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# Conditional Sale Contract

DATED AS OF APRIL 1, 1972

BETWEEN

M. L. C. EQUIPMENT COMPANY

AND

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC  
RAILROAD COMPANY

—  
FOR PURCHASE OF  
550 FREIGHT-TRAIN CARS  
—

# Assignment of Conditional Sale Contract

DATED AS OF APRIL 1, 1972

FROM

M. L. C. EQUIPMENT COMPANY

TO

CONTINENTAL ILLINOIS NATIONAL BANK  
AND TRUST COMPANY OF CHICAGO

## CONDITIONAL SALE CONTRACT

**CONDITIONAL SALE CONTRACT**, dated as of April 1, 1972, by and between **M. L. C. EQUIPMENT COMPANY**, an Illinois corporation (hereinafter sometimes called "Vendor"), and **CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY**, a Wisconsin corporation (hereinafter called "Vendee").

WHEREAS, Vendor and Vendee concurrently herewith have entered into a certain Contract for Purchase and Construction, dated as of the date hereof (hereinafter called "Purchase and Construction Contract"), under which Vendee agrees to sell and deliver to Vendor, and Vendor agrees to purchase from Vendee, certain freight-train cars and Vendee agrees thereafter to repair, rehabilitate and/or convert said cars for Vendor on the terms and conditions set forth; and

WHEREAS, Vendor desires to sell and deliver to Vendee, and Vendee desires to purchase from Vendor said freight-train cars as repaired, rehabilitated and/or converted in accordance with the Purchase and Construction Contract, on the terms and conditions hereinafter set forth;

Now, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. Vendor agrees to sell and deliver to Vendee, and Vendee agrees to purchase from Vendor and pay for, all as more specifically provided, five hundred fifty (550) freight-train cars which shall be acquired by Vendor and shall be repaired, rehabilitated and/or converted under the provisions of the Purchase and Construction Contract and shall be numbered at the time of delivery hereunder as set forth in Schedule I hereto. The cars are hereinafter collectively called the "Equipment". Vendor agrees to deliver and Vendee agrees to accept delivery of the Equipment from time to time as units thereof are repaired, rehabilitated and/or converted in accordance with the Purchase and Construction Contract.

From time to time as any units of Equipment shall have been repaired, rehabilitated and/or converted in conformity with the Purchase and Construction Contract and shall have been inspected and accepted

by Vendor under the Purchase and Construction Contract, Vendor and Vendee shall enter into a Certificate of Acceptance substantially in the form of Exhibit A hereto, with appropriate insertions, evidencing Vendee's acceptance of such units under this Agreement. When a Certificate of Acceptance shall have been entered into with respect to any unit of Equipment, but not before this Agreement shall have been duly filed for record with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, as amended, Vendor shall deliver such units of Equipment to Vendee in Milwaukee, Wisconsin. Vendor will use its best efforts to deliver all of the Equipment on or before March 31, 1973, provided that no delay for any reason in the delivery of any unit(s) thereof beyond said date shall relieve Vendee from its obligation to accept delivery of such unit(s) hereunder, it being understood that Vendee's sole remedy in the event of such delay shall be in damages against Vendor, for the breach, if any, of the aforesaid covenant to use best efforts.

2. *Purchase Price and Installment Payments.* The Aggregate purchase price of the Equipment shall be \$2,667,000. The respective purchase prices for each unit of the Equipment shall be \$4,500 for each 40-foot box car hereinafter listed and described, \$6,400 for each 50-foot, steel, box cars (converted to wood chip cars) hereinafter listed and described and \$4,900 for each 8-stake log flat car hereinafter described. Said aggregate purchase price shall be paid to Vendor by Vendee in 13 consecutive semi-annual installments. The first installment in the amount of \$205,800 shall be payable on April 1, 1973 (notwithstanding that any or all of the Equipment shall not have been delivered hereunder on or before said date) and the remaining installments each in the amount of \$205,100 shall be payable on the first day of each April and October thereafter, the last installment being payable on April 1, 1979. Vendee also agrees to pay Vendor from time to time and in sufficient time to enable Vendor to make timely payment thereof, the amounts which Vendor is obligated to pay as interest on amounts borrowed by Vendor pursuant to the provisions of subsection B of Section 3 of that certain written Equipment Loan Agreement, dated as of April 1, 1972, between Vendor and Continental Illinois National Bank and Trust Company of Chicago, (hereinafter the "Bank"),

relating to the Equipment. Such interest shall be computed on the basis of a 360-day year of twelve 30-day months. Vendee also agrees to pay Vendor, from time to time and in sufficient time to enable Vendor to make timely payment thereof, the amounts which Vendor is obligated to pay as a commitment fee and as interim interest on amounts borrowed by Vendor prior to March 31, 1973, pursuant to the provisions of subsection B of Section 3 of said Equipment Loan Agreement, dated as of April 1, 1972, by and between the Vendor herein and the Bank relating to the Equipment herein. If any payments shall become due on Saturday, Sunday or other legal holiday in the State of Illinois it shall be payable on the next succeeding business day.

