

EXECUTED IN 12 COUNTERPARTS OF  
WHICH THIS IS COUNTERPART No. 3

6773 - a

CONDITIONAL SALE AGREEMENT RECORDATION NO. \_\_\_\_\_ Filed & Recorded

OCT 19 1972 - 11 20 AM

Dated as of July 17, 1972

between

MODERN WOODMEN OF AMERICA,  
as Vendor

and

THEODORE L. DALEIDEN, Trustee

JAMES M. ROBERTSON, Trustee  
as Owner

CONDITIONAL SALE AGREEMENT dated as of July 17, 1972, between MODERN WOODMEN OF AMERICA (herein called "Vendor") and THEODORE L. DALEIDEN and JAMES M. ROBERTSON, as Trustees under the Trust Agreement dated as of the date hereof with INDUSTRIAL NATIONAL BANK OF RHODE ISLAND, as Beneficiary (said Trustees herein called "Owner" and whose obligations under this Agreement are limited as provided in Articles 1 and 18 hereof).

WHEREAS, this Conditional Sale Agreement is entered into in accordance with and subject to the terms of the Finance Agreement (herein called "Finance Agreement") dated as of the date hereof among the Vendor, the Owner, the Beneficiary, St. Louis Refrigerator Car Company (herein called "Seller") and Manufacturers Railway Company (herein called "Lessee"); and

WHEREAS, the Vendor, pursuant to a Transfer Agreement (herein called "Transfer Agreement") dated as of the date hereof between the Owner and the Vendor, has or will acquire security title to certain railroad equipment, which has or will be purchased by the Owner from the Seller pursuant to a Purchase Agreement (herein called "Purchase Agreement") dated as of the date hereof; and

WHEREAS, the railroad equipment is to be rebuilt by the Seller pursuant to a Reconstruction Agreement (herein called "Reconstruction Agreement") dated as of the date hereof between the Seller and the Owner, said equipment being described in Schedule A hereto (herein called "Equipment"); and

WHEREAS, the Vendor is willing to sell to the Owner such security title to the Equipment in accordance with the terms hereof; and

WHEREAS, the Owner and the Lessee are entering into a Lease of the Equipment (herein called the "Lease") dated as of the date hereof leasing the Equipment to the Lessee, subject to this Agreement, which Lease will be filed with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act concurrently with the filing of this Agreement thereunder;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto hereby agree as follows:

ARTICLE 1. Purchase of Security Title. Subject to the terms and conditions contained in the Finance Agreement and in reliance on the representations and warranties of the Lessee contained and made therein and in the Lease, the Vendor agrees to make payment for the security title to the Equipment as described in Schedule A hereto on the Closing Date (as hereinafter defined) in an amount equal to 87.436696% of the Owner's Cost (as hereinafter defined) of the Equipment not to exceed \$802,669 (said amount herein called Conditional Sale Indebtedness). The term "Closing Date" shall mean the commencement date of the base term of the Lease (as such date is defined in the Lease) but in no event later than February 1, 1973. The term "Owner's Cost" shall mean the aggregate amount the Owner has paid to the Seller in accordance with the terms of the Purchase and Reconstruction Agreements for the Equipment subject to the Lease as of the Closing Date.

The Owner shall give the Vendor written notice of the Closing Date at least five (5) business days prior thereto. The term "business days" as used herein means calendar days, excluding Saturdays, Sundays, holidays and any other day on which banking institutions in Chicago, Illinois and Providence, Rhode Island are authorized to remain closed.

Subject to the terms hereof and upon payment by the Vendor of the purchase price as hereinbefore provided, the Owner acknowledges itself to be indebted to the Vendor in the amount of, and hereby promises to pay in cash to the Vendor at such place as the Vendor may designate the Conditional Sale Indebtedness in forty (40) consecutive quarterly installments, as hereinafter provided. The first installment of the Conditional Sale Indebtedness shall be payable on the first day of the third calendar month following the month in which the Closing Date occurs (which day is the first day of the month following the completion of the first quarter of the base term of the Lease) and subsequent installments shall be payable quarterly thereafter on the first day of each quarterly period thereafter (or if any such date is not a business day on the next succeeding business day), each such date being hereinafter called a Payment Date. The unpaid balance of the Conditional Sale Indebtedness shall bear interest from the Closing Date at the rate of 8-1/2% per annum and such interest shall be payable, to the extent accrued, on each Payment Date. The principal amount of Conditional Sale Indebtedness payable on each of the 40 quarterly Payment Dates shall be

calculated on such a basis that the aggregate of the principal and interest payable on each of the 40 quarterly Payment Dates shall be substantially equal and such 40 installments of principal and interest will completely amortize the Conditional Sale Indebtedness.

