

CHICAGO AND



TRANSPORTATION COMPANY

September 14, 1979  
REGISTRATION NO. 10819/A Filed 1425

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File No.: A-11024  
SEP 17 1979 12 55 PM

10819

RECORDATION NO. Filed 1425

INTERSTATE COMMERCE COMMISSION

SEP 17 1979 12 55 PM

Fee \$ 100.00

BY MESSENGER

Interstate Commerce Commission  
Washington, D. C. 20423

INTERSTATE COMMERCE COMMISSION  
Washington, D. C.

Attention: Agatha L. Mergenovich

Dear Ms. Mergenovich:

Pursuant to Section 11303, (formerly 20c), of the Interstate Commerce Act, as amended, attached for recordation are two sets of documents each having 10 Counterparts of Security Agreement and Equipment Lease both dated as of September 1, 1979, covering freight cars and locomotives.

The Names and Addresses of the parties to the transactions are as follows:

1. Equipment Lease between North Western Leasing Company, 400 West Madison Street, Chicago, IL 60606, Owner, and C. & N.W.T. Co., 400 West Madison St., Chicago, IL 60606, Lessee.
2. Security Agreement between North Western Leasing Company, Owner, and Continental Illinois National Bank & Trust Co., of Chicago, Bank, 231 South LaSalle Street, Chicago, Illinois 60693.

Enclosed are 2 checks totaling \$100.00 to cover your recording fees. Please return 9 Counterparts of each agreement, showing your recordation data, the assignment of the recordation numbers on said agreements should be related, i.e. 102 and 102-A.

Very truly yours,

*Bernard J. Allen*  
Bernard J. Allen  
Assistant Secretary

RECEIVED  
I.C.C.  
OPERATION BR.  
SEP 17 12 50 PM '79

BJA:bw

Enclosures

- cc: R. D. Smith  
G. R. Charles  
F. E. Cunningham, Attn: H. Labno\*  
R. F. Guenther, Attn: J. James\*  
Z. Steiger\*

D. E. Stockham, Attn: G. Ogurek\*  
Arthur Andersen & Co., Attn: G. G. Holdren\*  
Peter D. Horne, VP, Continental Ill. National Bank & Trust Co. of Chicago. 231 South La Salle St., Chicago, Il. 60693

\* With copies of Agreements attached

*Rebecca G. Anderson*

*Cheney*

Interstate Commerce Commission  
Washington, D.C. 20423

9/17/79

OFFICE OF THE SECRETARY

Bernard J. Allen  
Assistant Secretary

Chicago and North Western Transp. Co.  
400 W. Madison Street  
Chicago, Illinois 60606

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/17/79 at 12:55pm, and assigned re-  
recording number(s). 10819 & 10819-A

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

SE-30  
(7/79)

COUNTERPART

No. 1 of 10

10819 - A

RECORDATION NO. .... Filed 1425

SEP 17 1979 - 12 55 PM

INTERSTATE COMMERCE COMMISSION

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SECURITY AGREEMENT

Dated as of September 1, 1979

FROM

NORTH WESTERN LEASING COMPANY

DEBTOR

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST  
COMPANY OF CHICAGO, AS AGENT

SECURED PARTY

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## SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of \_\_\_\_\_, 1979 (the "Security Agreement") from NORTH WESTERN LEASING COMPANY, a Delaware corporation (the "Debtor"), whose post office address is 400 West Madison St., Chicago, Illinois 60606, Attention: Vice President-Finance, to CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Agent (the "Secured Party") whose post office address is 231 South La Salle St., Chicago, Illinois 60693, Attention: Loan Division.

### R E C I T A L S:

A. The defined terms used in this Security Agreement shall have the respective meanings indicated herein unless elsewhere defined or the context shall otherwise require.

B. The Debtor and the Secured Party have entered into a Credit Agreement dated as of September 1, 1979 (the "Credit Agreement") with the banks (the "Banks") executing the Credit Agreement, providing for a three-year revolving credit that entitles Debtor to borrow (and to repay and re-borrow) up to \$12,000,000 principal amount at any one time outstanding, and to convert the outstanding balance to a term loan at the end of the three-year term, unless otherwise provided in the Credit Agreement.

C. Prior to the Conversion Date as herein defined, such borrowings are to be evidenced by a Revolving Note (the "Revolving Note") as defined in Section 3.1 of the Credit Agreement. The outstanding balance of the Revolving Note on August 31, 1982, unless otherwise provided in the Credit Agreement (the "Conversion Date") shall be converted into a term loan evidenced by Term Notes (the "Term Notes") as defined in Section 3.2 of the Credit Agreement.

D. The Revolving Note and Term Notes (the "Notes") shall be secured by equipment identified in the schedule or schedules from time to time attached hereto (the "Equipment"). Such Equipment will be leased by Debtor to the CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, a Delaware corporation (the "Lessee").

E. The Notes and all principal thereof and interest (and premium, if any) thereon and all additional amounts and other sums at the time due and owing from or required to be paid by the Debtor under the terms of the Notes, this Security Agreement, or the Credit Agreement are hereinafter sometimes referred to as "indebtedness hereby secured."

F. All of the requirements of law have been fully complied with and all other acts and things necessary to make this Security Agreement a valid, binding and legal instrument for the security of the Notes have been done and performed.

SECTION 1. GRANT OF SECURITY INTEREST. The Debtor in consideration of the premises and of the sum of TEN DOLLARS received by the Debtor from the Secured Party and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Notes according to their tenor and effect, and to secure the payment of all other indebtedness hereby secured and the performance and observance of all covenants and conditions in the Notes, in this Security Agreement, and in the Credit Agreement contained, does hereby convey, warrant, mortgage, assign, pledge and grant the Secured Party, its successors in trust and assigns, a security interest in all and singular of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in Sections 1(a), (b) and (c) hereof (all of which properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral").

(a) Collateral includes the Equipment leased or to be leased under that certain Equipment Lease dated as of September 1, 1979 (the "Lease") between the Debtor, as lessor, and the Lessee, as lessee, which Equipment is described in a schedule or schedules from time to time attached thereto and hereto. Said schedule or schedules thereto and hereto may be supplemented from time to time, prior to the Conversation Date, in order to add Equipment, the value of which as set forth in the semiannual Valuation Certificate, will be equal to at least 125% of the then outstanding indebtedness hereby secured (as provided in the Credit Agreement). All such Equipment shall be subject to all appropriate terms and conditions of this Security Agreement as though part of the original Equipment delivered hereunder and shall be included in the term "Equipment" as used in this Security Agreement.