Subject to Section 5 hereof, all payments provided for in this Agreement shall be made in Chicago funds by Vendee to Vendor at the office of Vendor in Chicago, Illinois, or at such bank or trust company as Vendor shall specify, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts.

3. *Payment of Taxes and Liens.* All payments by Vendee hereunder shall be free of expense to Vendor for collection or other charges and no deductions shall be made therefrom in respect of any Federal, state or other taxes, assessments or governmental charges, levied or imposed upon the Equipment, or upon the selling, shipment, delivery or use thereof, and Vendee hereby agrees to pay to or for Vendor (in addition to the above-mentioned purchase price of the Equipment) all sales, gross receipts, gross income, and use taxes, or like taxes or charges (other than state and Federal income taxes), including interest and penalties, if any, which may be assessed, levied, or imposed upon or with respect to the sale or delivery of the Equipment or any portion thereof by Vendee to Vendor under the Purchase and Construction Contract or the sale or delivery by Vendor to Vendee hereunder, or the use by Vendee, of the Equipment, or any thereof, and which Vendor may be legally obligated to pay.

Vendee shall also pay promptly all taxes, assessments and governmental charges (other than state and Federal income taxes imposed on

Vendor) which from time to time may be imposed by any Federal, state, county, municipal or other governmental taxing authority upon all or any of the Equipment, or the earnings arising therefrom, or the operation thereof, or upon Vendor by reason of its ownership thereof, or upon Vendee by reason of its use thereof or interest therein.

Vendee will pay or satisfy and discharge any and all sums claimed by any party by, through or under Vendee or its successors or assigns which, if unpaid, might become a lien or charge upon the Equipment, or any unit thereof, but shall not be required to pay any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner unless, in the judgment of Vendor, its rights and interest in the Equipment may be materially endangered by such delay; provided, however, that the foregoing covenant to pay, satisfy and discharge such sums shall not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, which are not due and delinquent, or by undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and not delinquent.

4. *Possession.* So long as there shall be no default under this Agreement, Vendee shall be entitled to the possession and use of the Equipment upon the railroad lines owned or operated by Vendee or over which Vendee has trackage rights, and shall be entitled to permit the Equipment or any part thereof to be used by any railroad company or shipper or other person over railroad lines of public carriers in North America in the usual interchange of traffic and may receive compensation for such use.

5. *Assignment by Vendor.* All or any of the rights of Vendor under this Agreement, including the right to receive the payments herein provided to be made by Vendee, may be assigned by Vendor and reassigned by any assignee at any time and from time to time; provided, however, that no such assignment shall subject any assignee to, or relieve Vendor from, any of Vendor's obligations hereunder to sell and deliver the Equipment, or from any other duty, obligation or liability whatsoever under this Agreement (including, without limiting

the generality of the foregoing, any of Vendor's obligations contained in Section 12 and 16 hereof).

In the event of any such assignment, the assignor or assignee shall furnish a counterpart or copy of such assignment to Vendee, together with written notice of assignment containing such information as may be necessary to apprise the Vendee of the identity and post office address of the assignee. Such assignee shall, by virtue of such assignment, acquire all of Vendor's rights and interests under this Agreement and all of Vendor's rights, title and interest in and to the Equipment and each and every part thereof, subject only to such reservations as may be contained in such assignment. From and after the receipt by Vendee of any such written notice of assignment, and until Vendee shall be otherwise directed in writing by such assignee, all payments thereafter to be made by Vendee hereunder shall be made to such assignee at the post office address set forth in such written notice.

Vendee understands that Vendor contemplates assigning this Agreement or some or all of the rights of Vendor hereunder. For the purpose of assurance to any person, firm or corporation considering the acceptance of the assignment of this Agreement or any of the rights of Vendor hereunder, and for the purpose of inducing such acceptance, Vendee covenants and agrees that in the event this Agreement is assigned or any amounts payable hereunder are assigned by Vendor, or reassigned by any assignee as herein provided, neither the obligation of Vendee to pay the entire purchase price of the Equipment nor the obligation to pay each installment thereof, together with interest thereon, as and when such installment shall become due and payable as herein provided, nor any other obligation of Vendee hereunder, nor any right of such assignee hereunder, shall be subject to any defense, setoff, counterclaim or recoupment whatsoever arising out of or by reason of (i) the failure of Vendor to deliver all or any of the Equipment hereunder, (ii) any delay in connection with such delivery or in respect of any of Vendor's obligations contained in Section 12 or 16 hereof, (iii) any defect in Vendor's title to the Equipment or any interruption or termination of Vendee's possession of the Equipment or any part thereof (unless caused by the wrongful act of

such assignee), (iv) the fitness, design, quality or condition of the Equipment or any part thereof, (v) otherwise under or in respect of this Agreement or the Equipment or (vi) any other indebtedness or liability at any time owing to Vendee by Vendor or by any prior assignee.