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

The Owner will pay interest at the rate of 9-1/2% per annum upon all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof, anything herein to the contrary notwithstanding.

All payments provided for in this Agreement shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Except as provided in Article 4 hereof, the Owner shall not have the privilege of prepaying any portion of the Conditional Sale Indebtedness prior to the date it becomes due.

The Vendor shall be under no obligation to pay the purchase price for the security title to the Equipment unless, as of the Closing Date, all of the conditions precedent to the Vendor's obligation to make such purchase as contained in Paragraph 6 of the Finance Agreement have been fulfilled to the reasonable satisfaction of the Vendor. Notwithstanding any other provision of this Agreement (including, but not limited to, any provision of Articles 10 and 11 hereof), it is understood and agreed by the Vendor that the liability of the Owner for all payments to be made by it under and pursuant to this Agreement shall not exceed an amount equal to, and shall be payable only out of, the "income and proceeds from the Equipment", and such payments shall be made by the Owner only to the extent that the Owner or any assignee of the Owner shall have actually received sufficient "income or proceeds from the Equipment" to make such payments. Except as provided in the next preceding sentence, the Vendor agrees that the Owner shall have no personal liability to make any payments under this Agreement whatsoever except from the "income and proceeds from the Equipment" to the extent actually received by the Owner or any assignee of the Owner as above provided. In addition, the Vendor agrees and understands that the Owner (i) makes no representation or warranty, and is not responsible for, the due execution, validity, sufficiency or enforceability of the Lease (or any document relative thereto) or of any of the Lessee's obligations thereunder and (ii) shall have no obligation,

duty or other liability whatsoever to see to or be responsible for the performance or observance by the Lessee of any of its agreements, representations, indemnities, obligations or other undertakings under the Lease; it being understood that as to all such matters the Vendor will look solely to the Vendor's rights under this Agreement against the Equipment and to the Vendor's rights under the Lease against the Lessee and the Equipment. As used herein the term "income and proceeds from the Equipment" shall mean (i) if one of the events of default specified in Article 10 hereof shall have occurred and while it shall be continuing, so much of the following amounts as are indefeasibly received by the Owner or any assignee of the Owner (which term as used in this paragraph includes the Vendor to the extent payments under the Lease are made to the Vendor as contemplated therein) at any time after any such event and during the continuance thereof: (a) all amounts of rental and amounts in respect of Casualty Occurrences (as hereinafter defined in Article 4 hereof) paid for or with respect to the Equipment pursuant to the Lease and (b) any and all payments or proceeds received by the Owner or any assignee of the Owner under the Lease or for or with respect to the Equipment as the result of the sale, lease or other disposition thereof and after deducting all costs and expenses of such sale, lease or other disposition, and (ii) at any other time only that portion of the amounts referred to in the foregoing clauses (a) and (b) as are indefeasibly received by the Owner or any assignee of the Owner and as shall be required to discharge the portion of the Conditional Sale Indebtedness (including prepayments thereof required in respect of Casualty Occurrences) and/or interest thereon, due and payable on, or within six days after, the date such amounts received by the Owner or any assignee of the Owner were required to be paid pursuant to the Lease or as shall be required to discharge any other payments then due and payable under this Agreement; it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Owner or any assignee of the Owner prior to the existence of such an event of default which exceeded the amounts required to discharge that portion of the Conditional Sale Indebtedness (including prepayments thereof required in respect of Casualty Occurrences) and/or interest thereon due and payable on, or within six days after, the date corresponding to the date on which amounts with respect thereto received by the Owner or any assignee of the Owner were required to be paid to it pursuant to the Lease or which exceeded any other payments due and payable under this Agreement at the time such amounts were payable under the Lease. It is further specifically understood and agreed that nothing contained herein limiting the liability of the Owner shall derogate from the right of the Vendor to proceed against the

Equipment as provided for herein for the full unpaid Conditional Sale Indebtedness of the Equipment and interest thereon. Notwithstanding anything to the contrary contained in Article 10 hereof, the Vendor agrees that in the event it shall obtain a judgment against the Owner for an amount in excess of the amounts payable by the Owner pursuant to the limitations set forth in this paragraph, it will, accordingly, limit its execution of such judgment to such amount.

