

CONDITIONAL SALES CONTRACT AND SECURITY AGREEMENT *June 19, 1975*



NAME OF BUYER SSI RAIL CORPORATION RECORDATION NO. 8015 Filed & Recorded
 BUYER'S BILLING ADDRESS Two Embarcadero Ctr., S. F., California 94111 ZIP 94111
NUMBER STREET CITY STATE ZIP

The undersigned Buyer ("BUYER") hereby agrees to purchase from FMC Corporation, Marine and Rail (DEALER NAME)
Equipment Division, 4700 N.W. Front Ave., Portland, Oregon 97208 (DEALER ADDRESS)

("SELLER"), and SELLER hereby agrees to sell to BUYER, UPON AND SUBJECT TO THE TERMS AND CONDITIONS ON THE FACE AND BACK HEREOF, the equipment described below and/or on the specification sheets attached hereto and made a part hereof ("EQUIPMENT"), as follows:

QUANTITY	DESCRIPTION	TOTAL
100	PWC 50'-6" 70-Ton, Single Sheath, Mild Underframe Box Cars with 16' Sliding Door and Nailable Steel Flooring	\$2,751,000.00

1. CASH PRICE	\$ 2,751,000.00
2. CASH DOWN PAYMENT	\$ 550,000.00
3. UNPAID BALANCE OF CASH PRICE (LINE #1 MINUS #2)	\$ 2,200,000.00
4. OTHER CHARGES:	
4. (A) <u>See Addendum</u>	\$
4. (B)	\$
5. AMOUNT FINANCED (UNPAID BALANCE)	\$ 2,200,000.00
6. TOTAL OF PAYMENTS (LINE #6 MINUS #5)	\$ NA
7. FINANCE CHARGE	\$ NA
8. DEFERRED PAYMENT CASH PRICE (LINE #2 + #6)	\$ NA
9. ANNUAL PERCENTAGE RATE <u>For First Eight Years</u>	12.75 %
10. BUYER agrees to pay to SELLER <u>See Addendum</u> payments of \$ <u>See Addendum</u>	

EQUIPMENT TOTAL	\$2,751,000.00
FREIGHT	\$
SALES TAX	\$
LESS TRADE INS	\$
CASH PRICE ▶	\$2,751,000.00

NOTICE TO BUYER: YOU HAVE A RIGHT TO PAY IN ADVANCE THE UNPAID BALANCE OF THIS AGREEMENT AND OBTAIN A PARTIAL REFUND (CREDIT) OF THE FINANCE CHARGE BASED ON THE "ACTUARIAL METHOD". HOWEVER, AN ADDITIONAL 1% PREPAYMENT PENALTY WILL BE ASSESSED BASED ON THE OUTSTANDING PRINCIPAL DUE AT DATE OF PREPAYMENT. YOU ARE ENTITLED TO A COPY OF THE CONTRACT YOU SIGN.

PAYABLE: See Addendum/Six Months from Down (No. of Pymts.) / beginning: (Date of 1st Payment)
 MONTHLY
 QUARTERLY In Arrears
 OTHER (SPECIFY)

SELLER retains, and BUYER grants to SELLER, a security interest in EQUIPMENT.

PAYMENTS THAT ARE DELINQUENT MORE THAN 10 DAYS WILL BE SUBJECT TO A MINIMUM LATE CHARGE OF \$5.00 PLUS 1% OF THE PAYMENT AMOUNT DUE CHARGED MONTHLY, OR THE HIGHEST LAWFUL CONTRACT RATE IF SAID AMOUNT IS UNLAWFUL.

1. TITLE: TERMS AND CONDITIONS

Title to the equipment covered by this contract, and to all additions or accessions thereto and substitutions therefor, shall remain in Seller as a security interest until Buyer has completed payment of the purchase price, plus accrued interest, and fully performed all of the terms and conditions hereof.

2. PROTECTION OF SELLER'S SECURITY INTEREST.

The equipment shall remain strictly personal property, irrespective of the mode of its attachment to realty, the consequences of its being disturbed or removed, or the use made thereof; and Buyer shall not sell, mortgage, pledge or otherwise deal in or encumber the equipment or any part thereof or permit the same to be removed for periods of more than thirty days from the place designated on the face hereof where it will be kept when not in use (so long as any portion of the purchase price or accrued interest remains unpaid), without Seller's prior written consent.

3. SELLER'S REMEDIES.

In the event that Buyer fails to make any payment hereunder when due, or otherwise defaults in the performance of the terms and conditions hereof, or if a receiver or trustee of Buyer's property or business is appointed by any court, or if a proceeding in bankruptcy or insolvency is instituted by or against Buyer (and not dismissed within sixty days), or if Buyer makes an assignment for the benefit of creditors, or if for any other reason Seller deems itself to be insecure hereunder, the entire amount unpaid hereunder shall become immediately due and payable, at Seller's option.

SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE A PART OF THIS CONTRACT.

Receipt of an executed copy of this Conditional Sale Agreement is hereby acknowledged.

BUYER'S RECEIPT OF ASSIGNMENT

The undersigned, being the Buyer named in the foregoing Conditional Sale Contract, hereby acknowledges receipt of notice of the assignment of said Agreement to FMC Finance Corporation and agrees to make all payments required thereunder directly to FMC Finance Corporation at

P.O. Box 760
San Jose, California 95106

SELLER FMC Marine and Rail Equipment Division (FULL LEGAL BUSINESS NAME)

BUYER SSI Rail Corp. (FULL LEGAL BUSINESS NAME)

ADDRESS 4700 N.W. Front Ave., Portland, OR

ADDRESS _____

BY X Charles H. Johnson (SIGNATURE)

BY X [Signature] (SIGNATURE)

TITLE _____ DATE _____

TITLE President DATE 6-20-75

TERMS AND CONDITIONS
(Cont'd.)