The term "Vendor", whenever used in this Agreement, means before any assignment of any rights of Vendor hereunder, M. L. C. Equipment Company, and after any such assignment, both any assignee or assignees for the time being of such particular assigned rights as regards such rights (but not as regards any obligations or liabilities of Vendor) and also any assignor as regards any rights hereunder that are retained and excluded from any assignment. With respect to all obligations and liabilities of Vendor hereunder, "Vendor" shall mean only M. L. C. Equipment Company both before and after any such assignment. "M. L. C. Equipment Company", as used herein, shall include any successor to the business and properties of M. L. C. Equipment Company, but shall not include any assignee of any of Vendor's rights hereunder.

6. *Marking of Equipment.* Before delivery of the Equipment to Vendee, Vendor will mark or cause to be marked an appropriate legend upon each side of each unit of Equipment pursuant to Section 1(d) of Part II of the Purchase and Construction Contract, in letters not less than one inch in height, and the Equipment will bear the car numbers as set forth in Schedule I to this Conditional Sale Contract. Such marking will be so located as to be readily visible and to indicate plainly the ownership of said Equipment, and Vendee agrees to renew such marking on any unit of Equipment whenever such unit of Equipment is put into shops for repair or for repainting, and, in any event, to maintain such marking so as to be completely legible at all times. In case, during the continuance of this Agreement, such markings shall at any time be removed, defaced or destroyed, Vendee shall immediately at its own cost, cause the same to be restored or replaced; and if by reason of change of law or otherwise, additional or other markings shall be required to protect the interests of Vendor, Vendee shall provide and install and thereafter maintain the same on all the Equip-

ment. Vendee agrees that it will keep the Equipment free from any encumbrance or lien which might be a cloud upon or otherwise affect Vendor's title, and will not allow the name of any person, association or corporation to be placed on any unit of Equipment as a designation which might be interpreted as a claim of ownership thereof by any person, association or corporation other than Vendor or its assignee; provided, however, Vendee may letter the Equipment "Chicago, Milwaukee, St. Paul and Pacific Railroad Company", or "CMST.P&P" or in some other appropriate manner for convenience of identification of the interest of Vendee or its successor or successors in the Equipment but not in such manner as might be interpreted as a claim of ownership thereof by Vendee or any person other than Vendor or its assignee. Vendee agrees that it will keep the Equipment marked with the car numbers as hereinabove in this Section 6 provided, and that it will not change, or permit to be changed, the numbers upon any unit of Equipment, except with the prior written consent of Vendor in accordance with a statement of new numbers to be substituted therefor, which statement previously shall have been filed with Vendor by Vendee and recorded or filed at Vendee's sole expense in each public office where this Agreement shall have been recorded or filed. Vendee agrees, upon Vendor's request, but at least once in every year during the continuance of this Agreement, to furnish an accurate inventory of the Equipment.

In the event of a transfer or assignment, or successive transfers or assignments by Vendor or its assignees, of title to the Equipment, Vendee, whenever requested by any such transferee or assignee, shall change the ownership markings on all the Equipment to indicate the title of such transferee or assignee to the Equipment and its succession to rights of Vendor hereunder.

7. *Damage, Repair and Replacement.* Vendee agrees that it will keep the Equipment in good order and repair at its sole expense and will comply with all applicable laws and regulations of any governmental authority with reference to the Equipment or the manner of using or operating the same and in the event that said laws and regulations require the alteration of the Equipment, Vendee agrees to

ment. Where, however, the conflicting provisions of any such applicable law may be waived they are hereby waived by Vendee to the full extent permitted by law.

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

16. *Warranty and Disclaimer.* Vendor warrants that at the time of delivery of any unit of Equipment to Vendee hereunder, Vendor will have title thereto free and clear of all liens and encumbrances of any nature, except the rights of Vendee as conditional vendee under this Agreement and of anyone claiming under Vendee as such conditional vendee. Except as stated in the preceding sentence, Vendor makes no warranty or representation of any kind whatsoever, either express or implied, as to any matter whatsoever, including specifically but not exclusively, fitness, design, condition or quality of the Equipment, or any parts thereof, delivered to Vendee in the manner provided for herein.