In consideration for the Debtor's entering into this Security Agreement and for the Secured Party's making loans to the Debtor pursuant to the Credit Agreement, the Debtor agrees that the Collateral shall be security for the indebtedness of the Debtor and the Debtor does hereby grant to the Secured Party a security interest in the Collateral to secure the payment of the indebtedness hereby secured and performance of the obligations of the Debtor; provided, however, that if Debtor is indebted to the Secured Party under a Term Note secured by railroad freight cars at any time after the Debtor

shall have paid the full indebtedness in respect of the Term Note secured by railroad locomotives, and a railroad locomotive suffers a Casualty Occurrence (as defined in Section 11 hereof) or is disposed of by the Debtor in the ordinary course of business, no deposit, prepayment or additional security shall be required under Section 3, and provided there is then no existing default under the Term Note secured by railroad freight cars, the Secured Party's security interest in such railroad locomotives shall be deemed to be terminated and released upon such disposition or occurrence and absolute right to the possession of, title to and property in such railroad locomotives shall pass to and vest in the Debtor without further transfer or action on the part of the Secured Party, except that the Secured Party, if requested by the Debtor, will execute and deliver to the Debtor or the Debtor's vendee, assignee or nominee, a bill of sale (without warranties) for such Equipment, and such other documents as may be necessary or appropriate to make clear upon the public records the release of the security interest of the Secured Party in such railroad locomotives.

The Secured Party shall and hereby does retain a security interest in the Collateral (i) until the indebtedness under the Notes is paid by the Debtor and (ii) until the Debtor shall have made all its payments and shall have kept and performed all its agreements and obligations under this Security Agreement, notwithstanding the delivery of the Equipment to and the possession and use thereof by the Lessee as provided in this Security Agreement.

Except as otherwise specifically provided in this Section 1 and in Section 3 hereof, when and only when the full indebtedness under the Notes, together with interest and all other payments in respect of the Notes as herein provided, shall have been paid and satisfied, and the Debtor's obligations under the Notes shall have been performed by Debtor, absolute right to the possession of, title to and property in the Collateral shall pass to and vest in the Debtor without further transfer or action on the part of the Secured Party; provided, however, that upon the Conversion Date for those units of Equipment, if any, whose value, as set forth on the Valuation Certificate applicable to that date, exceeds 125% of the Term Loan as defined in Section 2.1.2 of the Credit

Agreement, the Secured Party shall release its security interest under this Agreement in such units of such Equipment as may be designated by the Debtor and have a value not greater than such excess value. However, the Secured Party, if so requested by the Debtor at that time, will (a) execute a bill or bills of sale for the Equipment transferring and releasing its interest therein to the Debtor, or upon its order, free of all liens, security interests and other encumbrances created or retained hereby and deliver such bill or bills of sale to the Debtor, (b) execute and deliver for filing, 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 release of the security interest of the Secured Party in the Collateral and (c) pay to the Debtor any money paid to the Secured Party pursuant to this Security Agreement, which specifically relates to the Collateral being released and not theretofore applied as herein provided. The Debtor 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 instrument or instruments 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 instrument or instruments or to file such certificate within a reasonable time after written demand by the Debtor.

(b) Collateral also includes all right, title, interest, claims and demands of the Debtor as lessor in, to and under the Lease, including all extensions of the respective terms of the Lease, together with all rights, powers, privileges, options and other benefits of the Debtor as lessor under the Lease, including, without limitation:

(1) The continuing right to receive and collect all Interim Rental, Fixed Rental and Casualty Value (as each such term is defined in the Lease), insurance proceeds, condemnation awards and other payments, tenders and security now or hereafter payable or receivable by the Debtor, as lessor under the Lease, subject to Section 3 hereof.

(2) the right to make all waivers and agreements and to give and receive duplicate copies of all notices and other instruments or communications, and

(3) the right, subject to Section 12 hereof, to take such action upon the occurrence of an Event of Default under the Lease or an event which with the lapse of time or giving of notice, or both, would constitute an Event of Default under the Lease, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Lease or by law, and to do any and all other things whatsoever which the Debtor or any lessor is or may be entitled to do under the Lease,

it being the intent and purpose hereof that the assignment and transfer to the Secured Party of said rights, powers, privileges, options and other benefits shall be effective and operative immediately and shall continue in full force and effect, and the Secured Party shall have the right to collect and receive all Interim Rental, Fixed Rental and Casualty Value and other sums for application in accordance with the provisions of Section 3 hereof at all times during the period from and after the date of this Security Agreement until the indebtedness hereby secured has been fully paid and discharged.

(c) All rights, claims, causes of action, if any, which the Debtor may have against any manufacturer or seller or any lessee of the Debtor, as lessor, of the Equipment or other property described in clause (a) of this Section 1 and proceeds of such rights, claims and causes of action.

The security interest granted by this Section 1 is subject to (a) the right, title and interest of the Lessee under the Lease, and (b) the lien of current taxes and assessments not in default (but only if such taxes are entitled to priority as a matter of law), or, if delinquent, validity of which is being contested in good faith. The liens, claims and encumbrances identified in clauses (a) and (b) are hereinafter collectively referred to as the "Permitted Encumbrances."

**SECTION 2. REPRESENTATIONS AND WARRANTIES.** The Debtor represents and warrants that:

(a) It is the owner of the Equipment and there are no encumbrances or liens of any kind or character against said Equipment except of the Secured Party pursuant hereto and Permitted Encumbrances, and that it has good right and lawful authority to transfer, convey, assign, and mortgage the same, as of the date hereof.

(b) The Debtor covenants and agrees to perform, abide by and to be governed and restricted by each and all of the terms, provisions, restrictions, covenants and agreements set forth in the Credit Agreement, to the same extent as though each and all of said terms, provisions, restrictions, covenants and agreements were fully set out herein.

