

EQUIPMENT MORTGAGE

EQUIPMENT MORTGAGE, dated as of December 12, 1972, from ILLINOIS APPLIANCE CAR COMPANY, (herein called the "Mortgagor"), whose address is 29 South LaSalle Street, Chicago, Illinois as mortgagor to NORTH AMERICAN CAR CORPORATION, (herein called the "Mortgagee"), having an office at 77 South Wacker Drive, Chicago, Illinois, as mortgagee.

WHEREAS, under a certain loan agreement, dated the date hereof, between Illinois Appliance Car Company, and the Mortgagee, a copy of which is attached hereto as Exhibit 1 (herein as the same may hereafter be amended and supplemented called the "Loan Agreement"), the Mortgagee has agreed to lend to the Mortgagor an aggregate principal sum not to exceed \$277,500.00 to be evidenced by one promissory note in the form annexed to the Loan Agreement as Exhibit A (herewith called the "Note"). The Note and the Loan Agreement are to be secured by certain railroad equipment and by an assignment of the Mortgagor's right, title and interest as lessor under a Lease (herein called the "Lease") dated as of the date hereof between the Mortgagor and CHICAGO ROCK ISLAND AND PACIFIC RAILROAD COMPANY, a Delaware corporation (herein called the "Railroad"), all as more fully provided in the Loan Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Mortgagee to make the loan under the Loan Agreement that this Mortgage be executed and delivered;

NOW THEREFORE, in consideration of the premises and of the sum of One Dollar (\$1.00) by the Mortgagee to the Mortgagor in hand paid, receipt of which is hereby acknowledged, and to secure the due and punctual payment of the principal of and interest on the Note and the performance and observance by Mortgagor of all of its agreements and covenants in the Note and the Loan Agreement, and the performance and observance by the Mortgagor of all its agreements and covenants contained herein, the Mortgagor does hereby transfer, grant, bargain, sell, convey, mortgage, hypothecate and pledge to the Mortgagee, its successors and assigns, a security interest in, all railroad cars and equipment now owned or hereafter acquired by the Mortgagor or any assignee of rights of the Mortgagor and all Mortgagor's interest in Leases of such Railroad Cars

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INTERSTATE COMMERCE COMMISSION

(herein together with any and all other property which may hereafter be transferred, granted, bargained, sold, conveyed, mortgaged, hypothecated and pledged by the Mortgagor to the Mortgagee hereunder and any and all substitutions, replacements, renewals and additions for or to any thereof, called the "Mortgaged Property", each hopper car being herein called a "unit of the Mortgage Property"), including, without limitation:

A. The 15-70 Ton High Roof Box Cars described in the Schedule annexed hereto as Exhibit 2.

B. All parts, equipment and accessories, whether now owned or hereafter acquired, installed on the Mortgaged Property referred to in subdivision A above.

C. All additional railroad equipment, parts, accessories and other property of every kind and character which may hereafter be transferred, granted, bargained, sold, conveyed, mortgaged, hypothecated and pledged by the Mortgagor to the Mortgagee, or in which a security interest may be granted by the Mortgagor to the Mortgagee, in and by any and all chattel mortgages, security agreements or any other instrument or agreement.

D. All property, whether now owned or hereafter acquired by the Mortgagor or its assigns, in replacement of or substitution for any of the property described or referred to in subdivisions A, B, and C above.

E. All property, whether now owned or hereafter acquired, by the Mortgagor or its assigns, which may be at any time installed on, attached to or incorporated in any of the property described or referred to in the foregoing subdivisions A, B, C, and D, so long as the same shall be so installed, attached or incorporated therein or thereto or shall be appurtenant thereto.

F. Together with the tolls, rents, revenues, issues, income products and profits, and all the estate, right, title interest and claim whatsoever, at law as well as in equity, which the Mortgagor now has or now possesses or to which the Mortgagor or its assigns may hereafter become legally or equitably entitled, in or to the property subjected or required to be subjected to the lien of this Mortgage.

TO HAVE AND TO HOLD THE Mortgaged Property unto the Mortgagee, its successors and assigns, and to its successors' assigns' own use, forever;

PROVIDED, HOWEVER, and the condition of these premises is such that (i) if there shall be paid to the holder of the Note the principal of all the indebtedness contracted by the Mortgagor under and in pursuance of the Loan Agreement and interest thereon and all other amounts payable under the Loan Agreement and the Mortgagor shall perform, observe and comply with the covenants, terms and conditions in the Note and the Loan Agreement contained, to be performed, observed or complied with by the Mortgagor, and (ii) if the Mortgagor or its successors or assigns, shall perform, observe and comply with the covenants, terms and conditions herein contained to be performed, observed or complied with by or on the part of the Mortgagor, then these presents and rights hereunder shall cease, determine and be void; otherwise to be and remain in full force and effect.

The Mortgagor shall have the right to possession, control and the use and benefit of the Mortgaged Property, subject to the terms hereof, and the Mortgagor hereby covenants and agrees with the Mortgagee, as follows, namely:

ARTICLE I

COVENANTS AND AGREEMENTS

SECTION 1.01. OWNERSHIP; ABSENCE OF LIENS. The Mortgagor warrants that as of the date of delivery of this Mortgage it is entering into an agreement to purchase the 15-70 Ton High Roof Hopper Cars referred to in subdivision A of the Granting Clauses hereof and has good right to mortgage its interest in the same in accordance with the terms hereof. At the time such cars are acquired the Mortgagor warrants that it will have good and marketable title to and legally and beneficially own said property, free and clear of all liens, claims, encumbrances, security interests and right of others, except for (i) this Mortgage and (ii) the Lease and the Lease will be effectively subordinated to this Mortgage.

The Mortgagor will at all times defend and protect the lien and/or security interest of this Mortgage upon the Mortgaged Property, including any and all substitutions, replacements, renewals and additions which become part of the Mortgaged Property, against the enforcement against the Mortgaged Property of any liens, claims, security interests, penalties and rights asserted by any and all persons whatsoever.

SECTION 1.02. FURTHER ASSURANCES. The Mortgagor will hereafter, from time to time, perform or execute and deliver or cause to be

performed or executed and delivered, all such further acts, conveyances, transfers, instruments and assurances as may be reasonably appropriate for the better assuring, conveying, transferring, mortgaging, hypothecating and confirming unto the Mortgagee of all or any part of the Mortgaged Property, whether now owned or hereafter acquired by the Mortgagor, or for securing the rights and remedies of the Mortgagee.

SECTION 1.03. RECORDING. The Mortgagor shall at its expense promptly cause this Mortgage and the Lease and any assignments hereof or thereof, and any supplements hereto or thereto, to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act; and the Mortgagor shall at its expense promptly from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record and deposit (and refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Mortgagee for the purpose of proper protection, to the satisfaction of counsel for the Mortgagee, of its interest in the Mortgage Property under this Mortgage, or for the purpose of carrying out the intention of this Mortgage; and promptly after each such filing, registration, recording, depositing, refiling, reregistration, rerecording or redepositing the Mortgagor will furnish or cause to be furnished to the Mortgagee certificates or other evidences thereof, and upon request of the Mortgagee, an opinion or opinions of counsel for the Mortgagor with respect thereto, in each case satisfactory to the Mortgagee.

