSIDE DELIVERY DATE:	December 15, 1975
Lessee:	Illinois Terminal Railroad Company
Assignee of Manufacturer:	First National Bank of Minneapolis

(Illinois Terminal No. 75-2)

AMORTIZATION SCHEDULE

(Payments Required per $1,000,000 Investment pursuant to Section 3.3(b)(2) of the Conditional Sale Agreement)

Payment Number	Principal Balance	Payments of Interest	Allocated to Principal	Total Payment
1	1,000,000.00	52,500.00	21,113.28	73,613.28
2	978,886.72	51,391.55	22,221.72	73,613.28
3	956,665.00	50,224.91	23,388.36	73,613.28
4	933,276.64	48,997.02	24,616.25	73,613.28
5	908,660.38	47,704.67	25,908.61	73,613.28
6	882,751.78	46,344.47	27,268.81	73,613.28
7	855,482.97	44,912.86	28,700.42	73,613.28
8	826,782.55	43,406.08	30,207.19	73,613.28
9	796,575.35	41,820.21	31,793.07	73,613.28
10	764,782.28	40,151.07	33,462.21	73,613.28
11	731,320.08	38,394.30	35,218.97	73,613.28
12	696,101.10	36,545.31	37,067.97	73,613.28
13	659,033.13	34,599.24	39,014.04	73,613.28
14	620,019.10	32,551.00	41,062.27	73,613.28
15	578,956.82	30,395.23	43,218.04	73,613.28
16	535,738.78	28,126.29	45,486.99	73,613.28
17	490,251.79	25,738.22	47,875.06	73,613.28
18	442,376.73	23,224.78	27,358.65	50,583.43
19	415,018.08	21,788.45	28,794.98	50,583.43
20	386,223.10	20,276.71	28,872.54	49,149.25
21	357,350.56	18,760.90	30,388.34	49,149.25
22	326,962.22	17,165.52	30,470.23	47,635.75
23	296,491.99	15,565.83	32,069.92	47,635.75
24	264,442.07	13,882.16	32,156.34	46,038.49
25	232,265.73	12,193.95	33,844.54	46,038.49
26	198,421.19	10,417.11	33,935.78	44,352.90
27	164,485.40	8,635.48	35,717.41	44,352.90
28	128,767.99	6,760.32	62,737.14	69,497.46
29	66,030.84	3,466.62	66,030.84	69,497.46

SCHEDULE C
(to Conditional Sale Agreement)