Section 3. RELEASES OF COLLATERAL. As more fully set forth in Section 1(a) hereof the Debtor has hereby granted to the Secured Party a security interest in rents, issues, profits, income and other sums due and to become due under the Lease in respect of the Equipment as security for the Note. So long as no Event of Default as defined in Section 5 hereof has occurred and is continuing:

(a) The amounts from time to time received by the Secured Party which constitute payment by the Lessee under the Lease of the installments of Interim Rental and Fixed Rental under the Lease shall be applied first, to the payment of the installments of principal and interest (and in each case first to interest and then to principal) on the Note to which such Interim Rental and Fixed Rental relates and which have matured or will mature on or before the due date of the installments of rental which are received by the Secured Party, and then the balance, if any, of such amounts shall be paid to or upon the order of the Debtor.

(b) The amounts received by the Secured Party which constitute payment by the Lessee of the "Casualty Value" of the Equipment pursuant to Section 11 of the Lease shall be applied first to the payment or prepayment of the entire principal of, and accrued and unpaid interest on, the Note, if such Casualty Value payment is received by the Secured Party after the Conversion Date in respect of the Equipment, or toward the cost of replacement Equipment as provided for in Section 11, and second, the balance, if any, of such amount shall promptly be released to or upon the order of the Debtor.

(c) The amounts received by the Secured Party from time to time which constitute proceeds of casualty insurance maintained by the Lessee in respect of the Equipment, shall be held by the Secured Party as a part of the Collateral and shall be applied by the Secured Party from time to time to any one or more of the following purposes:

(i) So long as no Event of Default has occurred and is continuing to the knowledge of the Secured Party, the proceeds of such insurance shall, if such Equipment is to be repaired, be released to the Debtor to reimburse the Lessee for expenditures made for such repair upon receipt by the Secured Party of a certificate of an authorized officer of the Lessee to the effect that any damage to such Equipment in respect of which such proceeds were paid will be fully repaired.

(ii) If the insurance proceeds shall not have been released to the Debtor pursuant to the preceding subparagraph (i) within 120 days from the receipt thereof by the Secured Party (unless the Lessee has informed the Secured Party that such Equipment is being repaired and upon completion of such repairs, the Lessee expects to request the release of the insurance proceeds pursuant to subparagraph (i) of this Section 3(c)) or if within such period the Lessee shall have notified the Secured Party in writing that the Lease pursuant to which such Equipment is leased is to be terminated in accordance with the provisions of Section 11.2 of the Lease in respect of such Equipment, then so long as no Event of Default hereunder has occurred and is continuing to the knowledge of the Secured Party, the insurance proceeds shall be applied by the Secured Party as follows:

(A) First, to the prepayment of the Notes all in the manner and to the extent provided for therein; and

(B) Second, the balance, if any, of such insurance proceeds held by the Secured Party after making the applications provided for by the preceding subparagraph (A) shall be released to or upon the order of the Debtor.

(d) In the event that the Debtor requests a release of the Collateral under circumstances set forth in Section 1(a) hereof, and Debtor has complied with all provisions thereof, then, the Secured Party shall release such Collateral from the lien of this Security Agreement and shall execute appropriate documents, all pursuant to said Section 1(a) hereof.

SECTION 4. REPORTS AND INSPECTIONS. On or before April 30 in each year, commencing in 1980, the Debtor shall cause the Lessee to furnish to the Secured Party an accurate statement signed by an officer of the Lessee (a) setting forth as at the preceding December 31 the amount, description and numbers of all units of the Equipment that have been withdrawn from use pending repairs (other than running repairs) (such units being hereinafter called the Bad Order Units) or that have suffered a Casualty Occurrence during the preceding calendar year (or since the date of this Security Agreement in the case of the first such statement) and such other information regarding the condition and state of repair of the Equipment as the Secured party may reasonably request, (b) setting forth the amount, description and numbers of any Bad Order Units that have been repaired and that are in use on the date of such statement, and (c) stating that, in the case of all Equipment repaired or repainted during the period covered by such statement, the numbers and markings required by Section 14 hereof have been preserved or replaced. If, as set forth in such statement, the number of Bad Order Units withdrawn from use as of the date of such statement (giving effect to repairs made on or prior to that date) exceeds the number equal to 5% of all the units of the Equipment, then the Bad Order Units in excess of such number shall be identified by the Lessee for the Debtor in such statement and shall be deemed to have suffered a Casualty Occurrence on the date of such statement, and payment therefor shall be made as provided in Section 11 hereof. The Secured Party shall have the right, by its agents, to inspect the Equipment and the Debtor's and Lessee's records with respect thereto at such reasonable times as the Secured Party may request during the term of this Security Agreement.

SECTION 5. COMPLIANCE WITH LAWS AND RULES. During the term of this Security Agreement, the Debtor will comply, and will cause the Lessee under the Lease to comply at all times in all respects with all laws of the jurisdictions in which its operations involving the Equipment may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the Department of Transportation, Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the title, operation or use of the Equipment, and in the event that such laws or rules require any alteration, replacement or addition of any part on any unit of the Equipment, the Debtor

shall cause the Lessee to conform therewith, at its own expense; provided, however, that the Debtor may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Secured Party, adversely affect the property or rights of the Secured Party under this Security Agreement.

SECTION 6. POSSESSION AND USE. The Debtor and the Lessee under the Lease, so long as an event of default shall not have occurred under this Security Agreement and be continuing, shall be entitled to the possession of the Equipment and the use thereof; provided, however, that such possession and use of rolling stock units of equipment shall be upon the lines of railroad owned or operated by the Lessee either alone or jointly with others and whether under lease or otherwise, or upon the lines of railroad owned or operated by any railroad company controlled by, or under common control with, the Lessee, or over which it has trackage rights, or upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements, from and after delivery of the Equipment by the Debtor to the Lessee, but only upon and subject to all the terms and conditions of this Security Agreement.

SECTION 7. MAINTENANCE. The Debtor shall at all times maintain the Equipment, or cause the Equipment to be maintained in good order and repair by Lessee, at its own expense.