3. SELLER'S REMEDIES. (Cont'd.)

In such event, Seller may take immediate possession of the equipment (including all additions or accessions thereto and substitutions therefor), without notice, demand or legal process and without liability to Buyer for any damages or otherwise for so doing. For the purpose of taking possession of the equipment, Seller may enter upon any premises where the equipment may be. Seller may also require Buyer to assemble the equipment and deliver it to Seller at such place as Seller may designate which is reasonably convenient to Seller and Buyer, and Buyer agrees to do so when so required by Seller. Seller may resell the equipment at public or private sale, upon such terms as Seller may determine, with or without notice to Buyer, and with or without having the equipment at the place of sale. Seller may bid at any public sale. From the proceeds of any such sale Seller shall deduct all expenses of retaking, storing and selling the equipment, including the cost of repairs and any other reasonable costs of preparing the property for sale. The balance of the proceeds shall be applied to the total amount due hereunder. In case of deficiency, Buyer shall pay the same with interest.

If Seller retains an attorney to enforce Seller's rights hereunder, Buyer shall pay reasonable attorney's fees to Seller in connection therewith.

The rights and remedies herein granted to Seller are not exclusive but are in addition to any other rights and remedies granted to Seller by law, including without limitation all rights and remedies available to Seller under the Uniform Commercial Code.

4. WARRANTY.

FMC Finance Corporation

THERE ARE NO UNDERSTANDINGS, REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, BUT WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, NOT EXPRESSLY SET FORTH HEREIN, AND SELLER SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. **This agreement shall not affect the Seller's warranty.**

5. DISCLAIMER OF CONSEQUENTIAL DAMAGES.

SELLER IN NO EVENT SHALL BE LIABLE FOR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION BREACH OF ANY OBLIGATION IMPOSED ON SELLER HEREUNDER OR IN CONNECTION HERewith. CONSEQUENTIAL DAMAGES FOR PURPOSES HEREOF SHALL INCLUDE WITHOUT LIMITATION, LOSS OF USE, INCOME OR PROFIT, OR LOSSES SUSTAINED AS THE RESULT OF INJURY (INCLUDING DEATH) TO ANY PERSON, OR LOSS OF OR DAMAGE TO PROPERTY (INCLUDING WITHOUT LIMITATION PROPERTY HANDLED OR PROCESSED BY THE USE OF THE EQUIPMENT). BUYER SHALL INDEMNIFY SELLER AGAINST ALL LIABILITY, COST OR EXPENSE WHICH MAY BE SUSTAINED BY SELLER ON ACCOUNT OF ANY SUCH LOSS, DAMAGE OR INJURY.

6. CONTINGENCIES.

Seller shall not be liable to Buyer for any loss or damage suffered by Buyer, directly or indirectly, as a result of Seller's failure to deliver or delay in delivering the equipment or failure to perform, or delay in performing, any other term or condition hereof, where such failure or delay is caused by fire, flood, natural disaster, labor trouble (including without limitation strike, slowdown, and lockout), war, riot, civil disorder, embargo, Government regulations or restrictions of any and all kinds, expropriation of plant by federal or state authority, interruption of or delay in transportation, power failure, inability to obtain materials and supplies, accident, explosion, act of God, or other causes of like or different character beyond Seller's control.

7. RISK OF LOSS.

The risk of loss or destruction of, or damage to, the equipment shall be on Buyer from and after delivery thereof to Buyer or carrier. The equipment shall be insured by Buyer at its own expense against loss or damage by fire and the other causes covered by the extended coverage endorsement, in an amount not less than the total of payments due to Seller hereunder, with loss, if any, payable to Seller and Buyer as their respective interests may appear. The policy or policies of insurance shall be written in a form acceptable to Seller and shall provide 30 days minimum written cancellation notice to Seller. Buyer shall promptly furnish Seller with a certificate of insurance issued by the insurer on each policy. In the event that the equipment is destroyed or damaged by fire or any other cause whether within or without Buyer's control, Buyer nevertheless shall be liable to Seller for the full amount of the unpaid purchase price, plus accrued interest, but any insurance paid to Seller on account of any such destruction or damage shall be credited against unpaid purchase price.

**At Seller's Plant
Portland, Oregon**

8. PATENTED PROCESS.

The purchase of the equipment does not entitle Buyer to employ the same with any patented process owned by Seller or others, except where Buyer is expressly authorized to use such process.

9. PATENT INFRINGEMENT.

Except in the case of articles, materials and designs furnished or specified by Buyer, **Seller** at its own expense, shall defend any suit brought against Buyer on the ground that use of the equipment furnished hereunder by Seller, infringes any existing United States Letters Patent, and shall pay the amount of any judgment that may be awarded against Buyer in any such suit, provided and upon condition that Buyer shall have made all payments due under this agreement and shall (a) promptly deliver to Seller all infringement notices and other papers received by or served upon Buyer, (b) permit Seller to take complete charge of the defense of such suit and to compromise the same, if deemed advisable, and (c) assist in every reasonable way in the conduct of such defense.