SECTION 1.04. MARKING OF MORTGAGED PROPERTY. (1) The Mortgagor will cause to be distinctly and conspicuously placed on each side of each unit of the Mortgaged Property, before delivery thereof by the Manufacturer (as contemplated by the Lease), in letters not less than one inch in height, the following Legend:

ILLINOIS APPLIANCE CAR COMPANY, A PARTNERSHIP
OWNER, NORTH AMERICAN CAR CORPORATION, CHICAGO,
ILLINOIS, MORTGAGEE UNDER AN EQUIPMENT MORTGAGE
RECORDED UNDER SECTION 20c OF THE INTERSTATE
COMMERCE ACT

or another appropriate legend designated by the Mortgagee, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the owner of the Mortgaged Property and the Mortgagee's rights under this Mortgage. The Mortgagor will not place or permit the placing of any unit of Mortgage Property to be delivered under the Lease unless each side of such unit shall have been so marked. In case any of such legend shall at any time be removed, defaced, destroyed or become illegible in whole or in part, the Mortgagor will at its expense immediately cause the same to be restored or replaced.

(2) The Mortgagor will not permit the numbers of any such unit of the Mortgage Property to be changed except in accordance with a statement of new identifying numbers to be substituted therefrom which statement previously shall have been filed with the Mortgagee by or on behalf of the Mortgagor and filed, registered or recorded in all public offices where this Mortgage shall have been filed, registered or recorded.

(3) The Mortgagor will not allow the name of any person, association or corporation to be placed on any of the Mortgaged Property as a designation that might be interpreted as a claim of ownership thereof by any person other than any person in whom title to the Mortgaged Property or any unit thereof may be vested; provided however, that, so long as the Lease is in effect, the Mortgagor may permit the Mortgaged Property to be lettered with such names or initials or other insignia as are customarily used by the Railroad on its cars of the same or similar type for convenience of identification of the right of the Railroad to use and operate the Mortgaged Property under the Lease.

SECTION 1.05. UNUSEABLE CARS. In the event that any Unit of the Mortgaged Property shall be worn out, lost, destroyed or irreparably damaged from any cause whatsoever or if any unit of the Mortgaged Property is transported outside the United States Mortgagor shall notify Mortgagee immediately upon learning of such occurrence and shall within 30 days thereafter pay to the Mortgagee the greater of (a) a sum determined as of the scheduled interest payment date next preceding such occurrence in accordance with the following schedule expressed as a percentage of the original purchase price as specified such car of Mortgaged Equipment as specified in Schedule A to the Lease:

<u>Payment No.</u>	<u>Percentage</u>	<u>Payment No.</u>	<u>Percentage</u>
1	110.0	15	100.0
2	109.5	16	99.0
3	109.0	17	98.0
4	108.4	18	96.0
5	107.8	19	94.0
6	107.2	20	92.0
7	106.8	21	91.0
8	106.4	22	90.0
9	106.0	23	89.0
10	105.0	24	88.0
11	104.0	25	86.5
12	103.0	26	85.1
13	102.0	27	83.6
14	101.0	28	82.2

<u>Payment No.</u>	<u>Percentage</u>	<u>Payment No.</u>	<u>Percentage</u>
29	80.7	45	56.9
30	79.3	46	55.2
31	77.8	47	53.4
32	76.3	48	51.6
33	74.8	49	49.8
34	73.4	50	48.0
35	71.9	51	46.2
36	70.5	52	44.4
37	69.0	53	42.6
38	67.6	54	40.8
39	66.1	55	39.0
40	64.7	56	37.2
41	63.2	57	35.4
42	61.8	58	33.6
43	60.3	59	31.8
44	58.6	60.	30.0

or (b) a sum equal to the amount determined in accordance with the then current Code of Rules of Governing the settlement for Destroyed or Damaged Cars adopted by the association of American Railroads provided such rules are applicable to such Unuseable Cars.

Such payment shall be applied against the final payments coming due under the Note.

SECTION 1.06. MAINTENANCE AND REPAIR. The Mortgagor will at all times maintain, or cause to be maintained, the Mortgaged Property in good order and repair and, subject to the provisions of Section 1.05 hereof, in case of damage thereto by fire, accident or otherwise will promptly repair, or cause to be repaired, the unit or units thereof so damaged and restore them, or cause them to be restored, to good running order, all without expense to the Mortgagee.

SECTION 1.07. COMPLIANCE WITH LAWS AND RULES. The Mortgagor will, and will cause the Railroad to, comply in all respects with all laws, rules and regulations of the jurisdictions in which the Mortgaged Property is operated, with the interchange rules of the Association of American Railroads (or of any successor thereto) and with all lawful rules of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Mortgaged Property, to the extent that such laws, rules and regulations affect the operation, maintenance or use of the Mortgaged Property or any additional equipment or appliances thereof; and in the event that such laws, rules and regulations require alteration of any of the Mortgaged Property, the Mortgagor will, or will cause the Railroad to, conform

therewith, at its or their expense, and will cause the Mortgaged Property to be maintained in proper condition for operation under such laws, rules and regulations; provided, however, that the Mortgagor or the Railroad may, in good faith, contest the validity or application of any such law, rule or regulation in any reasonable manner which does not, in the opinion of the Mortgagee, adversely affect the property or rights of the Mortgagee hereunder.

SECTION 1.08. REPORTS AND INSPECTIONS. On or before March 1, in each year, commencing with the year 1974, the Mortgagor will furnish or cause to be furnished to the Mortgagee an accurate statement, signed by a partner in Mortgagor's Partnership or the Railroad, showing, as at the next preceding December 31, the amount, description and numbers of the units of the Mortgaged Property then covered hereby, the amount, description and numbers of all units of the Mortgaged Property that may have been worn out, lost, destroyed or irreparably damaged, whether by accident or otherwise, or transported to outside the United States, during the preceding calendar year, the numbers of the units then undergoing repairs and awaiting repairs, and such other information regarding the condition and state of repair of the Mortgaged Property as the Mortgagee may reasonably request. Together with such statement, the Mortgagor will also furnish or cause to be furnished to the Mortgagee a statement signed by a partner in Mortgagor's Partnership, stating that, in the case of all units of the Mortgaged Property repaired or repainted during the preceding calendar year, the legend required by Section 1.04 hereof has been preserved or replaced. The Mortgagee shall have the right by its agents, but shall be under no obligation, to inspect the Mortgaged Property and the records of the Mortgagor at any reasonable times.

SECTION 1.09. INSURANCE. The provisions of this Section 1.09 shall become effective only in the event of a default by the Lessee under the Lease. The Mortgagor will maintain, or cause to be maintained, at its sole cost and expense at all times during the continuance of this Mortgage general, overall insurance policies in amounts satisfactory to Mortgagee with insurance carriers satisfactory to Mortgagee insuring against fire, public liability and extended coverage with respect to the units of the Mortgaged Property (which term includes replacement units becoming subject to this Chattel Mortgage pursuant to the terms of Section 1.05 hereof). The policies shall name as assureds the Mortgagee, the Mortgagor and the Railroad as their interests may appear and shall provide that they cannot be canceled with respect to the Mortgagee or the Mortgagor except on at least ten days' prior written notice to the Mortgagee and the Mortgagor. In the event of a partial

loss and repair of the units of the Mortgaged Property by the Mortgagor, the Mortgagee shall reimburse the Mortgagor for the cost of the said repair to the extent of the proceeds of such insurance received by it in respect of such partial loss. Both the fire insurance policies and the public liability policies will further provide that in the event of material change or cancellation of any such policy, the insurance company will provide the Mortgagee with ten days' prior written notice thereof. The Mortgagee will be furnished with certificates of all such policies. If the Mortgagor shall fail to provide for the foregoing insurance, the Mortgagee may procure such insurance and the Mortgagor shall, upon demand, reimburse the Mortgagee for all outlays for such insurance with interest thereon computed at the rate of 10% per annum.