SECTION 8. INSURANCE. The Debtor will, at all times during the term of this Security Agreement, at its own expense, cause to be carried and maintained property insurance and public liability insurance in respect of the units of Equipment at the time subject hereto, in amounts (subject to Lessee's customary deductibles) and against risks customarily insured against by railroad companies in respect of similar equipment, and, in any event, comparable in amounts and against risks customarily insured against by the Lessee in respect of similar equipment owned by it. The Secured Party shall not be liable for the payment of premiums and assessments under any insurance policy and such insurance shall be primary without right of contribution from any other insurance which is carried by the Secured Party to the extent that such other insurance provides it with contingent and/or excess liability insurance with respect to its interest as such in the Equipment.

SECTION 9. OTHER ENCUMBRANCES, ETC. The Debtor will not, except as permitted by the Credit Agreement or this Security Agreement, sell, loan, pledge, mortgage, lease, assign or otherwise dispose of, or create or suffer to be created any levies, liens or encumbrances on any of the Equipment, or any

interest therein, and the Debtor will from time to time cause to be paid all liens, taxes, assessments and governmental charges lawfully levied, assessed or imposed upon the Equipment or any interest therein; provided, however, that nothing herein contained shall be deemed to require any lien, tax, assessment, charge, claim or demand to be paid or discharged prior to the due date thereof, or so long as the validity thereof is being contested by the Debtor in good faith by appropriate proceedings, if (i) an adequate reserve with respect thereto is established and maintained in accordance with generally accepted accounting principles, and (ii) the lien, tax, assessment, charge, claim or demand is paid prior to the foreclosure of any lien which may have attached as security therefor. The Debtor will give the Secured Party notice of any attachment or judicial process affecting the Equipment as soon as it has knowledge thereof.

SECTION 10. INDEMNITIES. The Debtor agrees to indemnify, protect and hold harmless the Secured Party and its respective agents, officers, directors and employees from and against all losses, costs, charges, expenses, damages, injuries, liabilities, claims, penalties, interest and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith (including, without limitation, attorneys fees and costs), arising out of or as the result of (a) the entering into or the performance of this Security Agreement, (b) the retention by the Secured Party of security title to the Equipment, (c) the use, construction, operation, condition, repair, refurbishing, reconfiguration, purchase, delivery, storage or return of the Equipment (d) any accident in connection with the repair, refurbishing, reconfiguration, operation, use, condition, possession, storage or return of the Equipment resulting in damage to property or injury or death to any person, and (e) the transfer of title to the Equipment by the Secured Party pursuant to any of the provisions of this Security Agreement.

The Debtor further agrees to indemnify, protect and hold harmless the Secured Party and its respective agents, officers, directors and employees, from and against any and all losses, charges, expenses, liability, claims, and demands, including royalty payments and any attorneys' fees and costs, in any manner imposed upon or accruing against the Debtor, its assigns or the Lessee of the Equipment because of the use in or about the construction or operation of the Equipment of any design system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right.

This covenant of indemnity shall continue in full force and effect notwithstanding the full satisfaction of the Notes and the release and the conveyance of security title to the Equipment to the Debtor, or the termination of this Security Agreement in any manner whatsoever.

The Secured Party shall give notice to the Debtor of any claim arising hereunder and the Debtor shall have the right to take up and defend any such claim.

The Debtor will bear the responsibility for and risk of and shall not be released from its obligations hereunder in the event of any damage to or the destruction or loss of the Equipment.

SECTION 11. CASUALTY OCCURRENCES. In the event that the Equipment shall be worn out, lost, stolen, destroyed, or, in the opinion of the Debtor, shall no longer be economically useful to the Debtor or its Lessee, or shall be irreparably damaged or otherwise rendered unsuitable or unfit for use from any cause whatsoever, or shall be requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for a stated period which exceeds the remaining term of this Security Agreement (such occurrences being hereinafter called "Casualty Occurrences"), the Debtor shall promptly and fully inform the Secured Party in regard thereto (after it has knowledge of such Casualty Occurrence). The Debtor shall, on the next date for the payment of an installment of indebtedness hereby secured or interest hereunder occurring more than 30 days after it has knowledge of such event, pay to the Secured Party a sum equal to the aggregate Casualty Value (as defined herein) of such Equipment as of the date of such payment and shall file with the Secured Party a certificate of an officer of the Debtor setting forth the Casualty Value of each unit of the Equipment suffering a Casualty Occurrence.

Any money paid to the Secured Party pursuant to the preceding paragraph of this Section 11 shall, as the Debtor may direct in a written instrument filed with the Secured Party, be applied (so long as no Event of Default shall have occurred and be continuing), in whole or in part, to prepay installments of indebtedness hereby secured, or toward the cost of new or used unit or units of equipment in good condition and complying with all the provisions of this Security Agreement to replace the Equipment suffering a Casualty Occurrence. In case any money is applied to prepay indebtedness, it shall be so applied to reduce installments thereafter falling due in the inverse order of maturity. The Casualty Value of the Equipment suffering a Casualty Occurrence (including replacement Equipment) shall be deemed to be the value attributed to

such unit of Equipment on the applicable Valuation Certificate before the Conversion Date as of the date that the Debtor determines that such unit of Equipment suffered a Casualty Occurrence and after the Conversion Date, the value attributed to such a unit of Equipment on the Conversion Date on the applicable Valuation Certificate (or cost thereof in the case of a replacement unit) less an amount representing (as of the date that the Debtor determines that such Equipment suffered a Casualty Occurrence) depreciation on such Equipment at the rate of 7% per annum for the freight cars and 8% per annum for locomotives, but in no event shall the Casualty Value be less than the then outstanding indebtedness under the Notes hereby secured in respect of such unit of Equipment as of the date that the Debtor determines that such Equipment suffered a Casualty Occurrence.

The Debtor will cause any replacement Equipment to be marked as provided in Section 14 hereof. Any and all such replacements of Equipment shall constitute accessions to the Equipment and shall be subject to all appropriate terms and conditions of this Security Agreement as though part of the original Equipment delivered hereunder and shall be included in the term "Equipment" as used in this Security Agreement. Title to all such replacement Equipment shall be free and clear of all liens and encumbrances except the liens permitted by Section 1 hereof and shall be taken initially and shall remain in the name of the Debtor subject to the provisions hereof and the Debtor shall execute, acknowledge, deliver, file, record or deposit all such documents and do any and all such acts as may be necessary to cause such replacement Equipment to come under and be subject to this Security Agreement. All such replacement Equipment shall be guaranteed and warranted in like manner as is customary at the time for similar equipment.