In the event that Buyer shall be enjoined by a court of competent jurisdiction from which no appeal can be taken from using the equipment for the intended purpose on the ground that use of the equipment infringes an existing United States patent, or it is established to Seller's satisfaction, upon due investigation, that use of the equipment infringes an existing United States Patent, Seller, at its option, may either (a) procure for Buyer a license to continue using the equipment, (b) modify the equipment so as to make it noninfringing without seriously impairing its performance, (c) replace the equipment with equipment that is substantially the equivalent but noninfringing or (d) remove the equipment from Buyer's plant, in which event Seller shall refund to Buyer the purchase price less depreciation at the rate of 20% per year. The foregoing sets forth Seller's entire liability to Buyer for patent infringement based on the possession and use of the equipment by Buyer; it being understood and agreed that the aforesaid obligations of Seller do not extend to, and are not applicable in the case of, any patent infringement claims directed to a method or a process and that as to such claims Seller has no obligation whatsoever.

Buyer agrees to defend and indemnify Seller against any claims or liabilities for, or by reason of, the infringement of any United States Patent arising from the manufacture of any of the equipment in accordance with specifications furnished by Buyer or the sale thereof.

10. TAXES.

Property taxes assessed against the equipment shall be paid by Buyer. Should any tax assessment become delinquent, Buyer shall promptly so notify Seller; and any payment made by Seller to discharge such assessment shall become part of the purchase price and be secured by and under this contract.

11. PROMISSORY NOTES.

At Seller's option, any unpaid balance hereunder shall be evidenced by a note or notes bearing interest as herein specified; but the acceptance of notes by Seller shall not constitute payment hereunder or divest Seller of its security interest in the equipment.

12. ADDITIONAL CHARGES.

If substitute or additional equipment, or repair parts, are purchased by Buyer from Seller, the terms and conditions of this contract shall be applicable thereto, the same as if such substitute or additional equipment, or repair parts, had been originally purchased hereunder.

13. NON-WAIVER.

Waiver by Seller of any default hereunder of Buyer shall not be construed as a waiver of any prior or subsequent default.

14. CANCELLATION CHARGES.

This contract is subject to cancellation by Buyer at any time prior to delivery of the equipment, but only upon payment to Seller of reasonable cancellation charges, which shall take into account expenses already incurred and commitments made by Seller and Seller's anticipated profit.

**PLEASE ATTACH CHECK
FOR DOWN PAYMENT HERE**

8015

RECORDATION NO. Filed & Recorded

**APPLICATION FOR
CONDITIONAL SALES CONTRACT**

June 19, 1975



NAME OF BUYER SSI RAIL CORPORATION

BUYER'S BILLING ADDRESS Two Embarcadero Ctr. S. F. California 94111 (415) 983-0123
NUMBER STREET CITY STATE ZIP No. PHONE No.

The undersigned Buyer ("BUYER") hereby agrees to purchase from FMC Corporation, Marine and Rail DEALER NAME
Equipment Division, 4700 N. W. Front Ave., Portland, Oregon 97208 (DEALER ADDRESS)

("SELLER"), and SELLER hereby agrees to sell to BUYER, UPON AND SUBJECT TO THE TERMS AND CONDITIONS ON THE FACE AND BACK HEREOF, the equipment described below and/or on the specification sheets attached hereto and made a part hereof ("EQUIPMENT"), as follows:

QUANTITY	DESCRIPTION	TOTAL
100	FMC 50'-6" 70-Ton, Single Sheath, Rigid Underframe Box Cars with 10' Sliding Door and Nailable Steel Flooring	\$2,751,000.00

1. CASH PRICE	\$ 2,751,000.00	EQUIPMENT TOTAL	\$2,751,000.00
2. CASH DOWN PAYMENT	\$ 550,200.00	FREIGHT	\$
3. UNPAID BALANCE OF CASH PRICE (LINE #1 MINUS #2)	\$ 2,200,800.00	SALES TAX	\$
4. OTHER CHARGES:		LESS TRADE INS	\$
4. (A) See Addendum	\$	CASH PRICE ▶	\$2,751,000.00
4. (B)	\$		
5. AMOUNT FINANCED (UNPAID BALANCE)	\$ 2,200,800.00		
6. TOTAL OF PAYMENTS (LINE #6 MINUS #5)	\$ NA		
7. FINANCE CHARGE	\$ NA		
8. DEFERRED PAYMENT CASH PRICE (LINE #2 + #6)	\$ NA		
9. ANNUAL PERCENTAGE RATE <i>For First Eight Years (See Addendum)</i>	12.76 %		
10. BUYER agrees to pay to SELLER payments of \$ See Addendum			

PAYABLE: See Addendum/Six Months from Down Payment
 MONTHLY (No. of Pymts.) / beginning: (Date of 1st Payment)
 QUARTERLY *In Arrears*
 OTHER (SPECIFY)

SELLER retains, and BUYER grants to SELLER, a security interest in EQUIPMENT.

PAYMENTS THAT ARE DELINQUENT MORE THAN 20 DAYS WILL BE SUBJECT TO A MINIMUM LATE CHARGE OF \$5.00 PLUS 1% OF THE PAYMENT AMOUNT DUE CHARGED MONTHLY, OR THE HIGHEST LAWFUL CONTRACT RATE IF SAID AMOUNT IS UNLAWFUL.