SECTION 1.10. PROHIBITION AGAINST LIENS. The Mortgagor will pay or cause to be paid, or otherwise satisfy and discharge, any and all sums claimed by any party by, through or under the Mortgagor or its successors or assigns which, if unpaid, might become a lien or a charge upon the Mortgaged Property, or any unit thereof, equal or superior to the title or claim of the Mortgagor thereto, 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 Mortgagee, adversely affect the property or rights of the Mortgagee hereunder.

SECTION 1.11. CERTAIN INDEMNITIES AND WARRANTIES. The Mortgagor agrees to indemnify and save harmless the Mortgagee from and against all losses, damages, injuries, liabilities, claims, suits, judgments, costs, expenses and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including counsel fees, arising out of the security interest of the Mortgagee in the Mortgaged Property, or out of the use and operation of the Mortgaged Property by the Railroad or any other person. In the event the Mortgagor is required to indemnify the Mortgagee under this Section 1.11, the Mortgagor shall pay the Mortgagee an amount which, after deduction of all taxes required to be paid by the Mortgagee in respect of the receipt thereof under the laws of the United States or of any State or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against and of any other such taxes), shall be equal to the amount of such required indemnity. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the Notes, or the termination of this Mortgage in any manner whatsoever.

SECTION 1.12. ACTION BY MORTGAGEE. If the Mortgagor shall fail to perform any of its covenants contained in this Mortgage, the Mortgagee may, but shall not be obligated to, take whatever action it deems necessary to make good such failure and should any such action by the Mortgagee require the expenditure of moneys, then the amount thereof shall be added to the indebtedness secured hereby and shall be and become forthwith due and payable by the Mortgagor.

SECTION 1.13. TAXES. All payments to be made by the Mortgagor hereunder will be free of expense to the Mortgagee for collection or other charges and will be free of expense to the Mortgagee with respect to the amount of any local, state, or federal taxes (other than any federal income tax payable by the Mortgagee in consequence of the receipt of payments provided herein or in the Lease and other than state or city income taxes or franchise taxes measured by net income based on such receipts, up to the amount of any such taxes which would be payable to the state and city in which the Mortgagee has its principal place of business without apportionment to any other state, except any such tax which is in substitution for or relieves the Mortgagee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided), assessments or licenses (and any charges, fines or penalties in connection therewith) hereafter levied or imposed upon or in connection with or measured by, this Equipment Mortgage or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof or the Lease Assignment, all of which expenses, taxes, assessments, licenses, charges, fines and penalties the Mortgagor assumes and agrees to pay on demand in addition to the payments to be made by its provided for herein. The Mortgagor will also pay or cause to be paid promptly any sales taxes payable in connection with the purchase of the cars of the Mortgaged Property and all taxes (other than taxes referred to in the first parenthetical of this Section 1.13), assessments and licenses (and any charges, fines or penalties in connection therewith) which may be imposed upon any unit of the Mortgaged Property or for the use or operation thereof or upon the earnings arising therefrom or upon the Mortgagee solely by reason of interest in such unit and will keep at all times all and every part of each such unit free and clear of all taxes and assessments which might in any way affect the title of the Mortgagee or result in a lien upon any such unit and will supply the Mortgagee with a receipt or other evidence of such payment satisfactory to the Mortgagee; provided, however, that the Mortgagor shall be under no obligation to pay any taxes, assessments, licenses, charges, fines or penalties of any kind (hereinafter called "impositions") so long as its is contesting in good faith and by appropriate legal proceedings such impositions and the non payment thereof does not, in the opinion of the Mortgagee, adversely affect the property or rights of the Mortgagee hereunder or under the Lease. If any such impositions to be paid by Mortgagor shall

have been charged or levied against the Mortgagee directly and paid by the Mortgagee, the Mortgagor shall reimburse the Mortgagee on presentation of invoice therefor.

In the event that, during the continuance of this Equipment Mortgage, the Mortgagor becomes liable for the payment or reimbursement of any impositions, pursuant to this Section 1.13, such liability shall continue, notwithstanding the expiration of this Equipment Mortgage, until all such impositions are paid or reimbursed by the Mortgagor.

SECTION 1.14. NEGATIVE COVENANTS. The Mortgagor covenants and agrees that the Mortgagor will not:

A. DEBT. Create, incur, assume or suffer to exist any liability for borrowed money or for the deferred purchase price of property or any other liability evidenced or to be evidenced by bonds, debentures, notes or other similar instruments, except the Note, issued by the Mortgagor pursuant to the terms of the Loan Agreement and the assumption of any obligations under the Loan Agreement.

B. LIENS. Create, incur, assume or suffer to exist any mortgage, pledge, lien or other incumbrance of any kind (including the charge upon property purchased under conditional sales or other title retention agreements) upon any of its property or assets, whether now owned or hereafter acquired, except liens, charges and encumbrances incidental to the conduct of its business or the ownership of its property and assets which were not incurred in connection with the borrowing of money or the obtaining of advances or credit and which do not in the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business.

C. GUARANTEES. Purchase or repurchase (or agree, contingently or otherwise, so to do) the indebtedness of or assume, guarantee, endorse or otherwise become liable, directly or indirectly, in connection with the obligations, stock or dividends of any person, except by endorsement of negotiable instruments for deposit or collection in the ordinary course of business.

D. INVESTMENTS. Invest in (by capital contribution or otherwise) or acquire or purchase or make any commitment to purchase the obligations or stock of, any person, or become a partner of any firm or partnership.

E. LOANS. Lend money or credit or make advances to any person.

F. LEASES. Enter into or permit to remain in effect any agreements to rent or lease as lessee any real or personal property, except the Lease.

G. LIQUIDATION. Wind up, liquidate or dissolve its affairs or, except for the Equipment Mortgage, the Lease and the Lease Assignment, convey, sell, lease or otherwise dispose of all or a substantial part of its properties or assets.

H. BUSINESS. Engage in any business or activity other than that necessarily incident to the Lease, the Lease Assignment, the Equipment Mortgage, and the purchase of the units of Mortgaged Property.

ARTICLE TWO

EVENTS OF DEFAULT AND REMEDIES OF MORTGAGEE

SECTION 2.01. RIGHTS UPON DEFAULT. (1) The Mortgagor agrees, to the full extent that it lawfully may, that in case payment on any Note is not made when due (whether at maturity, by acceleration or otherwise) and such default is continuing, then, and in every such case, the Mortgagee shall have the right at its option to exercise any or all of the following rights and remedies at the same or different times:

(a) Take or cause to be taken by its agent or agents immediate possession of the Mortgaged Property, or any unit thereof, and to remove the same from possession and use of the Mortgagor or any other person (including the Railroad), and for such purpose may enter upon any premises of the Mortgagor or the Railroad or any other premises where any of the Mortgaged Property may be located, and may use and employ in connection with such removal any available trackage and other facilities and means of the Mortgagor or of the Railroad, with or without process of law, and to exclude the

Mortgagor, its successors, lessees or assigns, or its or their agents (including the Railroad), wholly therefrom, and thereafter to hold, store and/or use, operate, manage and control the same. Upon every such taking of possession of the Mortgagee may, from time to time, at the expense of the Mortgagor, make all such repairs, replacements, alterations, additions and improvements to and of the Mortgaged Property as the Mortgagee may deem proper. In each such case the Mortgagee shall have the right to manage and control the Mortgaged Property and to carry on the business and to exercise all rights and powers of the Mortgagor in respect thereof as the Mortgagee may deem best, including (without limitation) the right to enter into any and all such agreements with respect to the leasing or operation of the Mortgaged Property or any part thereof as the Mortgagee may see fit; and the Mortgagee shall be entitled to collect and receive all rents, issues, profits, revenues, and other income from the same and every part thereof. At the Mortgagee's election, such rents, issues, profits, revenues and other income shall be applied to pay the expenses of holding and operating the Mortgaged Property and of conducting the business thereof, and all maintenance, repairs, replacements, alterations, additions and improvements and to make all payments which the Mortgagee may be required to make or may elect to make (if any) for taxes, assessments, insurance and other proper charges upon the Mortgaged Property or any part thereof, and all other payments which the Mortgagee may be required to or authorized to make under any provision of this Mortgage. The remainder of such rents, issues, profit, revenues and other income shall be applied only in accordance with Section 2.03 of this Mortgage.