Whenever the Debtor shall file with the Secured Party a written direction to apply amounts toward the cost of any replacement Equipment, the Debtor shall file therewith:

(a) A certificate of a Vice President, an Assistant Vice President, or the Comptroller or Chief Accounting Officer of the Debtor certifying as to the matters hereinabove set forth in this Section 11; and

(b) an opinion of counsel for the Debtor that the Secured Party has a valid and perfected security interest in such replacement Equipment, free and clear from all claims, liens, security interests and other encumbrances, except the rights of the Debtor under this Security Agreement and the Lessee under the Lease and that such Equipment has come under and become subject to this Security Agreement.

So long as no event of default shall have occurred and be continuing, any money paid to the Secured Party pursuant to this Section 11 shall, if the Debtor shall in writing so direct, be invested, pending its application as hereinabove provided, in such of the following as may be specified in such written direction: (i) direct obligations of the United States of America or obligations for which the full faith and credit of the United States is pledged to provide for the payment of principal and interest, (ii) open market commercial paper rated A-1 or A-2 by Standard & Poor's Corporation or prime-1 or prime 2 by NCO/Moody's Commercial Paper Division of Moody's Investors Service, Inc., or the successor of either of them, or (iii) certificates of deposit of or bankers' acceptances accepted by, domestic commercial banks in the United States of America having capital and surplus in excess of \$50,000,000, in each case maturing in not more than one year from the date of such investment (such investments being hereinafter called "Investments"). Any such obligations may from time to time be sold and the proceeds reinvested in such Investments as the Debtor may in writing direct. Any interest received by the Secured Party on any Investments shall be held by the Secured Party and applied as hereinafter provided. Upon any sale or the maturity of any Investments, the proceeds thereof, plus any interest received by the Secured Party thereon, up to the cost (including accrued interest) thereof, shall be held by the Secured Party for application pursuant to this Section 11 and any excess shall be paid to the Debtor. If such proceeds (plus such interest) shall be less than such cost, the Debtor will promptly pay to the Secured Party an amount equal to such deficiency. The Debtor will pay all expenses incurred by the Secured Party in connection with the purchase and sale of Investments.

If one or more Events of Default shall have occurred and be continuing, all money held by the Secured Party pursuant to this Section 11 (including, for this purpose, Investments) shall be applied by the Secured Party as if such money were money received upon the sale of Equipment pursuant to Section 13 hereof.

In order to facilitate the sale or other disposition of the Equipment suffering a Casualty Occurrence, the Secured Party shall, upon request of the Debtor, after payment by the Debtor of a sum equal to such portion of the Casualty Value of such Equipment for which payment shall not have been waived by the Secured Party as hereinabove provided, execute and deliver to the Debtor or the Debtor's vendee, assignee or nominee, a bill of sale (without warranties) for such Equipment, and such other documents as may be required to release such Equipment from the terms and scope of this Security Agreement, in such form as may be reasonably requested by the Debtor.

**SECTION 12. DEFAULT.** The term "Event of Default" for all purposes of this Security Agreement shall mean one or more of the following:

(a) The Debtor shall fail to pay in full any installment of indebtedness then due under the Notes or any other sum payable by the Debtor as provided in this Security Agreement when payment thereof shall be due hereunder and such failure shall continue for more than 5 business days after written notice thereof from the Secured Party; or

(b) the Debtor shall, for more than 30 days after the Secured Party shall have demanded in writing performance thereof, fail or refuse to comply with any covenant, agreement, term or provision of this Security Agreement, or of the Credit Agreement on its part to be kept or performed or to make provision satisfactory to the Secured Party for such compliance; or

(c) any proceedings shall be commenced by or against the Debtor for any relief under any bankruptcy or insolvency law, or law relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder), 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 Debtor under this Security 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 Debtor or for its 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 60 days after such proceedings shall have been commenced; or

(d) the Debtor shall make or suffer any unauthorized assignment or transfer of this Security Agreement or any interest herein or any unauthorized transfer of the right to possession of any Equipment and shall fail or refuse to cause such assignment or transfer to be cancelled by agreement of all parties having any interest therein and to recover possession of such Equipment (or make provision satisfactory to the Secured Party for such compliance) within 15 days after written notice from the Secured Party demanding such cancellation and recovery of possession;

(e) an Event of Default under the Lease or the Credit Agreement, as defined in Sections 14 and 9 of each, respectively, has occurred and is continuing.

then at any time after the occurrence of such an Event of Default the Secured Party may, upon compliance with any mandatory legal requirements then in force and applicable to such action by the Secured Party, declare (hereinafter called a "Declaration of Default") the entire indebtedness then due under the Notes, 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 of Default at the rate per annum specified in the Notes as being applicable to amounts remaining unpaid after becoming due and payable, to the extent legally enforceable. The Secured Party shall thereupon be entitled to recover judgment for the entire unpaid balance of the indebtedness then due under the Notes so payable, with interest as aforesaid, and to collect such judgment out of any property of the Debtor wherever situated. The Debtor shall promptly notify the Secured Party of any event which has come to its attention which constitutes, or which with the giving of notice and/or lapse of time could constitute, an Event of Default under this Security Agreement, but failure to give such notice shall not cure any such Event of Default or impair the rights of the Secured Party in respect thereof.

The Secured Party may at its election waive any such Event of Default and its consequences and rescind and annul any Declaration of Default by notice to the Debtor in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such Event of default had occurred and no Declaration of Default had been made. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Debtor that time is of

the essence of this Security 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.

SECTION 13. REMEDIES, ETC. The Debtor agrees that when any Event of Default as defined in Section 12 has occurred and is continuing, but subject always to the provisions hereof, the Secured Party shall have the rights, options, duties and remedies of a secured party, and the Debtor shall have the rights and duties of a Debtor, under the Uniform Commercial Code of Illinois (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and without limiting the foregoing, the Secured Party may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, or set forth in Section 12 hereof, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(a) subject always to the rights of the Lessee under the Lease, the Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Equipment, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until sold;

(b) subject always to the rights of the Lessee under the Lease, the Secured Party may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession, and without instituting any legal

proceedings whatsoever, and having first given notice of such sale by registered mail to the Debtor and the Lessee once at least ten days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of the Equipment, or any part thereof, at public auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Secured Party may determine, and at any place (whether or not it be the location of the Equipment or any part thereof) designated in the notice above referred to. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further published notice, and the Secured Party or the holder or holders of the Notes, or of any interest therein, may bid and become the purchaser at any such sale;

(c) subject always to the rights of the Lessee under the Lease, the Secured Party may proceed to protect and enforce this Security Agreement and the Notes by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted; or for foreclosure hereunder, or for the appointment of a receiver or receivers for the mortgaged property or any part thereof, for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other proper, legal or equitable remedy available under applicable laws; and

(d) subject always to the rights of the Lessee under the Lease, the Secured Party may proceed to exercise all rights, privileges and remedies of the Debtor under the Lease, and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Debtor for the use and benefit of the Secured Party.