KIND OF BUSINESS	HOW LONG IN BUSINESS	ORGANIZATION TYPE:
		CORPORATION <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> PROPRIETORSHIP <input type="checkbox"/> LTD. PARTNERSHIP <input type="checkbox"/>
BANK NAME	ADDRESS	PHONE OFFICER

GIVE NAMES OF BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED

NAME	ADDRESS	PHONE	HIGH CREDIT	TYPE OF LOAN
			\$	
			\$	

GIVE NAMES OF MAJOR SUPPLIERS

SUPPLIER'S NAME	ADDRESS (CITY & STATE)	PHONE	HIGH CREDIT (OVER \$500.)	CREDIT MGR. NAME

INSURANCE AGENT	ADDRESS (CITY & STATE)	PHONE	AMT. OF INS.	INSURANCE COMPANY

This application does not obligate customer or FMC Finance Corporation to enter into a contract. The undersigned hereby grants permission to FMC Finance Corporation to obtain from any source any information related to its credit standing, agrees to supply to FMC Finance Corporation (without charge) such financial statements and other information as may reasonably be requested and warrants the accuracy of the information in this application and any other materials submitted by the undersigned.

NAME _____ SIGNATURE _____ DATE _____

IMPORTANT PLEASE ATTACH FINANCIAL STATEMENTS OR IF NOT IMMEDIATELY AVAILABLE, COMPLETE AND SIGN THE STATEMENT ON THE REVERSE SIDE.

Please fill out completely

FINANCIAL STATEMENT OF _____
AS OF _____

Accounts Receivable				Notes payable to Banks — Unsecured			
Inventories:				Notes Payable to Officers			
Finished Goods				Trade Accounts			
Raw Materials				Current Operating Reserves			
Work in Process				Unpaid Income Tax			
Notes Receivables				Unpaid Interest			
Marketable Securities				Real Estate Mortgages			
Other Current Assets							
Total Current Assets				Chattel Mortgages and other			
Real Estate owned — Attach Schedule				Liens payable			
Real Estate Mortgages Receivable				Other debts — itemize			
Automobiles and other Property							
Cash Value — Life Insurance							
Net Fixtures and Equipment							
Other assets — itemize							
				TOTAL LIABILITIES			
				NET WORTH			
TOTAL ASSETS				TOTAL LIAB. & NET WORTH			

PERSONAL INFORMATION FOR PROPRIETORS OR MAJOR STOCKHOLDER

SOURCES OF INCOME		OTHER INFORMATION	
Salary	\$	Employer & Address and Phone	
Bonus and Commissions	\$	Partner or officer in any other venture	
Dividends	\$	Married <input type="checkbox"/>	Spouse
Real Estate Income	\$	Single <input type="checkbox"/>	No. of Children
Other income — itemize	\$	Age	
TOTAL	\$	Home Address:	

GENERAL INFORMATION ON BUSINESS AND/OR PERSONAL ACCOUNT

CONTINGENT LIABILITIES	OTHER INFORMATION	
As endorser, comaker or guarantor	\$	Are any assets pledged?
On leases or contracts	\$	Are you defendant in any suits
Legal claims	\$	or legal actions?
Provision for Federal Income		Personal Bank Accounts carried at
Taxes	\$	
Other special debt	\$	Have you ever taken bankruptcy? Explain:

The above statements have been carefully read and completed by the Undersigned. The answers written or printed give a full and correct statement of the Undersigned's financial condition. Witness our hand on the date set forth below.

Signed this _____ day of _____ 19____

Firm Name _____

By _____

NAME OF BUYER SSI RAIL CORPORATION
BUYER'S BILLING ADDRESS Two Embarcadero Ctr., S. F., California 94111
NUMBER STREET CITY STATE ZIP No. PHONE No. JUL 30 1975 9-85 AM 3

INTERSTATE COMMERCE COMMISSION

The undersigned Buyer ("BUYER") hereby agrees to purchase from FMC Corporation, Marine and Rail
DEALER NAME
Equipment Division, 4700 N.W. Front Ave., Portland, Oregon 97208 (DEALER ADDRESS)

("SELLER"), and SELLER hereby agrees to sell to BUYER, UPON AND SUBJECT TO THE TERMS AND CONDITIONS ON THE FACE AND BACK HEREOF, the equipment described below and/or on the specification sheets attached hereto and made a part hereof ("EQUIPMENT"), as follows:

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4. OTHER CHARGES:	
4. (A) See Addendum	\$
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5. AMOUNT FINANCED (UNPAID BALANCE)	\$ 2,200,800.00
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EQUIPMENT TOTAL	\$2,751,000.00
FREIGHT	\$
SALES TAX	\$
LESS TRADE INS	\$
CASH PRICE	\$2,751,000.00

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See Addendum/Six Months from Down (No. of Pymts.) / beginning: (Date of 1st Payment)
MONTHLY
QUARTERLY In Arrears
OTHER (SPECIFY)

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1. TITLE: TERMS AND CONDITIONS

Title to the equipment covered by this contract, and to all additions or accessions thereto and substitutions therefor, shall remain in Seller as a security interest until Buyer has completed payment of the purchase price, plus accrued interest, and fully performed all of the terms and conditions hereof.

2. PROTECTION OF SELLER'S SECURITY INTEREST.

The equipment shall remain strictly personal property, irrespective of the mode of its attachment to realty, the consequences of its being disturbed or removed, or the use made thereof; and Buyer shall not sell, mortgage, pledge or otherwise deal in or encumber the equipment or any part thereof or permit the same to be removed for periods of more than thirty days from the place designated on the face hereof where it will be kept when not in use (so long as any portion of the purchase price or accrued interest remains unpaid), without Seller's prior written consent.