(b) To sell at public auction at one or more sales any of the Mortgaged Property, and to conduct such sale or sales, unless otherwise provided by law, at such place or places, at such time or times, and in such manner and under such conditions as the Mortgagee may deem advisable, with or without the presence of the Mortgaged Property, it being agreed that the title and right of possession of the Mortgaged Property shall pass to the purchaser at such sale as completed as if the property had been actually present and delivered at such sale; and to purchase any of the Mortgaged Property at such sale, and to be entitled to credit on any bid up to an amount equal to the sums due on the Note, it being agreed that notice of any such sale may be in such form as the Mortgagee deems sufficient and may be given to the Mortgagor by letter mailed at least ten days prior thereto.

(c) To proceed by suit or suits in equity, or by action or actions at law, for the specific performance of any covenant or agreement herein contained, or in aid of the execution of any power herein granted, or for foreclosure hereunder, or for the sale of any or all of the Mortgaged Property under the judgment or decree of any court or courts of competent jurisdiction, or for the appointment of a receiver or receivers pending any foreclosure hereunder or for the enforcement of any other appropriate legal or equitable remedy.

(2) Anything in paragraph (1) of this Section 2.01 to the contrary notwithstanding, the Mortgagee agrees that if the term of the Lease shall have commenced with respect to any units of the Mortgaged Property, the Mortgagee will not make the Railroad a party defendant to any foreclosure action relating to this Mortgage nor disturb the possession by the Railroad of Mortgaged Property under the Lease, unless and until an Event of Default (as defined in the Lease) shall have occurred and be continuing.

SECTION 2.02 DIVESTMENT OF TITLE UPON SALE. Any sale or sales of the Mortgaged Property whether under the power of sale herein conferred or under judicial proceeding, shall operate to divest all right, title and interest whatsoever of the Mortgagor, its successors and assigns, with respect to the Property sold, either at law or in equity, and the Mortgagor authorizes the Mortgagee, or the person conducting such sale, to execute and deliver any and all proper conveyances, instruments and transfers of property so sold, either in the name and on behalf of the Mortgagor, its successors or assigns, or otherwise.

SECTION 2.03 APPLICATION OF PROCEEDS. (1) If, in case of the happening of any Event of Default, the Mortgagee shall exercise any of the powers conferred upon it by this Article Two, all payments made by the Mortgagor to the Mortgagee hereunder after such Event of Default, the proceeds of every sale by the Mortgagee hereunder of any of the Mortgaged Property and the proceeds of any judgment collected from the Mortgagor together with any other sums which may be held by the Mortgagee under any of the provisions hereof, shall be applied by the Mortgagee to the payment, in the following order of Priority, (a) of proper charges, expenses or advances theretofore made or incurred by the Mortgagee in accordance with the provisions hereof and (b) of the unpaid principal amount of the Note and interest accrued and unpaid thereon, together with interest on such principal amount and, to the extent legally enforceable, on such accrued and unpaid interest, at the rate of 15% per annum.

(2) After all such payments shall have been made in full, the title to any of the Mortgaged Property remaining unsold shall be conveyed by the Mortgagee to the Mortgagor free from any further liabilities or obligations to the Mortgagee hereunder. If, after applying as aforesaid the sums of money realized by the Mortgagee there shall remain a surplus in the possession of the Mortgagee, such surplus shall be paid to the Mortgagor.

SECTION 2.04 DELIVERY OF MORTGAGED PROPERTY. In case the Mortgagee shall rightfully demand possession of the Mortgaged Property pursuant to paragraph (a) of Section 2.01 hereof Mortgagor shall forthwith remove or cause any lettering of the names or initials or other insignia customarily used by Mortgagor to be removed from the units of Mortgaged Equipment at Mortgagor's cost and expense and deliver the possession of the units of the Mortgaged Equipment to Mortgagee. For such purpose Mortgagor shall at its own cost and expense forthwith assemble the units of the Mortgaged Equipment and place them upon such storage tracks of Mortgagor as Mortgagee may designate, or if Mortgagor has no storage tracks upon such storage tracks as may be designated by Mortgagee, and Mortgagor shall permit Mortgagee to store said units of Mortgaged Equipment on such tracks for a period not exceeding one hundred (100) days from the date that all units of the Mortgaged Equipment are so assembled at the risk of Mortgagor, and shall at Mortgagor's own cost and expense transport or cause to be transported the same or any thereof, at any time within such one hundred (100) day period, to North American Car Corporation's facility in Chicago Ridge, Illinois or to any place or places selected by Mortgagee provided Mortgagor shall pay no part of the transportation expenses which exceed the cost of returning the units of the Mortgaged Equipment to North American Car Corporation's facility in Chicago Ridge, Illinois. The agreement to deliver the Mortgaged Property as provided herein is of the essence hereof, and upon application to any court of equity having jurisdiction in the premises, the Mortgagee shall be entitled to a decree against the Mortgagor requiring specific performance hereof. The Mortgagor hereby expressly waives any and all claims against the Mortgagee and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the Mortgaged Property in any reasonable manner.

SECTION 2.05. DEFICIENCY. Subject to the provisions of Section 4.03 limiting the liability of the partners in Mortgagor if, after applying all sums of money realized by the Mortgagee under the remedies herein provided, there shall remain any amount due to it, the Mortgagor shall pay the amount of such deficiency to the Mortgagee upon demand, and if the Mortgagor shall fail to pay such deficiency, the Mortgagee may bring suit therefor and shall be entitled to recover a judgment therefor against the Mortgagor.

SECTION 2.06. EXPENSES OF ENFORCEMENT. The Mortgagor will pay all reasonable expenses, including attorneys' fees incurred by the Mortgagee in enforcing its remedies under the terms of this Mortgage. In the event that the Mortgagee shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suits the Mortgagee may recover reasonable expenses, including attorneys' fees, and the amount thereof shall be included in such judgment.

ARTICLE THREE

RIGHT OF POSSESSION AND DEFEASANCE

SECTION 3.01. POSSESSION AND USE. So long as no Event of Default (as such term is defined in the Loan Agreement) shall occur and be continuing, the Mortgagor (subject to the Lease) shall be entitled to the possession of the Mortgaged Property and the use thereof as herein provided, but only upon and subject to all the terms and conditions of this Mortgage. Satisfaction by the Railroad of any of the obligations of the Mortgagor contained in this Agreement shall be deemed to be and shall constitute performance by the Mortgagor of any such obligation. The Mortgagor will not permit any of the Mortgaged Property to be taken or used outside the United States of America.

SECTION 3.02. DEFEASANCE. Upon payment in full of the principal of and interest on the Note and all other amounts required to be paid by the Mortgagor pursuant hereto and pursuant to the Loan Agreement, the Mortgagee, upon the request of and at the expense of the Mortgagor, shall execute and deliver such instrument or instruments as shall be necessary to release and discharge the lien hereof.