ARTICLE 2. Security Title to the Equipment. The Vendor shall retain the full security title to the Equipment until the Owner shall have made all its payments under this Agreement and shall have kept and performed all its agreements herein contained, notwithstanding any provision of this Agreement limiting the liability of the Owner and notwithstanding the delivery of the Equipment to and the possession and use thereof by the Lessee. Any and all additions to and any and all parts installed on and additions and replacements made to any unit of the Equipment shall constitute accessions thereto and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement, except additions which are removable without impairing the value of the unit of Equipment.

Except as otherwise specifically provided in this Article 2 and in Article 4 hereof, when and only when the Vendor shall have been paid the full indebtedness in respect of the Conditional Sale Indebtedness of the Equipment, together with interest and all other payments as herein provided, and all the Owner's obligations herein contained shall have been performed, the Vendor's security title shall cease and the Owner shall have absolute right to the possession of, title to and property in the Equipment without further action on the part of the Vendor. However, the Vendor, if so requested by the Owner at that time, will execute and deliver to the Owner at its address referred to in Article 15 hereof, 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 of the title of the Owner to the Equipment. The Owner 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 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 instrument or instruments or to file such certificate within a reasonable time after written demand by the Owner.

If the Vendor fails to make payment on the Closing Date for the security title to the Equipment in accordance with the terms hereof, then in such event the Vendor's security title shall cease and the Owner shall have absolute right to the possession of, title to and property in such unit without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Owner, will execute and deliver to the Owner, at the expense of the Owner, 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 title of the Owner to the Equipment.

ARTICLE 3. Taxes. All payments to be made by the Owner hereunder will be free of expense to the Vendor for collection or other charges and will be free of expense to the Vendor with respect to the amount of any local, state, federal or foreign taxes (other than net income taxes, gross receipts taxes [except gross receipts taxes in the nature of or in lieu of sales, use or rental taxes], franchise taxes measured by net income based upon such receipts, excess profits taxes and similar taxes) or license fees, assessments, charges, fines or penalties (all such expenses, taxes, license fees, assessments, charges, fines and penalties being hereinafter called impositions) hereafter levied or imposed upon or in connection with or measured by this Agreement or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which impositions the Owner assumes and agrees to pay on demand in addition to the Conditional Sale Indebtedness of the Equipment. The Owner will also pay promptly all impositions which may be imposed upon the Equipment delivered to it or for the use or operation thereof or upon the earnings arising therefrom or upon the Vendor solely by reason of its interests therein and will keep at all times all and every part of the Equipment free and clear of all impositions which might in any way affect the security title of the Vendor or result in a lien upon

any part of the Equipment; provided, however, that the Owner shall be under no obligation to pay any impositions of any kind so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the non-payment thereof does not, in the opinion of the Vendor, adversely affect the security title or rights of the Vendor in or to the Equipment or otherwise under this Agreement. If any impositions shall have been charged or levied against the Vendor directly and paid by the Vendor, the Owner shall reimburse the Vendor upon presentation of an invoice therefor, and any amounts so paid by the Vendor shall be secured by and under this Agreement; provided, however, that the Owner shall not be obligated to reimburse the Vendor for any impositions so paid unless the Vendor shall have been legally liable with respect thereto (as evidenced by an opinion of counsel for the Vendor) or unless the Owner shall have approved the payment thereof.