17. *Modification of Agreement.* There are no understandings or agreements, express or implied, not specified or referred to herein. No modification of this Agreement shall be valid unless made by written instrument duly executed by Vendor and Vendee.

18. *Law Governing.* The terms of this Agreement and all rights and obligations hereunder shall be governed by the law of the State of Illinois; but Vendor shall be entitled to such additional rights arising out of the filing or recording hereof and of any assignment hereof as shall be conferred by the laws of the jurisdiction or jurisdictions in which this Amendment or any assignment thereof shall be filed or recorded.

19. *Successors and Assigns.* This Agreement shall be binding upon Vendor and upon Vendee and Vendee's successors and assigns and (except as herein otherwise expressly provided) shall inure to the benefit of Vendee and Vendor and Vendor's successors and assigns.

20. *Payment of Expenses.* Vendee will pay all reasonable costs, charges and expenses incident to the execution, acknowledgment, delivery, filing, recording or depositing of this Agreement and of the first assignment of this Agreement by Vendor and of any amendment or supplement hereof. In addition, Vendee will pay all reasonable costs, charges and expenses of the first assignee of this Agreement and of any parties acquiring interest in such first assignment concurrently with such first assignment, including any stamp or other taxes payable by such first assignee or by such other parties and any interest and penalty payable in addition to the amount of any such tax.

21. *Notices, How Served.* All notices, requests and consents hereunder shall be in writing and shall be effective at the earlier of (i) receipts thereof (ii) deposit in the United States registered or certified mail, postage prepaid, addressed to the other party at its respective address as follows:

M.L.C. Equipment Company  
516 West Jackson Boulevard  
Room 888  
Chicago, Illinois 60606

Chicago, Milwaukee, St. Paul and Pacific Railroad  
Company  
516 West Jackson Boulevard  
Room 746  
Chicago, Illinois 60606

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

23. *Counterparts.* This Agreement may be executed in two or more counterparts, each of which so executed shall be deemed to be

an original, and such counterparts together shall constitute but one and the same instrument. 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, M.L.C. Equipment Company, and Chicago, Milwaukee, St. Paul and Pacific Railroad Company have caused this instrument to be executed in their respective names by their respective officers, thereunto duly authorized, and their respective corporate seals to be hereto affixed, duly attested, as of the day and year first above written.

M.L.C. Equipment Company

By

*[Handwritten Signature]*  
.....  
Vice President—

*Finance and Accounting*

[SEAL]

ATTEST:

.....  
*[Handwritten Signature]*  
.....  
Secretary

CHICAGO, MILWAUKEE, ST. PAUL  
AND PACIFIC RAILROAD COMPANY

By

*[Handwritten Signature]*  
.....  
Vice President—

*Finance and Accounting*

[SEAL]

ATTEST:

.....  
*[Handwritten Signature]*  
.....  
Secretary

STATE OF ILLINOIS }  
COUNTY OF COOK } ss:

On this 15<sup>th</sup> day of June, 1972, before me personally appeared R. F. Kratochwill, to me personally known, who being by me duly sworn says that he is Vice President—Finance and Accounting of M. L. C. Equipment 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.

(NOTARIAL  
SEAL)

*R. W. Langenberg*  
.....  
Notary Public

My Commission expires Nov. 16, 1975

STATE OF ILLINOIS }  
COUNTY OF COOK } ss:

On this 15<sup>th</sup> day of June, 1972, before me personally appeared R. F. Kratochwill, to me personally known, who being by me duly sworn says that he is Vice President—Finance and Accounting of Chicago, Milwaukee, St. Paul and Pacific 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 Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(NOTARIAL  
SEAL)

*R. W. Langenberg*  
.....  
Notary Public

My Commission expires Nov. 16, 1975

**CERTIFICATE OF ACCEPTANCE**

In accordance with the requirements of the Conditional Sale Contract dated as of April 1, 1972, entered into between the parties hereto, and the assignment of M. L. C. Equipment Company's rights thereunder dated as of April 1, 1972, from M. L. C. Equipment Company to Continental Illinois National Bank and Trust Company of Chicago (hereinafter called the "Bank") the parties hereto represent, covenant and agree between themselves and to and for the benefit of the Bank as follows:

1. M. L. C. Equipment Company has submitted to Vendee for inspection, and Vendee has inspected, . . . . \*(40-foot box cars), \*(50-foot wood chip cars), . . . . \*(8-stake log flat cars) which bear the following car numbers:

[List Type and Car Numbers]

2. The repair, rehabilitation or conversion of all of said Cars, as contemplated in said Conditional Sale Contract, has been completed; each of said Cars conforms in all respects to the requirements and provisions of said Conditional Sale Contract; and Vendee has accepted (and does hereby accept) each of said Cars under said Conditional Sale Contract.
3. None of the Cars has been delivered to Vendee prior to the time that said Conditional Sale Contract was filed for record with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, as amended.
4. There is plainly, distinctly, permanently and conspicuously stenciled on each side of each of said Cars the following legend:  
"CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO (AS ASSIGNEE OF M.L.C. EQUIPMENT COMPANY), OWNER"

---

\*(Strike the inapplicable designation.)