ARTICLE FOUR

MISCELLANEOUS

SECTION 4.01 SUCCESSORS AND ASSIGNS. All the conveyances, stipulations, promises, undertakings and agreements herein contained by or on behalf of the Mortgagor shall bind its successors and assigns whether so expressed or not.

SECTION 4.02 ASSIGNMENTS. All or any of the right or the Mortgagee hereunder may be assigned by the Mortgagee and reassigned by any assignee at any time or from time to time.

SECTION 4.03. NO RECOURSE TO PARTNERS. Anything herein to the contrary notwithstanding, the Mortgagor shall not be liable in respect of any obligation hereunder except to the extent of its partnership assets and no recourse shall be had for any payment or claim based hereon or otherwise in respect hereof against any partners. Any such claim is hereby expressly waived and released as a condition of and as part of the consideration for the execution of this Mortgage.

SECTION 4.04. NOTICES. All notices, certificates, designations or determinations herein provided for shall be deemed to have been given or made when deposited in the mails (postage prepaid) or delivered to a telegraph or cable company, and addressed if to the Mortgagee, North American Car Corporation, 77 South Wacker Drive, Chicago, Illinois Attention, Vice President-Finance and if to the Mortgagor, Illinois Appliance Car Company c/o Mr. John S. Lizzo, 29 South LaSalle Street, Chicago, Illinois or such other place as any party hereto may in writing direct with respect to notices to him.

SECTION 4.05. CERTAIN APPLICABLE LAWS. Any provision hereof prohibited or unenforceable under the applicable law of any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Mortgage, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Where, however, the provisions of any such applicable law may be waived, they are hereby waived by the Mortgagor to the full extent permitted by law, to the end that this Mortgage shall be deemed to be a valid and binding agreement enforceable in accordance with its terms.

SECTION 4.06. SECTION HEADINGS. All section headings are inserted for convenience only and shall not affect any construction or interpretation of this Mortgage.

SECTION 4.07. LAW GOVERNING. This Mortgage and all rights and obligations hereunder shall be governed by and construed in accordance with the law of the State of Illinois; provided, however, that any remedies herein provided which shall be valid under the law of the jurisdiction where proceedings for the enforcement hereof shall be taken shall not be affected by any invalidity thereof under the law of the State of Illinois; and provided, further, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

SECTION 4.08. MODIFICATION. No variation of the Mortgage and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Mortgagee and partners of the Mortgagor.

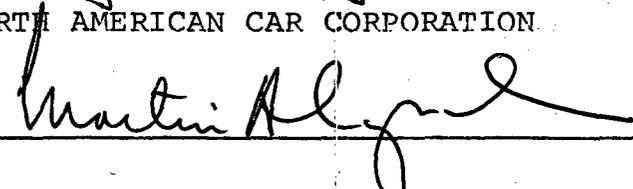
SECTION 4.09. EXECUTION. This Mortgage may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Mortgage is dated for convenience as of November 1, 1972, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments annexed hereto.

IN WITNESS WHEREOF, the Mortgagor and the Mortgagee have caused this Mortgage to be executed in their respective names and, in the case of the Mortgagee, its corporate seal to be affixed hereunto and attested, all as of the day, month and year first above written.

ILLINOIS APPLIANCE CAR COMPANY

BY  _____

NORTH AMERICAN CAR CORPORATION

BY  _____

ATTEST:

 _____

STATE OF Illinois)
) SS
COUNTY OF Cook)

On this 6th day of Feb., in the year 1973, before me, a Notary Public of said State, duly commissioned and sworn, personally appeared John S. Ligo, known to me to be one of the general partners of ILLINOIS APPLICANCE CAR COMPANY, the partnership that executed the within instrument and acknowledged to me that such partnership executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Virginia M. Broom
Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 21st day of Feb, 1973, before me appeared Martin A. Lynch, to me personally known, who, being by me duly sworn, did say that he is a Vice President-Finance of NORTH AMERICAN CAR CORPORATION, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and that said Martin A. Lynch acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF I have hereunto set my hand and affixed my official seal in said county and state the day and year last above written.

Alice R. Noble
Notary Public

EXHIBIT I

LOAN AGREEMENT

North American Car Corporation
77 South Wacker Drive
Chicago, Illinois

December 12, 1972

Gentlemen:

The undersigned, ILLINOIS APPLICANCE CAR COMPANY (herein called the "Borrower"), hereby agrees with you as follows:

1. AMOUNT AND TERMS OF LOAN. Subject to and upon the terms and conditions herein set forth, you agree to lend to the Borrower an aggregate amount not in excess of \$277,500.00.

1A. NOTES. The borrowing made hereunder shall be evidenced by a promissory note (herein called "Note"), in the principal amount of such borrowing, which Note shall be dated the date of such borrowing, with a 15 year term, and be substantially in the form of Exhibit A annexed hereto.

1B. NOTICE. Borrower shall give you at least 10 business days' written notice prior to borrowing hereunder specifying the date of the proposed borrowing and the amount to be borrowed.

1C. FEE. Borrower shall pay you the sum of \$14,800 at the time the Loan is disbursed as a fee.

1D. AVAILABILITY OF FUNDS. You shall make available at the offices of North American Car Corporation (or at such other place in Chicago, Illinois) as the Borrower shall specify on not less than three days written notice to you (prior to the day specified in the notice of borrowing) referred to in paragraph 1B, the proceeds of the loan in Federal funds against delivery to you of:

(a) The Note in the principal amount of such borrowing;

(b) Certificate, by a Partner in Borrower's Partnership dated the date of such borrowing, in form and substance satisfactory to you and your special counsel stating (i) that the Cars have been purchased in accordance with the purchase order attached hereto as Exhibit B at a price per Car as stated in such Purchase Order (ii) the number of the 15-70 Ton High Roof Box Cars are being delivered and conveyed to Borrower by Berwich Forge and Fabricating Company (herein "Manufacturer") (herein the "Cars") and (iii) that the moneys borrowed plus the amount does not exceed an amount which bears the same ratio to \$277,500 as the number of Cars completed and accepted under the Lease referred to in paragraph 2A (herein called the "Lease") bears to 15;

(c) Executed counterpart of the Bill of Sale from the Manufacturer to the Borrower with respect to the Cars being delivered by Manufacturer to the Borrower on such day;

(d) Certificate of Acceptance with respect to such Car as contemplated by Exhibit B of the Lease;

(e) Receipt from Manufacturer for payment in full for the Cars;

(f) Certificate by a partner in Borrower's Partnership to the effect that no Event of Default or Default or any event of default (as defined in the Lease) or event which, with the giving of notice, or the lapse of time, or the happening of any further condition, would constitute such an event of default, has occurred and is continuing; and

(g) The opinions referred to in paragraphs 2D, 2E, and 2F and any other documents requested pursuant to paragraph 2G;

(h) Executed counterpart of Partnership Agreement.

2. CONDITIONS. In addition to the deliveries referred to in paragraph 1C your obligation to make the loan to the Partnership hereunder is subject to the satisfaction of the following conditions on or before the date of such loan hereunder.

2A. LEASE AND ASSIGNMENT THEREOF. On or before the date of the first borrowing hereunder, the Borrower and Chicago Rock Island and Pacific Railroad Company (herein called the "Railroad")

shall have executed and delivered the Lease in form prepared by you and acceptable to you and delivered to you an executed counterpart thereof, the Partnership shall have executed and delivered to you a Lease Assignment (herein called the "Lease Assignment") and the Railroad shall have executed a Consent as provided in the forms prepared by you and acceptable to you.