In case of any sale of the Equipment, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Security Agreement, the principal of the Notes if not previously due, and the interest accrued thereon, shall at once become and

be immediately due and payable; also in the case of any such sale, the purchaser or purchasers of the Equipment, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Notes and any claims for interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Notes including principal and interest thereof out of the net proceeds of such sale after allowing for the proportion of the total purchase price required to be paid in actual cash.

To the extent permitted by law, the Debtor covenants that it will not at any time insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any delay, stay or extension law now or at any time hereafter in force, nor claim, take or insist upon any benefit or advantage of or from any law now or hereinafter in force providing for the valuation or appraisal of the Equipment or any part thereof prior to any sale or sales thereof to be made pursuant to any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and, to the full extent legally permitted, the Debtor hereby expressly waives for itself and on behalf of each and every person, and except decree or judgment creditors of the Debtor acquiring any interest in or title to the Equipment or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold, shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through the Debtor, its successors or assigns (subject, however, to the then existing rights, if any, of the Lessee under the Lease).

The rentals, proceeds and/or avails of any lease or sale of the Equipment, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

(a) First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Secured Party, or the holder or holders of the Notes and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) Second, to the payment of the holder or holders of the Notes of the amount then owing or unpaid on the Notes for principal, interest and premium, if any;

(c) Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

No delay or omission of the Secured Party to exercise any right or power arising from any default on the part of the Debtor hereunder shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided herein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, collateral or guarantee for the payment of the indebtedness secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

SECTION 14. MARKING OF EQUIPMENT, FILING AND RECORDING, ETC.

The Debtor will cause each unit of the Equipment to be kept numbered with its identifying number as set forth in the schedule or schedules attached hereto, or in the case of Equipment not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Security Agreement to cover such Equipment, and will cause to be kept and maintained, plainly, distinctly, permanently and conspicuously marked on

each side of each unit, in letters not less than one inch in height, the words "Ownership subject to a Security Agreement Filed under the Interstate Commerce Act, Section 11303" or the name of the Secured Party followed by the words "Agent, Owner", or other appropriate markings approved by the Secured Party with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Secured Party's interest in the Equipment and its rights under this Security Agreement. The Debtor will replace promptly any such markings which may be removed, defaced, obliterated or destroyed. The Debtor will not change the number of any unit of the Equipment except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with the Secured Party by the Debtor and filed, recorded and deposited by the Debtor in all public offices where this Security Agreement shall have been filed, recorded and deposited.

Except as provided in the immediately preceding paragraph, the Debtor will not allow the name of any person, association or corporation to be placed on any unit of the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Debtor may cause the Equipment to be lettered with the names or initials or other insignia of the Lessee or its affiliates.

The Debtor will cause this Security Agreement and any amendments or supplements hereto or thereto to be filed and recorded with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act; and the Debtor will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments required by law or reasonably requested by the Secured Party for the purpose of proper protection, to the satisfaction of counsel for the Secured Party, of its interest in the Equipment and its rights under this Security Agreement or for the purpose of carrying out the intention of this Security Agreement; and the Debtor will promptly furnish to the Secured Party certificates or other evidence of such filing, registering, depositing and recording satisfactory to the Secured Party.

SECTION 15. APPLICABLE STATE LAWS. Any provision of this Security Agreement prohibited by any applicable law of any jurisdiction (which is not overridden by applicable Federal law) shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Security Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Debtor to the full extent permitted by law, it being the intention

of the parties hereto that this Security Agreement shall be deemed to be a Security Agreement and enforced as such.

Except as otherwise provided in this Security Agreement, the Debtor, 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 or lease the Equipment, or any unit thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Secured Party's rights under this Security Agreement and any and all rights of redemption.

SECTION 16. SECURED PARTY. The Secured Party shall have and may exercise such powers as are specifically delegated to the Agent in Section 2 of the Credit Agreement, together with such powers as are reasonably incidental thereto in enforcing the rights of the Banks under this Security Agreement.

SECTION 17. SUCCESSORS AND ASSIGNS. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Debtor or by or on behalf of the Secured Party, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

Nothing in this Section 17 shall be deemed to restrict the right of the Debtor or of the Lessee to assign or transfer its interest under the Security Agreement or its leasehold interest under the Lease respectively, in the Equipment or possession of the Equipment to any corporation (which shall have duly assumed in writing satisfactory to the Secured Party the obligations hereunder of the Debtor or Lessee) into or with which the Debtor or Lessee shall have become merged or consolidated or which shall have acquired or leased all or substantially all of the lines of railroad of the Lessee or property of Debtor, provided that such assignees, successors or transferees will not, upon the effectiveness of such merger or consolidation or acquisition of properties, be in default under any provision of this Security Agreement or the Lease and that such merger or consolidation or acquisition of properties shall not alter in any way the Debtor's obligations to the Secured Party or the Lessee's obligations to the Lessor which shall be and remain those of a principal and not a guarantor. The Debtor agrees to give the Lessor and the Secured Party prior written notice of any such merger, consolidation or acquisition.

SECTION 18. PARTIAL INVALIDITY. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

SECTION 19. COMMUNICATIONS. All communications provided for herein shall be in writing and shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when delivered personally or when deposited in the United States mail, registered, postage prepaid, addressed as follows:

If to the Secured Party: Continental Illinois National  
Bank and Trust Company of  
Chicago, Agent  
231 South La Salle Street  
Chicago, Illinois 60693  
Attention: Loan Division

If to the Debtor: North Western Leasing Company  
400 West Madison Street  
Chicago, Illinois 60606  
Attention: Vice President-Finance

or to any such party at such other address as such party may designate by notice duly given in accordance with this Section to the other party.