ARTICLE 4. Casualty Occurrences. In the Event that any unit of the Equipment shall be or become worn out, lost, stolen, destroyed, or, in the opinion of the Owner and Lessee, irreparably damaged from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being herein called Casualty Occurrences), the Owner shall, within 14 days after it shall have determined that such unit has suffered a Casualty Occurrence (or such earlier date as the Owner may receive notice thereof under the Lease) cause the Vendor to be fully informed in regard thereto. On the next succeeding Payment Date, the Owner shall pay to the Vendor a sum equal to the Casualty Value (as hereinafter defined in this Article 4) of such unit suffering a Casualty Occurrence as of the date of such payment and shall file, or cause to be filed, with the Vendor a certificate setting forth the Casualty Value of such unit. Any money paid to the Vendor pursuant to this paragraph shall be applied to prepay the Conditional Sale Indebtedness and the Owner will promptly furnish to the Vendor a revised schedule of payments of principal and interest thereafter to be made, calculated as provided in the third paragraph of Article 1 hereof, so that the remaining payments shall be substantially equal.

Upon payment by the Owner to the Vendor of the Casualty Value of any unit of the Equipment having suffered a Casualty Occurrence, the Vendor's security

title shall cease and the Owner shall have absolute right to the possession of, title to and property in such unit without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Owner, will execute and deliver to the Owner, at the expense of the Owner, 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 title of the Owner to the Equipment.

The Casualty Value of each unit of the Equipment suffering a Casualty Occurrence shall be deemed to be that portion of the original Conditional Sale Indebtedness thereof remaining unpaid on the date as of which such Casualty Value shall be determined (without giving effect to any prepayment or prepayments theretofore made under this Article 4), plus interest accrued thereon but unpaid as of such date. For the purpose of this paragraph, each payment of the Conditional Sale Indebtedness in respect of Equipment made pursuant to Article 1 hereof shall be deemed to be a payment on each unit of the Equipment in like proportion as the original Conditional Sale Indebtedness of such unit bears to the aggregate original Conditional Sale Indebtedness of the Equipment.

ARTICLE 5. Reports and Inspections. Once in each year, commencing with the year 1973, the Owner will furnish to the Vendor, promptly upon receipt thereof from the Lessee, copies of each and every report or statement received by the Owner from the Lessee pursuant to Section 6 of the Lease. The Vendor shall have the right, by its agents, to inspect the Equipment in the possession of the Owner and the Owner's records with respect thereto at such reasonable times as the Vendor may request during the continuance of this Agreement.

ARTICLE 6. Possession and Use. The Owner, so long as it shall not be in default under this Agreement, shall be entitled to the possession of the Equipment and the use thereof, but only upon and subject to all the terms and conditions of this Agreement.

The Owner may lease the Equipment to the Lessee and its permitted assigns as authorized by, and for use as provided in, the Lease, but the rights of the Lessee and its

permitted assigns under the Lease shall be subordinated and junior in rank to the rights, and shall be subject to the remedies, of the Vendor under this Agreement; provided, however, that so long as the Lessee shall not be in default under the Lease, the Lessee shall be entitled to the possession and use of the Equipment. The Owner hereby agrees that it will not exercise any of the remedies permitted in the case of an Event of Default under and as defined in the Lease until the Vendor shall have received notice in writing of its intended exercise thereof, and hereby further agrees to furnish to the Vendor copies of all summonses, writs, processes and other documents served by it upon the Lessee or served by the Lessee upon it in connection therewith.

So long as an event of default specified in Article 10 hereof shall not have occurred and be continuing, the Owner shall be entitled to the possession and use of the Equipment, and the Equipment may be used upon the lines of railroad owned or operated by the Lessee or any other railroad company approved by the Vendor, or upon lines of railroad over which the Lessee has trackage or other operating rights, or over which railroad equipment of the Lessee is regularly operated pursuant to contract, and the Equipment may be used upon connecting and other carriers in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Agreement; provided, however, that the Owner shall not assign or permit the assignment of any unit of the Equipment to service involving the regular operation and maintenance thereof outside the United States of America. The Owner may also lease the Equipment to any other railroad company with the prior written consent of the Vendor; provided, however, that (i) such lease shall provide that the rights of such lessee are made expressly subordinate to the rights and remedies of the Vendor under this Agreement (ii) such lessee shall expressly agree not to assign or permit the assignment of any unit of the Equipment to service involving the regular operation and maintenance thereof outside the United States of America and (iii) a copy of such lease shall be furnished to the Vendor.