5. All of M. L. C. Equipment Company's rights under said Conditional Sale Contract have (with Vendee's consent) been assigned to the Bank; and, in furtherance and confirmation of such assignment, M. L. C. Equipment Company hereby assigns all of its rights hereunder, and Vendee hereby consents to such assignment.

Dated ....., 19....

M.L.C. EQUIPMENT COMPANY

By .....  
*Vice President—  
Finance and Accounting*

[SEAL]

ATTEST:

.....  
*Secretary*

CHICAGO, MILWAUKEE, ST. PAUL  
AND PACIFIC RAILROAD COMPANY

By .....  
*Vice President*

[SEAL]

ATTEST:

.....  
*Secretary*

**ASSIGNMENT OF CONDITIONAL SALE CONTRACT**

THIS ASSIGNMENT, dated as of April 1, 1972, is made by M.L.C. EQUIPMENT COMPANY, an Illinois corporation (hereinafter called "Assignor"), to CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, (hereinafter called the "Assignee").

WHEREAS, Assignor has entered into concurrently herewith a certain Conditional Sale Contract, dated as of the date hereof (hereinafter called "Conditional Sale Contract"), pursuant to which Assignor agrees to sell to CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY, a Wisconsin corporation (hereinafter called "Railroad Company"), and Railroad Company agrees to buy from Assignor, 550 freight-train cars (hereinafter called the "Cars").

WHEREAS, Assignor and Assignee have entered into concurrently herewith a certain Equipment Loan Agreement, dated as of the date hereof (hereinafter called the "Equipment Loan Agreement"), providing (among other things) for assignment of the Conditional Sale Contract by Assignor to Assignee,

Now, THEREFORE, in accordance with the provisions of the Equipment Loan Agreement, Assignor hereby assigns the Conditional Sale Contract to the Assignee upon the following terms:

1. Assignor hereby assigns, transfers and sets over unto Assignee, its successors and assigns, as security for the Equipment Loan Agreement, and all principal, commitment fee, interest, premium, if any, and other indebtedness and obligations thereunder, all the right, title and interest of Assignor in and to the Conditional Sale Contract and any Certificates of Acceptance thereunder and in and to any and all amounts which may be or become due or owing to Assignor thereunder on account of the \$2,667,000 aggregate purchase price of the Cars, together with interest, and any other sums becoming due under the Conditional Sale Contract in respect of the Cars, and also all right, title and interest of Assignor in and to the Cars, together with all of Assignor's rights, powers, privileges and remedies in respect of the Cars under the

ment. Where, however, the conflicting provisions of any such applicable law may be waived they are hereby waived by Vendee to the full extent permitted by law.

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

16. *Warranty and Disclaimer.* Vendor warrants that at the time of delivery of any unit of Equipment to Vendee hereunder, Vendor will have title thereto free and clear of all liens and encumbrances of any nature, except the rights of Vendee as conditional vendee under this Agreement and of anyone claiming under Vendee as such conditional vendee. Except as stated in the preceding sentence, Vendor makes no warranty or representation of any kind whatsoever, either express or implied, as to any matter whatsoever, including specifically but not exclusively, fitness, design, condition or quality of the Equipment, or any parts thereof, delivered to Vendee in the manner provided for herein.

17. *Modification of Agreement.* There are no understandings or agreements, express or implied, not specified or referred to herein. No modification of this Agreement shall be valid unless made by written instrument duly executed by Vendor and Vendee.

18. *Law Governing.* The terms of this Agreement and all rights and obligations hereunder shall be governed by the law of the State of Illinois; but Vendor shall be entitled to such additional rights arising out of the filing or recording hereof and of any assignment hereof as shall be conferred by the laws of the jurisdiction or jurisdictions in which this Amendment or any assignment thereof shall be filed or recorded.

19. *Successors and Assigns.* This Agreement shall be binding upon Vendor and upon Vendee and Vendee's successors and assigns and (except as herein otherwise expressly provided) shall inure to the benefit of Vendee and Vendor and Vendor's successors and assigns.