ASSIGNMENT AND GUARANTEE

For value received the undersigned, being the Seller named in this Conditional Sale Contract ("Agreement"), sells, assigns and transfers to FMC Finance Corporation ("Assignee") the Agreement, together with all sums due and to become due thereon, as well as all rights which the undersigned has, by reason of Agreement, against the Buyer named therein and against the property described therein. The undersigned warrants that the property described in the Agreement is, with the exception of the Agreement, free and clear of all liens and encumbrances and that the Agreement is genuine, valid and subsisting and free from defenses and off-sets, and arises out of a bona fide sale as therein described. The undersigned further warrants that its signature is genuine, and said property has been delivered in good order to and accepted by said Buyer.

3. SELLER'S REMEDIES.

In the event that Buyer fails to make any payment hereunder when due, or otherwise defaults in the performance of the terms and conditions hereof, or if a receiver or trustee of Buyer's property or business is appointed by any court, or if a proceeding in bankruptcy or insolvency is instituted by or against Buyer (and not dismissed within sixty days), or if Buyer makes an assignment for the benefit of creditors, or if for any other reason Seller deems itself to be insecure hereunder, the entire amount unpaid hereunder shall become immediately due and payable, at Seller's option.

SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE A PART OF THIS CONTRACT.

Receipt of an executed copy of this Conditional Sale Agreement is hereby acknowledged.

BUYER'S RECEIPT OF ASSIGNMENT

The undersigned, being the Buyer named in the foregoing Conditional Sale Contract, hereby acknowledges receipt of notice of the assignment of said Agreement to FMC Finance Corporation and agrees to make all payments required thereunder directly to FMC Finance Corporation at

P.O. Box 760
San Jose, California 95106

SELLER FMC Marine and Rail Equipment Division
(FULL LEGAL BUSINESS NAME)

ADDRESS 4700 N.W. Front Ave., Portland, OR

BY X Charles Johnson
(SIGNATURE)

TITLE Division Manager DATE 7-2-75

BUYER SSI Rail Corp.
(FULL LEGAL BUSINESS NAME)

ADDRESS San Francisco, California

BY X [Signature]
(SIGNATURE)

TITLE President DATE 6-28-75

TERMS AND CONDITIONS
(Cont'd.)

3. SELLER'S REMEDIES. (Cont'd.)

In such event, Seller may take immediate possession of the equipment (including all additions or accessions thereto and substitutions therefor), without notice, demand or legal process and without liability to Buyer for any damages or otherwise for so doing. For the purpose of taking possession of the equipment, Seller may enter upon any premises where the equipment may be. Seller may also require Buyer to assemble the equipment and deliver it to Seller at such place as Seller may designate which is reasonably convenient to Seller and Buyer, and Buyer agrees to do so when so required by Seller. Seller may resell the equipment at public or private sale, upon such terms as Seller may determine, with or without notice to Buyer, and with or without having the equipment at the place of sale. Seller may bid at any public sale. From the proceeds of any such sale Seller shall deduct all expenses of retaking, storing and selling the equipment, including the cost of repairs and any other reasonable costs of preparing the property for sale. The balance of the proceeds shall be applied to the total amount due hereunder. In case of deficiency, Buyer shall pay the same with interest.

If Seller retains an attorney to enforce Seller's rights hereunder, Buyer shall pay reasonable attorney's fees to Seller in connection therewith.

The rights and remedies herein granted to Seller are not exclusive but are in addition to any other rights and remedies granted to Seller by law, including without limitation all rights and remedies available to Seller under the Uniform Commercial Code.

4. WARRANTY. **FMC Finance Corporation**

THERE ARE NO UNDERSTANDINGS, REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, BUT WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, NOT EXPRESSLY SET FORTH HEREIN, AND SELLER SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. **This agreement shall not affect the Seller's warranty.**

5. DISCLAIMER OF CONSEQUENTIAL DAMAGES.

SELLER IN NO EVENT SHALL BE LIABLE FOR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION BREACH OF ANY OBLIGATION IMPOSED ON SELLER HEREUNDER OR IN CONNECTION HERewith. CONSEQUENTIAL DAMAGES FOR PURPOSES HEREOF SHALL INCLUDE WITHOUT LIMITATION, LOSS OF USE, INCOME OR PROFIT, OR LOSSES SUSTAINED AS THE RESULT OF INJURY (INCLUDING DEATH) TO ANY PERSON, OR LOSS OF OR DAMAGE TO PROPERTY (INCLUDING WITHOUT LIMITATION PROPERTY HANDLED OR PROCESSED BY THE USE OF THE EQUIPMENT). BUYER SHALL INDEMNIFY SELLER AGAINST ALL LIABILITY, COST OR EXPENSE WHICH MAY BE SUSTAINED BY SELLER ON ACCOUNT OF ANY SUCH LOSS, DAMAGE OR INJURY.

6. CONTINGENCIES.

Seller shall not be liable to Buyer for any loss or damage suffered by Buyer, directly or indirectly, as a result of Seller's failure to deliver or delay in delivering the equipment or failure to perform, or delay in performing, any other term or condition hereof, where such failure or delay is caused by fire, flood, natural disaster, labor trouble (including without limitation strike, slowdown, and lockout), war, riot, civil disorder, embargo, Government regulations or restrictions of any and all kinds, expropriation of plant by federal or state authority, interruption of or delay in transportation, power failure, inability to obtain materials and supplies, accident, explosion, act of God, or other causes of like or different character beyond Seller's control.