2B. CHATTEL MORTGAGE. On or before the date of the first borrowing hereunder, the Partnership shall have executed and delivered to you an Equipment Mortgage (herein called the "Chattel Mortgage") as provided in the forms prepared by you and acceptable by you.

2C. REPRESENTATIONS AND WARRANTIES. The representations and warranties contained in paragraph 6 hereof shall be true on and as of the date of the borrowing hereunder and on the date of the borrowing hereunder the Corporation shall have delivered to you an Officer's Certificate, dated such date, to such effect.

2D. OPINION OF YOUR SPECIAL COUNSEL. You shall have received from Messrs. Pedersen & Houpt, who are acting as special counsel for you in connection with this transaction, an opinion, addressed to you and dated the date of such borrowing, stating that (i) the Partnership is a partnership duly organized and validly existing in good standing and has the power and authority to execute deliver and perform the Lease, the Lease Assignment, the Chattel Mortgage, and the Note; (ii) the Lease, the Lease Assignment, the Chattel Mortgage, the Note and the Assignment and Assumption have been duly authorized, executed and delivered by the Partnership and are valid and binding obligations of the Partnership in accordance with their respective terms; (iii) you, under the Lease Assignment, are vested with the right, title and interest of the Partnership in and to the Lease purported to be assigned to you by the Lease Assignment; (iv) the Chattel Mortgage is effective to create the lien which it purports to create on the interest on the Partnership in the Cars; (v) the Chattel Mortgage, the Lease and the Lease Assignment have been duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and no other filing or recordation is necessary for the protection of your rights thereunder (including your rights in respect of the Cars then being delivered) in any State of the United States of America or the District of Columbia; and (vi) no approval of the Interstate Commerce Commission or any governmental authority is necessary for the execution, delivery and performance of this Agreement, the Chattel Mortgage, the Lease, the Lease Assignment, the Consent appended to the Lease Assignment, the Purchase Agreement or the Reconditioning Agreement. In giving the foregoing opinion, your special counsel need not pass upon the ranking of the lien of the Chattel Mortgage, the Lease and the Lease Assignment.

2E. OPINION OF COUNSEL FOR THE RAILROAD. You shall have received an opinion of O.L. Houts, Assistant, General Counsel of the Railroad, addressed to you and dated the date of such borrowing, satisfactory in form and substance to you and your special counsel, stating that (i) the Railroad is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware, is qualified to do business in all jurisdictions in which qualification is required for it to carry out the transactions contemplated by the Lease and has the power and authority to execute, deliver and perform the terms of the Lease and the Consent appended to the Lease Assignment and to own its properties and to carry on its business as now conducted; (ii) the Lease and the Consent appended to the Lease Assignment have been duly authorized, executed and delivered by the Railroad and constitute valid and binding obligations of the Railroad, enforceable in accordance with their respective terms; (iii) neither the execution and delivery by the Railroad of the Lease or the Consent appended to the Lease Assignment, the consummation of the transactions therein contemplated, nor compliance by the Railroad with the terms and provisions thereof will conflict with, or result in any breach of, any law, regulation or decree of any court or governmental instrumentality of the United States of America or any State thereof or of the District of Columbia or the charter or by-laws of the Railroad or any other agreement or instrument to which the Railroad is subject or constitute a default thereunder, or result in the imposition of any mortgage, security interest, charge, lien or encumbrance, and (iv) as set forth in clause 2G.

2F. OPINION OF COUNSEL FOR THE PARTNERSHIP. You shall have received an opinion of Messrs. _____, counsel for the Borrower, addressed to you and dated the date of such borrowing, satisfactory in form and substance to you and your special counsel, to the effect that (i) Borrower is duly organized and validly existing and has the power and authority to execute, deliver and perform the Lease, the Lease Assignment, the Chattel Mortgage, the Note and to carry on its business as contemplated thereby; (ii) the Lease, the Lease Assignment, and the Chattel Mortgage have been duly authorized, executed and delivered by the Partnership and are valid and binding obligations of the Partnership, enforceable in accordance with their respective terms; (iii) the Chattel Mortgage creates, as against the Borrower and all other persons, a direct and valid first mortgage lien, as security for the Note, on the Cars; (iv) the Lease Assignment is a valid first assignment of the interest therein assigned, subject to no prior right of any other person; (v) the execution and delivery concurrently with such opinion, of the Lease, the Lease Assignment, the Chattel Mortgage the consummation of the transactions therein contemplated and compliance by the Borrower with the terms and provisions thereof will not conflict with, or result in a breach of, any applicable law or regulation the partnership agreement of the Borrower or any other agreement or instrument to which the Borrower is subject, or constitute a default thereunder; (vi) the obligations incurred under any of the transactions contemplated hereby are not usurious; and (vii) as set forth in clause 2G.

2G. OTHER DOCUMENTS. You shall have received such other documents as you or your special counsel may reasonably request. The opinions of counsel referred to in paragraphs 2D, 2E, and 2F, may (i) state that counsel giving such opinions do not purport to be experts on the laws of any jurisdiction other than the State in which their respective offices are located, and that, as to laws, not within the areas of such counsel's expertise such opinions are based upon opinions of counsel who are licensed to practice in the jurisdiction in question (which counsel may be counsel for any of the persons referred to herein), and (ii) state that such opinions are subject, as to the enforcement or remedies, to applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect, except that any such opinion with respect to the obligation of the Railroad under the Lease shall state that the Lessor under the Lease is entitled to the benefits of the last sentence of Section 77 of the Bankruptcy Act as presently in effect.

3. AFFIRMATIVE COVENANTS. The Borrower covenants and agrees that, so long as this Agreement is in effect and until the Note, together with interest and all other obligations incurred hereunder, are paid in full, the Borrower will:

3A. FINANCIAL STATEMENTS. Furnish to you:

(i) As soon as practicable and in any event within 90 days after the end of each fiscal year of the Borrower, an audited balance sheet of the Borrower as at the end of such fiscal year and an audited statement of profit or loss of the Borrower for such fiscal year, all in reasonable detail and certified by independent certified public accountants of recognized standing selected by the Borrower and satisfactory to you;

(ii) Together with each delivery of financial statements required by clause (i) above, a certificate of a partner in Borrower's partnership stating that, to his best knowledge, there exists no Event of Default and no condition, event or act which, with the giving of notice or lapse of time, or both, would constitute an Event of Default, or if any such Event of Default, condition, event or act exists, specifying the nature thereof, the period of existence thereof and what action the Borrower proposes to take with respect thereto; and

(iii) With reasonable promptness, such other information with respect to the business, operations and condition (financial or otherwise) of the Borrower as you may, from time to time, reasonably request.

3B. NOTIFICATION OF DEFAULTS. Promptly notify you of any default or event of default on the part of any party to any of the instruments or agreements referred to herein or any Event of Default or Default hereunder, of which it has knowledge.

3C. NOTICE OF ACTIONS AND DISPUTES. Promptly give written notice to you of (i) any action, proceeding or claim of which the Borrower may have notice, which are commenced or asserted against the Borrower or could result in a lien or imposition upon the Cars or the ownership or use thereof and (ii) any dispute which may exist between the Borrower and any governmental regulatory body which may affect the Borrower or any of its properties or assets.