20. *Payment of Expenses.* Vendee will pay all reasonable costs, charges and expenses incident to the execution, acknowledgment, delivery, filing, recording or depositing of this Agreement and of the first assignment of this Agreement by Vendor and of any amendment or supplement hereof. In addition, Vendee will pay all reasonable costs, charges and expenses of the first assignee of this Agreement and of any parties acquiring interest in such first assignment concurrently with such first assignment, including any stamp or other taxes payable by such first assignee or by such other parties and any interest and penalty payable in addition to the amount of any such tax.

21. *Notices, How Served.* All notices, requests and consents hereunder shall be in writing and shall be effective at the earlier of (i) receipts thereof (ii) deposit in the United States registered or certified mail, postage prepaid, addressed to the other party at its respective address as follows:

M.L.C. Equipment Company  
516 West Jackson Boulevard  
Room 888  
Chicago, Illinois 60606

Chicago, Milwaukee, St. Paul and Pacific Railroad  
Company  
516 West Jackson Boulevard  
Room 746  
Chicago, Illinois 60606

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

23. *Counterparts.* This Agreement may be executed in two or more counterparts, each of which so executed shall be deemed to be

an original, and such counterparts together shall constitute but one and the same instrument. 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, M.L.C. Equipment Company, and Chicago, Milwaukee, St. Paul and Pacific Railroad Company have caused this instrument to be executed in their respective names by their respective officers, thereunto duly authorized, and their respective corporate seals to be hereto affixed, duly attested, as of the day and year first above written.

M.L.C. Equipment Company

By   
Vice President—  
Finance and Accounting

[SEAL]

ATTEST:

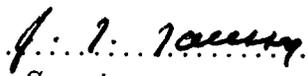
.....   
Secretary

CHICAGO, MILWAUKEE, ST. PAUL  
AND PACIFIC RAILROAD COMPANY

By   
Vice President—  
Finance and Accounting

[SEAL]

ATTEST:

.....   
Secretary

STATE OF ILLINOIS }  
COUNTY OF COOK } ss:

On this 15<sup>th</sup> day of June, 1972, before me personally appeared R. F. Kratochwill, to me personally known, who being by me duly sworn says that he is Vice President—Finance and Accounting of M. L. C. Equipment 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.

(NOTARIAL  
SEAL)

*R. W. Langenberg*  
.....  
Notary Public

My Commission expires Nov. 16, 1975

STATE OF ILLINOIS }  
COUNTY OF COOK } ss:

On this 15<sup>th</sup> day of June, 1972, before me personally appeared R. F. Kratochwill, to me personally known, who being by me duly sworn says that he is Vice President—Finance and Accounting of Chicago, Milwaukee, St. Paul and Pacific 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 Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(NOTARIAL  
SEAL)

*R. W. Langenberg*  
.....  
Notary Public

My Commission expires Nov. 16, 1975

**CERTIFICATE OF ACCEPTANCE**

In accordance with the requirements of the Conditional Sale Contract dated as of April 1, 1972, entered into between the parties hereto, and the assignment of M. L. C. Equipment Company's rights thereunder dated as of April 1, 1972, from M. L. C. Equipment Company to Continental Illinois National Bank and Trust Company of Chicago (hereinafter called the "Bank") the parties hereto represent, covenant and agree between themselves and to and for the benefit of the Bank as follows:

1. M. L. C. Equipment Company has submitted to Vendee for inspection, and Vendee has inspected, . . . . \*(40-foot box cars), \*(50-foot wood chip cars), . . . . \*(8-stake log flat cars) which bear the following car numbers:

[List Type and Car Numbers]

2. The repair, rehabilitation or conversion of all of said Cars, as contemplated in said Conditional Sale Contract, has been completed; each of said Cars conforms in all respects to the requirements and provisions of said Conditional Sale Contract; and Vendee has accepted (and does hereby accept) each of said Cars under said Conditional Sale Contract.
3. None of the Cars has been delivered to Vendee prior to the time that said Conditional Sale Contract was filed for record with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, as amended.
4. There is plainly, distinctly, permanently and conspicuously stenciled on each side of each of said Cars the following legend:

"CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO (AS ASSIGNEE OF M.L.C. EQUIPMENT COMPANY), OWNER"

---

\*(Strike the inapplicable designation.)

5. All of M. L. C. Equipment Company's rights under said Conditional Sale Contract have (with Vendee's consent) been assigned to the Bank; and, in furtherance and confirmation of such assignment, M. L. C. Equipment Company hereby assigns all of its rights hereunder, and Vendee hereby consents to such assignment.

Dated ....., 19....