ARTICLE 7. Prohibition Against Liens. The Owner will pay or discharge any and all sums claimed by any party from, through or under the Owner or its successors or assigns which, if unpaid, might become a lien, charge, security interest or other encumbrance upon or with respect to the Equipment, or any part thereof, or the interest of

the Vendor therein, equal or superior to the Vendor's security title thereto, and will promptly discharge any such lien, charge, security interest or other encumbrance which arises, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor in or to the Equipment or otherwise under this Agreement. Any amounts paid by the Vendor in discharge of liens, charges, security interests or other encumbrances upon the Equipment shall be secured by and under this Agreement.

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

ARTICLE 8. Indemnities and Warranties. The Owner 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 any unit of or all the Equipment.

THE VENDOR MAKES NO WARRANTIES WHETHER WRITTEN, ORAL, STATUTORY OR IMPLIED (INCLUDING THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), WITH RESPECT TO THE EQUIPMENT OR IN CONNECTION WITH THIS AGREEMENT.

ARTICLE 9. Assignments. The Owner will not (a) except as provided in Article 8 hereof, transfer the right to possession of any unit of the Equipment or (b) sell, assign, transfer or otherwise dispose of its rights under this Agreement unless such sale, assignment, transfer or disposition is made expressly subject in all respects to the rights and remedies of the Vendor hereunder (including without limitation, rights and remedies against the Owner). Subject to the preceding sentence, any such sale, assignment, transfer or disposition may be made by the Owner without the vendee, assignee or transferee assuming any of the obligations of the Owner hereunder.

All or any of the rights, benefits and advantages of the Vendor under this Agreement, including the right to receive the payments herein provided to be made by the Owner hereunder, may be assigned by the Vendor and re-assigned by any assignee at any time or from time to time.

Upon any such assignment, either the assignor or the assignee shall give written notice to the Owner and the Lessee, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all the assignor's right, security title and interest in and to the Equipment and this Agreement, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Owner of the notification of any such assignment, all payments thereafter to be made by the Owner under this Agreement shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

In the event of any such assignment or successive assignments by the Vendor of security title to the Equipment and of the Vendor's rights hereunder with respect thereto, the Owner will, whenever requested by the assignee, change the markings on each side of each unit of the Equipment so as to indicate the security title of such assignee to the Equipment, such markings to be specified by such assignee, subject to any requirements of the laws of the jurisdictions in which the Equipment shall be operated. The cost of such markings in the event of an assignment of all or less than all such Equipment shall be borne by such assignee.

ARTICLE 10. Defaults. In the event that any one or more of the following events of default shall occur and be continuing, to wit:

(a) The Owner shall fail to pay in full any sum payable by the Owner when payment thereof shall be due hereunder (irrespective of any provision of this Agreement limiting the liability of the Owner) and such default shall continue for 10 days; or

(b) The Owner shall, for more than 30 days after the Vendor shall have demanded in writing performance thereof, fail or refuse to comply with any other covenant, agreement, term or

provision of this Agreement, or of any agreement entered into concurrently herewith relating to the financing of the Equipment (other than the Lease), on its part to be kept and performed or to make provision satisfactory to the Vendor for such compliance; or

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

(d) The Owner shall make or suffer any unauthorized assignment or transfer of this Agreement or any interest therein or any unauthorized transfer of the right to possession of any unit of the Equipment; or

(e) One or more of the Events of Default enumerated in Section 15 of the Lease shall occur and be continuing or if, without the prior written consent of the Vendor, the Lease shall be amended or supplemented or, except in accordance with the terms thereof, cancelled or terminated with respect to any unit of Equipment, or any of the terms of the Lease shall be waived or modified;