SECTION 20. GOVERNING LAW. This Security Agreement and the Notes shall be construed in accordance with and governed by the laws of the state of Illinois; provided, however, that the Secured Party shall be entitled to all the rights conferred by any applicable federal statute, rule or regulation.

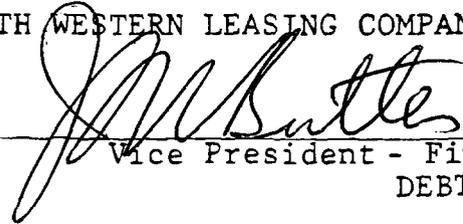
SECTION 21. COUNTERPARTS. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement.

SECTION 22. HEADINGS. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the Debtor has caused this Security Agreement to be executed and the Secured Party has caused this Security Agreement to be executed on its behalf by one of its Vice Presidents and its corporate seal to be hereunto affixed, and said seal and this Security Agreement to be attested by one of its Assistant Secretaries, all as of the day and year first above written.

NORTH WESTERN LEASING COMPANY

By



Vice President - Finance  
DEBTOR

(Seal)

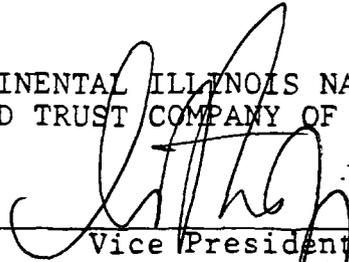
ATTEST:



Assistant Secretary

CONTINENTAL ILLINOIS NATIONAL BANK  
AND TRUST COMPANY OF CHICAGO

By



Vice President  
SECURED PARTY

(Seal)-

ATTEST:



Banking Officer



SCHEDULE A

<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>RAILROAD SYSTEM NO.</u>	<u>PURCHASE PRICE</u>
24	Gondolas - Covered Steel Coil	CNW 39520	\$ 23,089
		CNW 39521	23,089
		CNW 39523	23,089
		CNW 39524	23,089
		CNW 39525	23,089
		CNW 39526	23,089
		CNW 39527	23,089
		CNW 39528	23,214
		CNW 39529	23,214
		CNW 39530	23,214
		CNW 39531	23,214
		CNW 39532	23,214
		CNW 39533	23,214
		CNW 39534	23,214
		CNW 39535	23,214
		CNW 39536	23,214
		CNW 39537	23,214
		CNW 39538	23,214
		CNW 39539	23,214
		CNW 39540	23,214
		CNW 39541	23,214
		CNW 39542	23,214
		CNW 39543	23,214
		CNW 39544	23,214
		SUB-TOTAL	\$ 556,261
28	Covered Gondolas	CNW 89016	20,407
		CNW 89017	20,407
		CNW 89018	20,407
		CNW 89019	20,407
		CNW 89020	20,407
		CNW 89021	20,407
		CNW 89022	20,407
		CNW 89023	24,304
		CNW 89024	20,407
		CNW 89025	24,304
		CNW 89026	20,407
		CNW 89027	20,407
		CNW 89028	20,407
		CNW 89029	20,407
		CNW 89030	20,407
		CNW 89031	20,407
		CNW 89032	20,407
		CNW 89033	20,407
		CNW 89035	20,407
		CNW 89036	20,407
		CNW 89037	20,407
		CNW 89038	20,407
		CNW 89039	20,407
		CNW 89040	20,407
		CNW 89041	20,407
		CNW 89042	20,407
		CNW 89043	20,407
		CNW 89044	20,407
		SUB-TOTAL	\$ 579,190

<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>RAILROAD SYSTEM NO.</u>	<u>PURCHASE PRICE</u>
1	60' Box Car	CNW 91496	\$ 24,358
56	Covered Hoppers	CNW 96683	\$ 14,768
		CNW 96686	14,768
		CNW 96687	14,768
		CNW 96688	14,768
		CNW 96690	14,768
		CNW 96691	14,768
		CNW 96692	14,768
		CNW 96694	14,768
		CNW 96695	14,768
		CNW 96696	14,768
		CNW 96697	14,768
		CNW 96698	14,768
		CNW 96699	14,768
		CNW 96700	14,768
		CNW 96701	14,768
		CNW 96702	14,768
		CNW 96703	14,768
		CNW 96704	14,768
		CNW 96706	14,768
		CNW 96707	14,768
		CNW 96709	14,768
		CNW 96710	14,768
		CNW 96711	14,768
		CNW 96712	14,768
		CNW 96713	14,768
		CNW 96714	14,768
		CNW 96715	14,768
		CNW 96717	14,768
		CNW 96719	14,768
		CNW 96720	14,768
		CNW 96721	14,768
		CNW 96722	14,768
		CNW 96723	14,768
		CNW 96724	14,768
		CNW 96725	14,768
		CNW 96727	14,768
		CNW 96728	14,768
		CNW 96731	14,768
		CNW 96732	14,768
		CNW 96733	14,768
		CNW 96734	14,768
		CNW 96735	14,768
		CNW 96736	14,768
		CNW 96737	14,768
		CNW 96738	14,768
		CNW 96739	14,768
		CNW 96740	14,768
		CNW 96741	14,768
		CNW 96742	14,768

<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>RAILROAD SYSTEM NO.</u>	<u>PURCHASE PRICE</u>
		CNW 96743	\$ 14,768
		CNW 96744	14,768
		CNW 96745	14,768
		CNW 96746	14,768
		CNW 96747	14,768
		CNW 96748	14,768
		CNW 96749	14,768
		SUB-TOTAL	\$ 827,008
107	65' Gondolas	CNW 132487	17,331
		CNW 132488	17,331
		CNW 132489	17,331
		CNW 132490	17,331
		CNW 132491	17,331
		CNW 132492	17,331
		CNW 132494	17,331
		CNW 132495	17,331
		CNW 132498	17,331
		CNW 132499	17,331
		CNW 132500	17,331
		CNW 132502	17,331
		CNW 132504	17,331
		CNW 132505	17,331
		CNW 132506	17,331
		CNW 132507	17,331
		CNW 132508	17,331
		CNW 132509	17,331
		CNW 132510	17,331
		CNW 132511	17,331
		CNW 132512	17,331
		CNW 132513	17,331
		CNW 132516	17,331
		CNW 132517	17,331
		CNW 132518	17,331
		CNW 132519	17,331
		CNW 132520	17,331
		CNW 132522	17,331
		CNW 132523	17,331
		CNW 132525	17,331
		CNW 132526	17,331
		CNW 132527	17,331
		CNW 132529	17,331
		CNW 132530	17,331
		CNW 132531	17,331
		CNW 132532	17,331
		CNW 132534	17,331
		CNW 132536	17,331
		CNW 132537	17,331
		CNW 132538	17,331
		CNW 132539	17,331
		CNW 132540	17,331
		CNW 132541	17,331
		CNW 132542	17,331
		CNW 132543	17,331
		CNW 132544	17,331
		CNW 132545	17,331