3D. PAYMENT OF AMOUNTS DUE. Duly pay and discharge (i) all taxes, assessments and governmental charges or levies imposed upon or against it or its property or assets, or upon any property leased by it, prior to the date on which penalties attach thereto, unless and to the extent only that such taxes, assessments and governmental charges or levies are being contested in good faith and by appropriate proceedings, (ii) all lawful claims, whether for labor, materials, supplies or services, which might or could, if unpaid, become a lien or charge upon such property or assets, unless and to the extent only that the validity thereof is being contested in good faith and by appropriate proceedings and (iii) all its trade bills in accordance with their original terms; provided, however, the Borrower will duly pay and discharge promptly all such claims, taxes, assessments and governmental charges or levies upon the commencement of any proceedings to foreclose any lien, security interest or other charge which may have attached as security therefor.

3E. INSPECTION. Allow any representative of yours to visit and inspect any of Borrower's property, to examine its books of record and account and to discuss the affairs, finances and accounts of the Borrower, all at such reasonable times and as often as you may request.

3F. FURTHER ASSURANCES. Make, execute or endorse, and acknowledge and deliver or file, all such vouchers, invoices, notices and certifications and additional agreements, undertakings, conveyances transfers, assignments, financing statements, continuation statements, or further assurances, or attorney's opinion, and take any and all such other action, as you may reasonably, from time to time, deem necessary or proper in connection with this Agreement, any of the instruments or agreements referred to herein, the obligations of the Borrower hereunder or under the Note or for the better assuring and confirming unto you all or any part of the security for the Note.

3G. COMPLIANCE WITH APPLICABLE LAW. Use its best efforts to maintain, preserve and renew all rights, powers, privileges and franchises advantageous to it and comply with all applicable laws, statutes and regulations of the United States of America and of any state or municipality, and of any agency thereof.

4. NEGATIVE COVENANTS. The Borrower covenants and agrees that so long as this Agreement is in effect and until the Note, together with interest and all other obligations incurred hereunder, are paid in full the Borrower will not:

4A. DEBT. Create, incur, assume, or suffer to exist any liability for borrowed money or for the deferred purchase price of property or any other liability evidenced or to be evidenced by bonds, debentures, notes or other similar instruments, except indebtedness of the Borrower for borrowings hereunder.

4B. LIENS. Create, incur, assume or suffer to exist any mortgage, pledge, lien or other encumbrance of any kind (including the charge upon property purchased under conditional sales or other title retention agreements) upon any of its property or assets, whether now owned or hereafter acquired, except liens, charges and encumbrances incidental to the conduct of its business or the ownership of its property and assets which were not incurred in connection with the borrowing of money or the obtaining of advances or credit and which do not in the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business.

4C. GUARANTEES. Purchase or repurchase (or agree, contingently or otherwise, so to do) the indebtedness of, or assume, guarantee, endorse or otherwise become liable, directly or indirectly, in connection with the obligations, stock or dividends of any person, except by endorsement of negotiable instruments for deposit or collection in the ordinary course of business.

4D. INVESTMENTS. Invest in (by capital contribution or otherwise) or acquire or purchase or make any commitment to purchase the obligations or stock of, any person, or become a partner of any firm or partnership.

4E. LOANS. Lend money or credit or make advances to any person.

4F. LEASES. Enter into or permit to remain in effect any agreements to rent or lease as lessee any real or personal property.

4G. LIQUIDATION. Wind up, liquidate, or dissolve its affairs or enter into any transaction of merger or consolidation or convey sell, lease or otherwise dispose of all or a substantial part of its properties or assets.

4H. BUSINESS. Engage in any business or activity other than that necessarily incident to this Agreement.

4I. SALARIES. Pay any salaries, fees or other remuneration to any of its partners, except reasonable compensation to employees for services actually rendered.

4J. JUDGMENTS. Suffer any final judgment for any sum in excess of \$10,000 to be rendered against Borrower or any partner in Borrower's Partnership which judgment is not satisfied within 60 days after it is rendered.

4K. MODIFICATION OF LEASE. Suffer or permit any modification of the Lease without your written consent or a default by Borrower under the Lease.

5. EVENTS OF DEFAULT. In case one or more of the following Events of Default shall have occurred and be continuing:

(a) If the Borrower defaults in the payment of any installment on the Note or any payment obligation hereunder or under the Chattel Mortgage as and when the same shall become due and payable and such default shall continue for five days; or

(b) If the Borrower defaults in the performance or observance of any other agreement contained herein contained in the Chattel Mortgage; and such default shall continue for 30 days after written notice thereof shall have been mailed by you to the Borrower; or

(c) If the Borrower defaults in the performance or observance of any other agreement, term or condition contained in the Lease or the Lease Assignment and such default shall not have been remedied within 30 days after written notice thereof shall have been mailed by you to the Borrower; or

(d) If an event of default specified in Section 11 of the Lease shall occur and be continuing; or

(e) If the Borrower makes an assignment for the benefit of creditors; or

(f) If the Borrower petitions or applies to any tribunal for an appointment of a trustee or receiver of the Borrower, or of any substantial part of the assets of the Borrower, or commences any proceedings relating to the Borrower under any bankruptcy, reorganization, arrangement, insolvency, re-adjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or if such petition or application is filed, or any such proceedings are commenced, against the Borrower and the Borrower by any act indicates its approval thereof, consent thereto, or acquiescence therein, or an order is entered appointing any such trustee or receiver, or adjudicating the Borrower or any subsidiary thereof bankrupt or insolvent, or approving the petition in any such proceedings, and such order remains in effect for more than 60 days;

then the holder of the Note outstanding may, at its option, by notice in writing to the Borrower, declare the Note to be and the Note shall thereupon be and become, forthwith due and payable together with interest accrued thereon.

6. REPRESENTATIONS AND WARRANTIES. The Borrower represents and warrants:

6A. ORGANIZATION AND QUALIFICATION. The Borrower is a Partnership duly organized and existing and has the power to own its property and to carry on its business as contemplated hereby, and is duly qualified to do business as a foreign corporation and in good standing in each jurisdiction when the nature of the business transacted by it requires such qualification.

6B. FINANCIAL STATUS. The Borrower has been organized for the purpose of effecting the transactions referred to in this Agreement and has no operational history.

7. DEFINITIONS. For the purposes of this Agreement, the following terms shall have the following meanings:

7A. "EVENT OF DEFAULT" shall mean any of the events specified in paragraph 5, provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or the happening of any further condition, event or act, and "Default" shall mean any of such events whether or not such requirement has been satisfied.

7B. "PARTNER'S CERTIFICATE" shall mean a certificate signed in the name of the Borrower by one of its partners.

7C. "PERSON" shall mean and include an individual, a partnership, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

8. MISCELLANEOUS.

8A. EXPENSES. The Borrower agrees, if the transaction hereby contemplated is not consummated, to reimburse, and save you harmless against liability for the payment of, all out-of-pocket expenses arising in connection with this transaction (including, without limitation, any modification of, or any waiver or consent under, this Agreement and the related security agreements and the enforcement of any and all rights under this Agreement, the related security agreements and the Note), including, without limitation, the reasonable fees and expenses of your special counsel and all stamp taxes (including interest and penalties, if any) which may be payable in respect of the Note or of any modification of any Note or of this Agreement. The obligation of the Borrower under this paragraph shall survive payment of the Note.

8B. CONSENT TO AMENDMENTS. This Agreement may be amended and the Borrower may take any action herein prohibited, omit to perform any act herein required to be performed by it, if the Borrower shall obtain your written consent to such amendment, action or omission to act.