then at any time after the occurrence of such an event of default the Vendor may, upon written notice to the Owner and upon compliance with any legal requirements then in force and applicable to such action by the Vendor, (i) subject to the rights of the Lessee set forth in Article 6 hereof, cause the Lease immediately upon such notice to terminate (and the Owner acknowledges the right of the Vendor to terminate the Lease) and/or (ii) declare (hereinafter called a Declaration of Default) the entire unpaid indebtedness in respect of the Conditional Sale Indebtedness of the Equipment, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such Declaration of Default at the rate of 9-1/2% per annum, to the extent legally enforceable. Upon a Declaration of Default, the Vendor shall be entitled to recover judgment for the entire unpaid balance of the indebtedness in respect of the Conditional Sale Indebtedness of the Equipment so payable, with interest as aforesaid, and to collect such judgment out of the income and proceeds from the Equipment in the manner and subject to the limitations of Article 1 hereof. The Owner shall promptly notify the Vendor of any event which has come to its attention which constitutes, or with the giving of notice and/or lapse of time would constitute, an event of default under this Agreement.

The Vendor may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default or notice of termination of the Lease by notice to the Owner and the Lessee 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 or notice of termination of the Lease had been made or given. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Owner that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

ARTICLE 11. Remedies. At any time during the continuance of a Declaration of Default, the Vendor may, subject to the rights of the Lessee set forth in Article 6 hereof, and upon such further notice, if any, as may be required for

compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Vendor, take or cause to be taken, by its agent or agents, immediate possession of the Equipment, or one or more of the units thereof, without liability to return to the Owner or the Lessee any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 11 expressly provided, and may remove the same from possession and use of the Owner, the Lessee or any other person and for such purpose may enter upon the premises of the Owner or the Lessee or any other premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Owner or the Lessee, with or without process of law.

In case the Vendor shall demand possession of the Equipment pursuant to this Agreement, Owner shall (subject to the rights of the Lessee set forth in Article 6 hereof), at its own expense, forthwith and in the usual manner, make demand upon the Lessee to cause the Equipment to be moved onto the Lessee's storage tracks in St. Louis, Missouri and shall there deliver the Equipment or cause it to be delivered to the Vendor. At the option of the Vendor, the Vendor may keep the Equipment on the storage tracks of the Lessee for a period of 90 days, without charge to Vendor for rent or storage during the first 30 days and for the remaining 60 days if such storage tracks are available. If during the latter 60 days such storage tracks are not available and the Owner and/or Lessee shall deliver invoices of others for such storage and any applicable transportation charges of others, such invoices shall be paid by Vendor provided such storage was arranged by the Owner and/or Lessee on storage tracks nearest to Lessee's lines as may have been reasonably available. This agreement to deliver the Equipment and furnish facilities as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court of equity having jurisdiction in the premises, the Vendor shall be entitled to a decree against the Owner and/or the Lessee requiring specific performance hereof; provided, however, that if Lessee is in possession of all the units of Equipment, the Vendor shall be entitled to such decree only against the Lessee. The Owner hereby expressly waives any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the Equipment in any reasonable manner.

At any time during the continuance of a Declaration of Default, the Vendor (after retaking possession of the Equipment as hereinbefore in this Article 11 provided) may, at its election and upon such notice as is hereinafter set forth, retain the Equipment in satisfaction of the entire indebtedness in respect of the Conditional Sale Indebtedness of the Equipment and make such disposition thereof as the Vendor shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Owner by telegram or registered mail, addressed as provided in Article 15 hereof, and to any other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Vendor should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the second proviso below, all the Owner's rights in the Equipment shall thereupon terminate and all payments made by the Owner may be retained by the Vendor as compensation for the use of the Equipment; provided, however, that if the Owner, before the expiration of the 30-day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the indebtedness in respect of the Conditional Sale Indebtedness of the Equipment, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event the Vendor's security title shall cease and the Owner shall have absolute right to the possession of, title to and property in the Equipment without further act on the part of the Vendor; provided, further, that if the Owner or any other persons notified under the terms of this paragraph object in writing to the Vendor within 30 days from the receipt of notice of the Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. The Vendor shall apply the proceeds of any such sale, lease or other disposition in accordance with the provisions of this Article 11. If the Vendor shall have given no notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell or lease the Equipment in accordance with the provisions of this Article 11.