<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>RAILROAD SYSTEM NO.</u>	<u>PURCHASE PRICE</u>
		CNW 132548	\$ 17,331
		CNW 132550	17,331
		CNW 132551	17,331
		CNW 132552	17,331
		CNW 132553	17,331
		CNW 132554	17,331
		CNW 132555	17,331
		CNW 132556	17,331
		CNW 132557	17,331
		CNW 132558	17,331
		CNW 132559	17,331
		CNW 132560	17,331
		CNW 132561	17,331
		CNW 132562	17,331
		CNW 132564	17,331
		CNW 132565	17,331
		CNW 132566	17,331
		CNW 132567	17,331
		CNW 132568	17,331
		CNW 132570	17,331
		CNW 132571	17,331
		CNW 132573	17,331
		CNW 132575	17,422
		CNW 132576	17,422
		CNW 132577	17,422
		CNW 132578	17,422
		CNW 132579	17,422
		CNW 132581	17,422
		CNW 132582	17,422
		CNW 132583	17,422
		CNW 132584	17,422
		CNW 132585	17,422
		CNW 132586	17,422
		CNW 132587	17,422
		CNW 132588	17,422
		CNW 132589	17,422
		CNW 132590	17,422
		CNW 132592	17,422
		CNW 132593	17,422
		CNW 132594	17,422
		CNW 132595	17,422
		CNW 132597	17,422
		CNW 132598	17,422
		CNW 132599	17,422
		CNW 133002	17,597
		CNW 133003	17,504
		CNW 133005	17,504
		CNW 133009	17,504
		CNW 133014	17,504
		CNW 133015	17,504
		CNW 133021	17,504
		CNW 133022	17,504
		CNW 133029	17,597
		CNW 133037	17,504

<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>RAILROAD SYSTEM NO.</u>	<u>PURCHASE PRICE</u>
		CNW 133044	\$ 17,504
		CNW 133047	17,504
		CNW 133049	17,504
		CNW 133050	17,504
		CNW 134023	20,463
		SUB-TOTAL	\$ 1,862,159
129	50' Box Cars	CNW 150050	19,456
		CNW 150051	19,456
		CNW 150052	19,456
		CNW 150053	19,456
		CNW 150055	19,456
		CNW 150056	19,456
		CNW 150057	19,456
		CNW 150059	19,456
		CNW 150060	19,456
		CNW 150061	19,456
		CNW 150062	19,456
		CNW 150063	19,456
		CNW 150064	19,456
		CNW 150065	19,456
		CNW 150066	24,703
		CNW 150067	19,456
		CNW 150068	19,456
		CNW 150069	19,456
		CNW 150070	19,456
		CNW 150071	19,456
		CNW 150072	19,456
		CNW 150073	19,456
		CNW 150074	19,456
		CNW 150076	19,456
		CNW 150077	19,456
		CNW 150078	19,456
		CNW 150079	19,456
		CNW 150080	19,456
		CNW 150082	19,456
		CNW 150083	19,456
		CNW 150084	19,456
		CNW 150085	19,456
		CNW 150086	19,456
		CNW 150087	19,456
		CNW 150088	19,456
		CNW 150089	19,456
		CNW 150090	19,456
		CNW 150091	19,456
		CNW 150092	19,456
		CNW 150093	19,456
		CNW 150094	19,456
		CNW 150095	19,456
		CNW 150096	19,456
		CNW 150097	19,456
		CNW 150098	19,456
		CNW 150099	19,456
		CNW 151050	18,555
		CNW 151051	18,555
		CNW 151052	18,555
		CNW 151054	18,555

<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>RAILROAD SYSTEM NO.</u>	<u>PURCHASE PRICE</u>
		CNW 151056	\$ 18,555
		CNW 151057	18,555
		CNW 151058	18,555
		CNW 151059	18,555
		CNW 151060	18,555
		CNW 151061	18,555
		CNW 151062	18,555
		CNW 151063	18,555
		CNW 151064	18,555
		CNW 151065	18,555
		CNW 151067	18,555
		CNW 151068	18,555
		CNW 151069	18,555
		CNW 151070	18,555
		CNW 151071	18,555
		CNW 151072	18,555
		CNW 151074	18,555
		CNW 151075	18,555
		CNW 151076	18,555
		CNW 151077	18,555
		CNW 151078	18,555
		CNW 151079	18,555
		CNW 151080	18,555
		CNW 151081	18,555
		CNW 151082	18,555
		CNW 151083	18,555
		CNW 151084	18,555
		CNW 151085	18,555
		CNW 151087	18,555
		CNW 151088	18,555
		CNW 151090	18,555
		CNW 151091	18,555
		CNW 151092	18,555
		CNW 151093	18,555
		CNW 151094	18,555
		CNW 151095	18,555
		CNW 151096	18,555
		CNW 151097	18,555
		CNW 151098	18,555
		CNW 152054	18,820
		CNW 152055	18,820
		CNW 152056	18,820
		CNW 152057	18,820
		CNW 152058	18,820
		CNW 152059	18,820
		CNW 152061	18,820
		CNW 152062	18,820
		CNW 152063	18,820
		CNW 152064	18,820
		CNW 152065	18,820
		CNW 152066	18,820
		CNW 152067	18,820
		CNW 152068	18,820
		CNW 152069	18,820
		CNW 152070	18,820
		CNW 152071	18,820
		CNW 152072	18,820