M.L.C. EQUIPMENT COMPANY

By .....  
*Vice President—  
Finance and Accounting*

[SEAL]

ATTEST:

.....  
*Secretary*

CHICAGO, MILWAUKEE, ST. PAUL  
AND PACIFIC RAILROAD COMPANY

By .....  
*Vice President*

[SEAL]

ATTEST:

.....  
*Secretary*

**ASSIGNMENT OF CONDITIONAL SALE CONTRACT**

THIS ASSIGNMENT, dated as of April 1, 1972, is made by M.L.C. EQUIPMENT COMPANY, an Illinois corporation (hereinafter called "Assignor"), to CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, (hereinafter called the "Assignee").

WHEREAS, Assignor has entered into concurrently herewith a certain Conditional Sale Contract, dated as of the date hereof (hereinafter called "Conditional Sale Contract"), pursuant to which Assignor agrees to sell to CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY, a Wisconsin corporation (hereinafter called "Railroad Company"), and Railroad Company agrees to buy from Assignor, 550 freight-train cars (hereinafter called the "Cars").

WHEREAS, Assignor and Assignee have entered into concurrently herewith a certain Equipment Loan Agreement, dated as of the date hereof (hereinafter called the "Equipment Loan Agreement"), providing (among other things) for assignment of the Conditional Sale Contract by Assignor to Assignee,

Now, THEREFORE, in accordance with the provisions of the Equipment Loan Agreement, Assignor hereby assigns the Conditional Sale Contract to the Assignee upon the following terms:

1. Assignor hereby assigns, transfers and sets over unto Assignee, its successors and assigns, as security for the Equipment Loan Agreement, and all principal, commitment fee, interest, premium, if any, and other indebtedness and obligations thereunder, all the right, title and interest of Assignor in and to the Conditional Sale Contract and any Certificates of Acceptance thereunder and in and to any and all amounts which may be or become due or owing to Assignor thereunder on account of the \$2,667,000 aggregate purchase price of the Cars, together with interest, and any other sums becoming due under the Conditional Sale Contract in respect of the Cars, and also all right, title and interest of Assignor in and to the Cars, together with all of Assignor's rights, powers, privileges and remedies in respect of the Cars under the

Conditional Sale Contract; provided, however, that this Assignment shall not subject the Assignee to or relieve Assignor from any of its obligations under the Conditional Sale Contract to sell and deliver Cars, or any other duty, obligation or liability whatsoever under the Conditional Sale Contract (including, without limiting the generality of the foregoing, any of Assignor's obligations contained in Sections 12 and 16 of the Conditional Sale Contract); provided, however, that this Assignment shall terminate when all principal, commitment fee, interest, premium, if any, and other indebtedness under the Equipment Loan Agreement have been paid in full, all obligations thereunder have been fully satisfied, and the Credit provided for it in the Equipment Loan Agreement has terminated. In furtherance of the foregoing assignment and transfer, Assignor hereby authorizes and empowers Assignee, in Assignee's own name or in the name of Assignee's designee, or in the name of and as attorney, hereby irrevocably constituted, for Assignor, to ask, demand, sue for, collect, receive and enforce payment of any and all sums to which the Assignee is or may become entitled under this Assignment and all sums payable and action to be taken by Railroad Company under the Conditional Sale Contract.

2. Assignor warrants that the right, title, lien and interest in the Conditional Sale Contract assigned to Assignee hereunder is free and clear of all liens, encumbrances, charges and interests and that the right, title, lien and interest assigned to the Assignee hereunder in and to the Cars is, with respect to each and all of the Cars, free and clear of all liens, encumbrances, charges and interests, except the lien, if any, of the First Mortgage and of the General Mortgage of the Railroad Company, which liens, if any, will have been duly subordinated to the prior right of the Assignee.

Assignee agrees to execute Certificates of Acceptance from time to time as provided by Section 1 of the Conditional Sale Contract.

3. Neither the obligation of Railroad Company to pay the entire purchase price of the Cars nor the obligation to pay each installment thereof, together with interest thereon as and when such installment

shall become due and payable as required by the Conditional Sale Contract, nor any other obligation of Railroad Company thereunder, nor any right assigned to the Assignee hereunder, shall be subject to any defense, setoff, counterclaim or recoupment whatsoever arising out of the failure of Assignor to deliver any or all of the Cars thereunder or any delay in connection with such delivery, or in respect of any of Assignor's obligations contained in Sections 12 or 16 thereof, or arising out of any defect in Assignor's title to the Cars or any interruption or termination of Railroad Company's possession of the Cars or any part thereof (unless caused by the wrongful act of the Assignee), or in respect of the fitness, design, quality or condition of the Cars, or any part thereof, or otherwise under or in respect of the Conditional Sale Contract, this Assignment or the Cars, and shall not be subject to any defense, setoff, counterclaims or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to Railroad Company by Assignor.

4. Assignee may assign its rights under the Conditional Sale Contract, including the right to receive any payments due or to become due to it from Railroad Company thereunder in respect to the Cars. In the event of any such assignment any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges of the Assignee hereunder.