At any time during the continuance of a Declaration of Default, the Vendor, with or without retaking possession thereof, at its election and upon reasonable notice to the Owner and

any other persons to whom the law may require notice of the time and place, may, subject to the rights of the Lessee set forth in Article 6 hereof, sell the Equipment, or one or more of the units thereof, free from any and all claims of the Owner or any other party claiming from, through or under the Owner at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; provided, however, that if, prior to such sale and prior to the making of a contract for such sale, the Owner should tender full payment of the total unpaid balance of the indebtedness in respect of the Conditional Sale Indebtedness of the Equipment, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Vendor in retaking possession of, removing, storing, holding and preparing the Equipment for, and otherwise arranging for the sale and the Vendor's reasonable attorneys' fees, then in such event the Vendor's security title shall cease and the Owner shall have absolute right to the possession of, title to and property in the Equipment without further action on the part of the Vendor. The proceeds of such sale or other disposition, less the attorneys' fees and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement.

Any sale hereunder may be held or conducted at such time or times as the Vendor may specify and at such place or places as the Vendor may specify, in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine. The Owner shall be given written notice of such sale not less than ten days prior thereto, by telegram or registered mail addressed as provided in Article 15 hereof. If such sale shall be a private sale, it shall be subject to the rights of the Owner to purchase or provide a purchaser, within ten days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. The Vendor may bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale. In the event that the Vendor shall be the purchaser thereof, it shall not be accountable to the Owner (except to the extent of surplus money received as hereinafter provided in this Article 11), and in payment of the purchase price therefor the Vendor shall be entitled to have credited on account thereof all sums due to the Vendor hereunder, whether by acceleration or otherwise.

Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor, except as such exercise may expressly be limited herein. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others, except as such exercise may expressly be limited herein. No delay or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Owner shall not otherwise alter or affect the Vendor's rights or the Owner's obligations hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Owner's obligations or the Vendor's rights hereunder with respect to any subsequent payments or default therein.

All sums of money realized by the Vendor under the remedies herein provided shall be applied, first to the payment of the expenses and liabilities of the Vendor herein undertaken to be paid, second to the payment of interest on the Conditional Sale Indebtedness accrued and unpaid, and third to the payment of the Conditional Sale Indebtedness. If, after applying as aforesaid all sums of money realized by the Vendor under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Owner shall pay (subject to the limitations of Article 1 hereof) the amount of such deficiency to the Vendor upon demand, and, if the Owner shall fail to pay such deficiency, the Vendor may bring suit therefor and shall be entitled to recover a judgment therefor against the Owner and to collect such judgment out of the income and proceeds from the Equipment in the manner and subject to the limitations of Article 1 hereof. If, after applying as aforesaid all sums realized by the Vendor, there shall remain a surplus in the possession of the Vendor, such surplus shall be paid to the Owner.

The Owner will, subject to the limitations of Article 1 hereof, pay all reasonable expenses, including attorneys'

fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Vendor may recover reasonable expenses, including reasonable attorneys' fees, and the amount thereof shall be included in such judgment.

The foregoing provisions of this Article 11 are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

Any and all obligations of the Owner under this Agreement are in all respects subject to the provisions of Article 1 and 16 hereof.

ARTICLE 12. Applicable State Laws. Any provision of this 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 Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Owner to the full extent permitted by law, it being the intention of the parties hereto that this Agreement shall be deemed to be a conditional sale and enforced as such.

Except as otherwise provided in this Agreement, the Owner 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 one or more units 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 Vendor's rights under this Agreement and any and all rights of redemption.

ARTICLE 13. Recording. The Owner will cause this Agreement, any assignments hereof and any amendments or supplements hereto or thereto to be filed and recorded in accordance with Section 20c of the Interstate Commerce Act; and the Owner 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 Vendor for the purpose of proper protection, to the satisfaction of counsel for the Vendor, of its security title to the Equipment

and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement; and the Owner will promptly furnish to the Vendor certificates or other evidence of such filing, registering, depositing and recording satisfactory to the Vendor.

ARTICLE 14. Article Headings; Effect and Modification of Agreement. All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

This Agreement, including Schedule A hereto, exclusively and completely states the rights of the Vendor and the Owner with respect to the Equipment and supersedes all other agreements, oral or written, with respect to the Equipment. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Vendor and the Owner.