8C. RIGHT OF SET-OFF. Upon the occurrence of an Event of Default you are hereby authorized at any time or from time to time, without

notice to the Borrower or to any other person, any such notice being hereby expressly waived, to set off and to appropriate and apply any and all deposits (general or special) and any other indebtedness at any time held or owing by you to or for the credit or the account of the Borrower against and on account of the obligations and liability of the Borrower to you under this Agreement and the Note, including, without limiting the generality of the foregoing, all claims of any nature or description arising out of or connected with this Agreement and/or the Note, irrespective of whether or not you shall have made any demand hereunder and although said obligations, liabilities or claims, or any of them, shall be contingent or unmatured.

8D. SUCCESSORS AND ASSIGNS. All covenants and agreements in this Agreement contained by or on behalf of either of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not; provided, however, that in no event shall any member of the Partnership have any personal liability hereunder.

8E. NOTICES. All notices, requests, demands and other communications to or upon the respective parties hereto shall be deemed to have been given or made when deposited in the mails, postage prepaid, and, if to you, addressed to you in the manner in which this letter is addressed, and if to the Borrower, addressed to Illinois Appliance Car Company, c/o John S. Lizzo, 29 South LaSalle Street, Chicago, Illinois or to such other address for any party as may be specified by written notice by such party to the other parties.

8F. GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder and under the Note shall be construed in accordance with, and be governed by the laws of the State of Illinois.

8G. DESCRIPTIVE HEADINGS. The descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

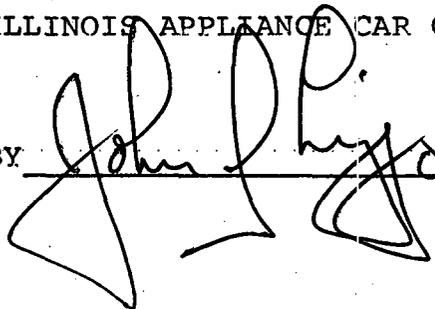
8H. COUNTERPARTS. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

If you are in agreement with the foregoing, please sign the form of acceptance on the enclosed counterpart of this letter and return the same to the undersigned, whereupon this letter shall become a binding agreement between you and the undersigned.

Very truly yours,

ILLINOIS APPLIANCE CAR COMPANY

BY

A handwritten signature in cursive script, appearing to read "John L. P.", written over a horizontal line.

The foregoing Agreement is hereby accepted as of the date first above written.

NORTH AMERICAN CAR CORPORATION

BY

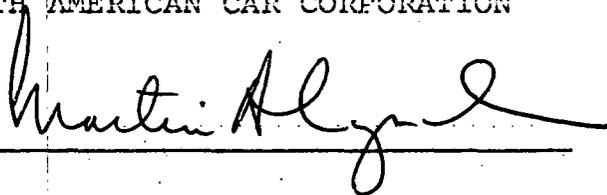
A handwritten signature in cursive script, appearing to read "Martin Alford", written over a horizontal line.

EXHIBIT A
PROMISSORY NOTE

\$277,500.00

Chicago, Illinois
Dated

FOR VALUE RECEIVED, the undersigned, ILLINOIS APPLIANCE CAR COMPANY, a Partnership (herein called the "Partnership") hereby promises to pay to the order of NORTH AMERICAN CAR CORPORATION, a Delaware corporation (herein called "Lender"), the principal sum of TWO HUNDRED SEVENTY-SEVEN THOUSAND FIVE HUNDRED and no/100 (\$277,500.00) DOLLARS, with interest on the unpaid balance thereof from _____, 1973, at the rate of fourteen (14%) percent per annum (computed on the basis of a 360-day year, 30-day month, payable in fifty-nine (59) consecutive quarterly payments in the amount of \$9,045.00 being payments of principal and interest computed at the rate of ten (10%) percent per annum, commencing the date of the second quarterly rental payment of the Lease (as that term is defined in the Lease dated December 12, 1972, between ILLINOIS APPLIANCE CAR COMPANY and CHICAGO ROCK ISLAND AND PACIFIC RAILROAD COMPANY, a Delaware corporation, as Lessee) (herein the "Lessee") (herein called the "Initial Payment Date") and continuing on each quarterly annual anniversary of the Initial Payment Date for either 58 additional consecutive quarters or until all principal is paid whichever occurs sooner.

Such quarterly payments shall be applied first to interest at the rate of ten (10%) percent per annum on the balance of principal from time to time unpaid and the balance to principal. On the date of the final quarterly payment, the Partnership shall pay to Lender a sum equal to the then unpaid interest (being interest at the rate of 4% per annum on the balance of principal unpaid from time to time). The Note may not be prepaid by Partnership; however, in the event an amount becomes payable to the Lessor under the provisions of Section 9 of the Lease, the Partnership shall pay to Lender with respect to each Car affected by said Section 9, an amount equal to the sum of (a) a portion of the then outstanding principal balance of the Note equal to a quotient of the then outstanding principal balance divided by the number of Cars then subject to the Chattle Mortgage hereinafter described (after deletion of all the Cars for which payments have previously been made hereunder as a result of such Section 9 Lease payables), plus (b) all interest on the principal amount determined in (a) above accrued and unpaid as of the date of such payment. After receipt of such payment by Lender the quarterly payments due hereunder after such date shall be reduced in the proportion that the principal sum so paid bore to the entire unpaid principal balance then due under this Note.

Payments of both principal and interest are to be made at the office of North American Car Corporation, Chicago, Illinois, or such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

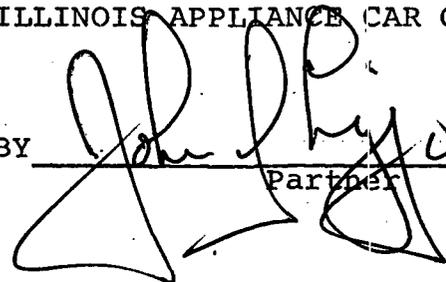
This Note is issued pursuant to a Loan Agreement, dated December 12, 1972, between the Partnership and the Lender (herein called the "Loan Agreement") and is entitled to the benefits thereof. As provided in the Loan Agreement, this Note is subject to prepayment in whole or in part as specified in the Loan Agreement.

In case an Event of Default, as defined in the Loan Agreement or Chattel Mortgage, shall occur and be continuing, the principal of this Note may be declared due and payable in the manner and with the effect provided in the Loan Agreement.

This Note is secured by a Chattel Mortgage dated as of December 12, 1972, and a Lease Assignment, dated as of December 12, 1972, from the ILLINOIS APPLIANCE CAR COMPANY, a Partnership, to the Lender. Reference is made to said instruments for a description of the property mortgaged, the rights assigned and the rights of the holder of this Note with respect thereto.

ILLINOIS APPLIANCE CAR COMPANY

BY

A handwritten signature in black ink, appearing to read "John P. Higo", is written over a horizontal line. The signature is stylized and somewhat cursive.

Partner

EXHIBIT 2

Manufacturer:

Berwick Forge & Fabricating
A Division of Whittaker Corp.
P.O. Box 188
Berwick, Pennsylvania 18603

Description of Equipment:

Fifteen (15) 60'9" 70-Ton Cushion
Underframe, 10' Sliding Door, Specially
Equipped, High Roof Box Cars for
Appliance Service.

Reporting Marks/Road Numbers:

RI 32550-32564

Rental Payments:

Sixty (60) successive quarterly installments,
each paid in advance as follows:

	<u>Purchase Price</u>	<u>Quarterly Rental Factor</u>	<u>Estimated Quarterly Rental</u>
Per Car	\$24,666.66	2.482524%	\$612.35
Total 15 Cars	\$370,000.00	2.482524%	\$9,185.34

In the event the purchase price of any
Car covered by this schedule is greater
or less than the amount set forth above,
the rental for such Car shall be pro-
portionally increased or reduced.