5. This Assignment and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; but Assignee shall be entitled to such additional rights arising out of the filing or recording hereof as shall be conferred by the laws of the jurisdiction or jurisdictions in which this Assignment shall be filed or recorded.

6. No modification of this Assignment shall be valid unless made by written instrument duly executed by Assignor and Assignee. No amendment or modification of or consent to any deviation from the Conditional Sale Contract shall be valid unless Assignee shall be a signatory thereto. Assignee agrees that it will not unreasonably withhold its consent to any amendment to the Conditional Sale Contract

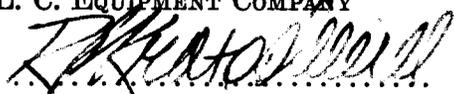
pursuant to Section 1 thereof, the effect of which shall be solely to exclude Cars lost, destroyed, or damaged beyond economical repairs in the manner set forth in said Section 1.

7. This Assignment may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument. Although this Assignment is dated for convenience as first above written, the actual date or dates of the execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, Assignor has caused this instrument to be executed in its name by its officers, thereunto duly authorized, and its corporate seal to be hereto affixed, duly attested, as of the day and year first above written.

M. L. C. EQUIPMENT COMPANY

By



*Vice President—*

*Finance and Accounting*

[SEAL]

ATTEST:

.....  .....

*Secretary*

**ACCEPTANCE OF ASSIGNMENT**

The foregoing Assignment of Conditional Sale Contract is hereby accepted by the Assignee, CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO.

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO

By *[Signature]*  
*Vice President*

Address:  
231 South La Salle Street  
Chicago, Illinois 60693

[SEAL]

ATTEST: *[Signature]*  
~~Assistant Secretary~~  
COMMERCIAL BANKING OFFICER

**CONSENT TO ASSIGNMENT**

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY hereby acknowledges receipt of the foregoing Assignment of Conditional Sale Contract ("Assignment") to CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO ("Assignee"), consents to such Assignment, and, until otherwise directed in writing by the Assignee, agrees to make all payments to be made under the Conditional Sale Contract to the Assignee at the address set forth in the foregoing Acceptance of Assignment.

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

[SEAL]

By *[Signature]*  
*Vice President—*  
*Finance and Accounting*

ATTEST: *[Signature]*  
*Secretary*

STATE OF ILLINOIS }  
COUNTY OF COOK } ss

On this *15<sup>th</sup>* day of June, 1972, before me personally appeared R. F. Kratochwill, to me personally known, who being by me duly sworn says that he is the Vice President—Finance and Accounting of M. L. C. Equipment 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.

(NOTARIAL  
SEAL)

*R. W. Spangenberg*  
Notary Public

My Commission expires Nov. 16, 1975

STATE OF ILLINOIS }  
COUNTY OF COOK } ss

On this *17<sup>th</sup>* day of June, 1972, before me personally appeared *PETER D. MULL* to me personally known, who being by me sworn, says that he is ..... Vice President of Continental Illinois National Bank and Trust Company of Chicago, that one of the seals affixed to the foregoing instrument is the official seal of said Bank, that said instrument was signed and sealed on behalf of said Bank by authority of its By-Laws, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Bank.

(NOTARIAL  
SEAL)

*William Hudson*  
Notary Public

My Commission expires *9-22-74*

STATE OF ILLINOIS }  
 COUNTY OF COOK } ss

On this 15<sup>th</sup> day of June, 1972, before me personally appeared R. F. Kratochwill, to me personally known, who being by me duly sworn says that he is the Vice President—Finance and Accounting of Chicago, Milwaukee, St. Paul and Pacific 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 Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(NOTARIAL  
 SEAL)

*R. W. Spangenberg*  
 Notary Public

My Commission expires Nov. 16, 1975

**SCHEDULE I**

ATTACHED TO AND FORMING A PART OF THE CONDITIONAL SALE CONTRACT, DATED AS OF APRIL 1, 1972, BETWEEN M. L. C. EQUIPMENT COMPANY AND CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY WITH RESPECT TO 550 FREIGHT-TRAIN CARS.

**UNITS OF EQUIPMENT**

(The term "Railroad Company" when hereinafter used, means Chicago, Milwaukee, St. Paul and Pacific Railroad Company)

370—40-foot box cars, respectively bearing the Railroad Company's serial numbers 32700 to 33069, both inclusive;

80—50-foot, wood chip cars, respectively bearing the Railroad Company's serial numbers 273525 to 273604, both inclusive;

100—8-stake log flat cars, respectively bearing the Railroad Company's serial numbers 58900 to 58999, both inclusive.