ARTICLE 15. Notice. Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it at its chief place of business at the following specified addresses:

(a) to the Vendor, at 1701 First Avenue,  
Rock Island, Illinois 61201, Attention: Investment  
Department,

(b) to the Owner, at 111 Westminster Street,  
Providence, Rhode Island 02903, Attention: James M.  
Robertson,

(c) to any assignee of the Vendor, or of the  
Owner, at such address as may have been furnished  
in writing to the Owner, or the Vendor, as the case  
may be, by such assignee.

(d) to the Lessee at 2850 South Broadway,  
St. Louis, Missouri 63118, Attention: President,

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

ARTICLE 16. Immunities; Satisfaction of Undertakings. No recourse shall be had in respect of any obligation due under this Agreement, or referred to herein, against any incorporator, stockholder, director or officer, past, present

or future, of the Vendor or the Owner, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers being forever released as a condition of and as consideration for the execution of this Agreement.

The obligations of the Owner under the last paragraph of Article 6, the fourth paragraph of Article 9, and under Articles 3, 5, 7 and 13 hereof shall be deemed in all respect satisfied by the Lessee's undertakings contained in the Lease. The Owner shall not have any responsibility for the Lessee's failure to perform such obligations, but if the same shall not be performed they shall constitute the basis for an event of default hereunder pursuant to Article 10 hereof. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Vendor.

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, covenants, undertakings and agreements herein made on the part of the Owner, except its agreement set forth in the next succeeding paragraph, are made and intended not as personal representations, covenants, undertakings and agreements by the Owner or for the purpose or with the intention of binding the Owner personally but are made and intended for the purpose of binding only the "income and proceeds from the Equipment", as defined in Article 1 hereof; and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Owner on account of this Agreement or on account of any representation, covenant, undertaking or agreement of the Owner, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; provided, however, that the Vendor or any person claiming by, through or under any of them, making claim hereunder, may look to the "income and proceeds from the Equipment", as defined in Article 1 hereof for satisfaction of the same.

ARTICLE 17. Law Governing. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Rhode Island; provided, however, that

the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording or deposit hereof, if any, and of any assignment hereof, as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited.

ARTICLE 18. Execution. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Agreement is dated as of July 17, 1972, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements hereto annexed.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Conditional Sale Agreement to be executed all as of the date first above written.

[CORPORATE SEAL]

MODERN WOODMEN OF AMERICA

ATTEST:

as Vendor

Robert H. Alcott  
National Secretary

By J. M. Cheney  
President

ATTEST:

James P. Kelly

Theodore L. Daleiden Trustee  
Theodore L. Daleiden

James P. Kelly

James M. Robertson Trustee  
James M. Robertson

as Owner

SCHEDULE A OF CONDITIONAL SALE AGREEMENT

<u>Quantity</u>	<u>Description</u>	<u>Manufacturers Railway Company's Road Numbers (inclusive)*</u>
60	50' 50 ton Standard Gauge Railroad General Service Boxcars	MRS 5300-5359

\* to be assigned to units of Equipment

STATE OF RHODE ISLAND )  
COUNTY OF PROVIDENCE ) ss.:

On this 21<sup>st</sup> day of September, 1972, before me personally appeared THEODORE L. DALEIDEN and JAMES M. ROBERTSON, to me personally known, who, being by me duly sworn, say that they are Trustees under a Trust Agreement dated as of July 17, 1972 with INDUSTRIAL NATIONAL BANK OF RHODE ISLAND as Beneficiary, that said instrument was signed on behalf of said Trust, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said Trust.

James P. Kelly  
Notary Public

[NOTARIAL SEAL]

My Commission Expires:

My Commission Expires  
June 30, 1976

STATE OF ILLINOIS )  
COUNTY OF ROCK ISLAND ) ss.:

On this 18th day of August, 1972, before me personally appeared T. W. Cheney, to me personally known, who, being by me duly sworn, says that he is a ~~Vice~~ President of MODERN WOODMEN OF AMERICA, 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.

Maurice E. Young  
Notary Public  
Maurice E. Young

[NOTARIAL SEAL]

My Commission Expires: My Commission Expires Aug. 31, 1973