7. RISK OF LOSS.

The risk of loss or destruction of, or damage to, the equipment shall be on Buyer from and after delivery thereof to Buyer or carrier. The equipment shall be insured by Buyer at its own expense against loss or damage by fire and the other causes covered by the extended coverage endorsement, in an amount not less than the total of payments due to Seller hereunder, with loss, if any, payable to Seller and Buyer as their respective interests may appear. The policy or policies of insurance shall be written in a form acceptable to Seller and shall provide 30 days minimum written cancellation notice to Seller. Buyer shall promptly furnish Seller with a certificate of insurance issued by the insurer on each policy. In the event that the equipment is destroyed or damaged by fire or any other cause whether within or without Buyer's control, Buyer nevertheless shall be liable to Seller for the full amount of the unpaid purchase price, plus accrued interest, but any insurance paid to Seller on account of any such destruction or damage shall be credited against unpaid purchase price.

**At Seller's Plant
Portland, Oregon**

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Except in the case of articles, materials and designs furnished or specified by Buyer, **Seller** at its own expense, shall defend any suit brought against Buyer on the ground that use of the equipment furnished hereunder by Seller, infringes any existing United States Letters Patent, and shall pay the amount of any judgment that may be awarded against Buyer in any such suit, provided and upon condition that Buyer shall have made all payments due under this agreement and shall (a) promptly deliver to Seller all infringement notices and other papers received by or served upon Buyer, (b) permit Seller to take complete charge of the defense of such suit and to compromise the same, if deemed advisable, and (c) assist in every reasonable way in the conduct of such defense.

In the event that Buyer shall be enjoined by a court of competent jurisdiction from which no appeal can be taken from using the equipment for the intended purpose on the ground that use of the equipment infringes an existing United States patent, or it is established to Seller's satisfaction, upon due investigation, that use of the equipment infringes an existing United States Patent, Seller, at its option, may either (a) procure for Buyer a license to continue using the equipment, (b) modify the equipment so as to make it noninfringing without seriously impairing its performance, (c) replace the equipment with equipment that is substantially the equivalent but noninfringing or (d) remove the equipment from Buyer's plant, in which event Seller shall refund to Buyer the purchase price less depreciation at the rate of 20% per year. The foregoing sets forth Seller's entire liability to Buyer for patent infringement based on the possession and use of the equipment by Buyer; it being understood and agreed that the aforesaid obligations of Seller do not extend to, and are not applicable in the case of, any patent infringement claims directed to a method or a process and that as to such claims Seller has no obligation whatsoever.

Buyer agrees to defend and indemnify Seller against any claims or liabilities for, or by reason of, the infringement of any United States Patent arising from the manufacture of any of the equipment in accordance with specifications furnished by Buyer or the sale thereof.

10. TAXES.

Property taxes assessed against the equipment shall be paid by Buyer. Should any tax assessment become delinquent, Buyer shall promptly so notify Seller; and any payment made by Seller to discharge such assessment shall become part of the purchase price and be secured by and under this contract.

11. PROMISSORY NOTES.

At Seller's option, any unpaid balance hereunder shall be evidenced by a note or notes bearing interest as herein specified; but the acceptance of notes by Seller shall not constitute payment hereunder or divest Seller of its security interest in the equipment.

12. ADDITIONAL CHARGES.

If substitute or additional equipment, or repair parts, are purchased by Buyer from Seller, the terms and conditions of this contract shall be applicable thereto, the same as if such substitute or additional equipment, or repair parts, had been originally purchased hereunder.

13. NON-WAIVER.

Waiver by Seller of any default hereunder of Buyer shall not be construed as a waiver of any prior or subsequent default.

14. CANCELLATION CHARGES.

This contract is subject to cancellation by Buyer at any time prior to delivery of the equipment, but only upon payment to Seller of reasonable cancellation charges, which shall take into account expenses already incurred and commitments made by Seller and Seller's anticipated profit.

NAME OF BUYER SSI RAIL CORPORATION RECORDATION NO. 8015 Filed & Recorded
BUYER'S BILLING ADDRESS Two Embarcadero Ctr., S. F., California 94111 **JUL 30 1975 9:25 AM**
NUMBER STREET CITY STATE ZIP No. PHONE No.

INTERSTATE COMMERCE COMMISSION

The undersigned Buyer ("BUYER") hereby agrees to purchase from FMC Corporation, Marine and Rail DEALER NAME
Equipment Division, 4700 N.W. Front Ave., Portland, Oregon 97203 (DEALER ADDRESS)

("SELLER"), and SELLER hereby agrees to sell to BUYER, UPON AND SUBJECT TO THE TERMS AND CONDITIONS ON THE FACE AND BACK HEREOF, the equipment described below and/or on the specification sheets attached hereto and made a part hereof ("EQUIPMENT"), as follows:

QUANTITY	DESCRIPTION	TOTAL
100	FMC 50'-6" 70-Ton, Single Sheath, Rigid Underframe Box Cars with 10' Sliding Door and Nailable Steel Flooring	\$2,751,000.00

1. CASH PRICE	2,751,000.00	EQUIPMENT TOTAL	\$2,751,000.00
2. CASH DOWN PAYMENT	\$50,000.00	LESS FREIGHT	\$
3. UNPAID BALANCE OF CASH PRICE (LINE #1 MINUS #2)	\$2,200,800.00	SALES TAX	\$
4. OTHER CHARGES:		LESS TRADE INS	\$
4. (A) See Addendum	\$	CASH PRICE ▶	\$2,751,000.00
4. (B)	\$		
5. AMOUNT FINANCED (UNPAID BALANCE)	\$2,200,800.00	NOTICE TO BUYER: YOU HAVE A RIGHT TO PAY IN ADVANCE THE UNPAID BALANCE OF THIS AGREEMENT AND OBTAIN A PARTIAL REFUND (CREDIT) OF THE FINANCE CHARGE BASED ON THE ACTUARIAL METHOD. HOWEVER AN ADDITIONAL 1% PREPAYMENT PENALTY WILL BE ASSESSED BASED ON THE OUTSTANDING PRINCIPAL DUE AT DATE OF PREPAYMENT. YOU ARE ENTITLED TO A COPY OF THE CONTRACT YOU SIGN.	
6. TOTAL OF PAYMENTS (LINE #6 MINUS #5)	\$ NA	SELLER retains, and BUYER grants to SELLER, a security interest in EQUIPMENT.	
7. FINANCE CHARGE	\$ NA		
8. DEFERRED PAYMENT CASH PRICE (LINE #2 + #6)	\$ NA		
9. ANNUAL PERCENTAGE RATE For First Eight Years	12.76 %		
10. BUYER agrees to pay to SELLER payments of \$ See Addendum			

PAYMENTS THAT ARE DELINQUENT MORE THAN 10 DAYS WILL BE SUBJECT TO A MINIMUM LATE CHARGE OF \$5.00 PLUS 1% OF THE PAYMENT AMOUNT DUE CHARGED MONTHLY, OR THE HIGHEST LAWFUL CONTRACT RATE IF SAID AMOUNT IS UNLAWFUL.

1. TITLE: **TERMS AND CONDITIONS**
Title to the equipment covered by this contract, and to all additions or accessions thereto and substitutions therefor, shall remain in Seller as a security interest until Buyer has completed payment of the purchase price, plus accrued interest, and fully performed all of the terms and conditions hereof.

2. PROTECTION OF SELLER'S SECURITY INTEREST.
The equipment shall remain strictly personal property, irrespective of the mode of its attachment to realty, the consequences of its being disturbed or removed, or the use made thereof; and Buyer shall not sell, mortgage, pledge or otherwise deal in or encumber the equipment or any part thereof or permit the same to be removed for periods of more than thirty days from the place designated on the face hereof where it will be kept when not in use (so long as any portion of the purchase price or accrued interest remains unpaid), without Seller's prior written consent.

ASSIGNMENT AND GUARANTEE
For value received the undersigned, being the Seller named in this Conditional Sale Contract ("Agreement"), sells, assigns and transfers to FMC Finance Corporation ("Assignee") the Agreement, together with all sums due and to become due thereon, as well as all rights which the undersigned has, by reason of Agreement, against the Buyer named therein and against the property described therein. The undersigned warrants that the property described in the Agreement is, with the exception of the Agreement, free and clear of all liens and encumbrances and that the Agreement is genuine, valid and subsisting and free from defenses and off-sets, and arises out of a bona fide sale as therein described. The undersigned further warrants that its signature is genuine, and said property has been delivered in good order to and accepted by said Buyer.

3. SELLER'S REMEDIES.
In the event that Buyer fails to make any payment hereunder when due, or otherwise defaults in the performance of the terms and conditions hereof, or if a receiver or trustee of Buyer's property or business is appointed by any court, or if a proceeding in bankruptcy or insolvency is instituted by or against Buyer (and not dismissed within sixty days), or if Buyer makes an assignment for the benefit of creditors, or if for any other reason Seller deems itself to be insecure hereunder, the entire amount unpaid hereunder shall become immediately due and payable, at Seller's option.

SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE A PART OF THIS CONTRACT.

Receipt of an executed copy of this Conditional Sale Agreement is hereby acknowledged.

BUYER'S RECEIPT OF ASSIGNMENT
The undersigned, being the Buyer named in the foregoing Conditional Sale Contract, hereby acknowledges receipt of notice of the assignment of said Agreement to FMC Finance Corporation and agrees to make all payments required thereunder directly to FMC Finance Corporation at

P.O. Box 760
San Jose, California 95106

SELLER FMC Marine and Rail Equipment Division (FULL LEGAL BUSINESS NAME)
ADDRESS 4700 N.W. Front Ave., Portland, OR
BY X Charles Johnson (SIGNATURE)
TITLE Division Manager DATE 7-2-75

BUYER SSI Rail Corp. (FULL LEGAL BUSINESS NAME)
ADDRESS San Francisco, California
BY X [Signature] (SIGNATURE)
TITLE President DATE 6-20-75

TERMS AND CONDITIONS
(Cont'd.)

3. SELLER'S REMEDIES. (Cont'd.)

In such event, Seller may take immediate possession of the equipment (including all additions or accessions thereto and substitutions therefor), without notice, demand or legal process and without liability to Buyer for any damages or otherwise for so doing. For the purpose of taking possession of the equipment, Seller may enter upon any premises where the equipment may be. Seller may also require Buyer to assemble the equipment and deliver it to Seller at such place as Seller may designate which is reasonably convenient to Seller and Buyer, and Buyer agrees to do so when so required by Seller. Seller may resell the equipment at public or private sale, upon such terms as Seller may determine, with or without notice to Buyer, and with or without having the equipment at the place of sale. Seller may bid at any public sale. From the proceeds of any such sale Seller shall deduct all expenses of retaking, storing and selling the equipment, including the cost of repairs and any other reasonable costs of preparing the property for sale. The balance of the proceeds shall be applied to the total amount due hereunder. In case of deficiency, Buyer shall pay the same with interest.

If Seller retains an attorney to enforce Seller's rights hereunder, Buyer shall pay reasonable attorney's fees to Seller in connection therewith.

The rights and remedies herein granted to Seller are not exclusive but are in addition to any other rights and remedies granted to Seller by law, including without limitation all rights and remedies available to Seller under the Uniform Commercial Code.

4. WARRANTY. *FMC Finance Corporation*

THERE ARE NO UNDERSTANDINGS, REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, BUT WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, NOT EXPRESSLY SET FORTH HEREIN, AND SELLER SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. *This agreement shall not affect the Seller's warranty.*

5. DISCLAIMER OF CONSEQUENTIAL DAMAGES.

SELLER IN NO EVENT SHALL BE LIABLE FOR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION BREACH OF ANY OBLIGATION IMPOSED ON SELLER HEREUNDER OR IN CONNECTION HERewith. CONSEQUENTIAL DAMAGES FOR PURPOSES HEREOF SHALL INCLUDE WITHOUT LIMITATION, LOSS OF USE, INCOME OR PROFIT, OR LOSSES SUSTAINED AS THE RESULT OF INJURY (INCLUDING DEATH) TO ANY PERSON, OR LOSS OF OR DAMAGE TO PROPERTY (INCLUDING WITHOUT LIMITATION PROPERTY HANDLED OR PROCESSED BY THE USE OF THE EQUIPMENT). BUYER SHALL INDEMNIFY SELLER AGAINST ALL LIABILITY, COST OR EXPENSE WHICH MAY BE SUSTAINED BY SELLER ON ACCOUNT OF ANY SUCH LOSS, DAMAGE OR INJURY.

6. CONTINGENCIES.

Seller shall not be liable to Buyer for any loss or damage suffered by Buyer, directly or indirectly, as a result of Seller's failure to deliver or delay in delivering the equipment or failure to perform, or delay in performing, any other term or condition hereof, where such failure or delay is caused by fire, flood, natural disaster, labor trouble (including without limitation strike, slowdown, and lockout), war, riot, civil disorder, embargo, Government regulations or restrictions of any and all kinds, expropriation of plant by federal or state authority, interruption of or delay in transportation, power failure, inability to obtain materials and supplies, accident, explosion, act of God, or other causes of like or different character beyond Seller's control.

7. RISK OF LOSS.

The risk of loss or destruction of, or damage to, the equipment shall be on Buyer from and after delivery thereof to Buyer or carrier. The equipment shall be insured by Buyer at its own expense against loss or damage by fire and the other causes covered by the extended coverage endorsement, in an amount not less than the total of payments due to Seller hereunder, with loss, if any, payable to Seller and Buyer as their respective interests may appear. The policy or policies of insurance shall be written in a form acceptable to Seller and shall provide 30 days minimum written cancellation notice to Seller. Buyer shall promptly furnish Seller with a certificate of insurance issued by the insurer on each policy. In the event that the equipment is destroyed or damaged by fire or any other cause whether within or without Buyer's control, Buyer nevertheless shall be liable to Seller for the full amount of the unpaid purchase price, plus accrued interest, but any insurance paid to Seller on account of any such destruction or damage shall be credited against unpaid purchase price.

*At Seller's Plant
Portland, Oregon*

8. PATENTED PROCESS.

The purchase of the equipment does not entitle Buyer to employ the same with any patented process owned by Seller or others, except where Buyer is expressly authorized to use such process.

9. PATENT INFRINGEMENT.

Except in the case of articles, materials and designs furnished or specified by Buyer, *Seller* at its own expense, shall defend any suit brought against Buyer on the ground that use of the equipment furnished hereunder by Seller, infringes any existing United States Letters Patent, and shall pay the amount of any judgment that may be awarded against Buyer in any such suit, provided and upon condition that Buyer shall have made all payments due under this agreement and shall (a) promptly deliver to Seller all infringement notices and other papers received by or served upon Buyer, (b) permit Seller to take complete charge of the defense of such suit and to compromise the same, if deemed advisable, and (c) assist in every reasonable way in the conduct of such defense.

In the event that Buyer shall be enjoined by a court of competent jurisdiction from which no appeal can be taken from using the equipment for the intended purpose on the ground that use of the equipment infringes an existing United States patent, or it is established to Seller's satisfaction, upon due investigation, that use of the equipment infringes an existing United States Patent, Seller, at its option, may either (a) procure for Buyer a license to continue using the equipment, (b) modify the equipment so as to make it noninfringing without seriously impairing its performance, (c) replace the equipment with equipment that is substantially the equivalent but noninfringing or (d) remove the equipment from Buyer's plant, in which event Seller shall refund to Buyer the purchase price less depreciation at the rate of 20% per year. The foregoing sets forth Seller's entire liability to Buyer for patent infringement based on the possession and use of the equipment by Buyer; it being understood and agreed that the aforesaid obligations of Seller do not extend to, and are not applicable in the case of, any patent infringement claims directed to a method or a process and that as to such claims Seller has no obligation whatsoever.

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