

CHICAGO AND



TRANSPORTATION COMPANY

March 10, 1978

BERNARD J. ALLEN  
DIANE KOHLER-RAUSCH  
JOAN A. SCHRAMM  
ASSISTANT SECRETARIES

File No.: A-10579

RECORDATION NO. 2275 Filed & Recorded

Interstate Commerce Commission  
Washington, D.C. 20423  
Attention: Mr. Robert L. Oswald, Secretary

MAR 13 1978 -9 30 AM

INTERSTATE COMMERCE COMMISSION

Gentlemen:

Pursuant to Section 20c of the Interstate Commerce Act, as amended, attached for recordation are 5 counterparts of Security Agreement dated as of March 1, 1978, covering a security interest in one Budd Car Model RDC-3, Unit 130.

The names and addresses of the parties to the transaction are as follows:

Continental Illinois National Bank & Trust  
Company of Chicago  
231 S. LaSalle Street  
Chicago, IL 60693

Continental Illinois Leasing Corporation  
231 S. LaSalle Street  
Chicago, IL 60693

Chicago and North Western Transportation Company  
400 West Madison Street  
Chicago, IL 60606

Enclosed is our check for \$50.00 to cover your recording fee. Please return four counterparts, showing your recordation data.

8-072A010

Very truly yours,

Diane Kohler-Rausch  
Assistant Secretary

50

dmm

Enclosures

cc: R. D. Smith

RECEIVED  
MAR 13 9 28 AM '78  
CERTIFICATION UNIT

*C. H. Kumbel*  
*[Signature]*

3/13/78

**Interstate Commerce Commission**  
Washington, D.C. 20423

OFFICE OF THE SECRETARY

**Diane Kohler-Rausch**  
Assistant Secretary  
Chicago & North Western Transp. Co.  
400 West Madison Street  
Chicago, Illinois 60606

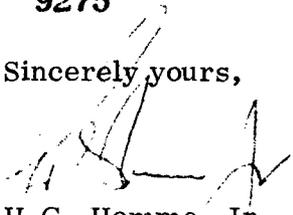
Dear **Mrs. Kohler-Rausch**

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act,

49 U.S.C. 20(c), on **3/13/78** at **9:30am**,

and assigned recordation number(s) **9275**

Sincerely yours,



H.G. Homme, Jr.  
Acting Secretary

Enclosure(s)

SE-30-T  
(6/77)

1000-178

RECORDATION NO. 9275 Filed & Recorded

MAR 13 1978 -9 20 AM

INTERSTATE COMMERCE COMMISSION

3/6/78

SECURITY AGREEMENT

Continental Illinois National Bank and Trust Company of Chicago, not in its individual corporate capacity, but as Trustee under an Equipment Leasing Trust Agreement dated as of March 1, 1978 (hereinafter called the "Trustee"), for value received, hereby mortgages to CONTINENTAL ILLINOIS LEASING CORPORATION (hereinafter called "Leasing"), and hereby grants to Leasing a security interest in, the property listed on Schedule A hereto as such schedule may from time to time hereafter be supplemented or amended and all accessories, parts and other property now or hereafter affixed thereto or used in connection therewith (hereinafter collectively called the "Equipment"), and all proceeds of any of the Equipment, to secure the payment of all obligations of the Trustee under any promissory note (hereinafter called "Note") evidencing any loan or advance made by Leasing to the Trustee pursuant to that certain Letter Agreement dated as of March 1, 1978, and all obligations of the Trustee hereunder. All Notes and other obligations secured hereby are herein collectively called "Liabilities".

Until Default (as defined herein), the Trustee may have possession of the Equipment and use the same in any lawful manner not inconsistent with this Agreement or with any policy of insurance on any of the Equipment.

The Trustee hereby warrants and agrees that: (1) to the extent, if any, it shall have advised Leasing that any of the Equipment are being acquired with any of the proceeds of any Note, such proceeds may be disbursed by Leasing directly to the seller of such Equipment; (2) the Equipment (except any thereof which prior to the execution of this Agreement the Trustee shall have advised Leasing in writing consist of equipment normally used in more than one State) will be kept at its address shown below (or if any other location is shown with respect to any such Equipment in the description thereof herein, then at such other location), unless Leasing shall otherwise consent in writing; (3) if any of the Equipment shall consist of equipment of a type normally used in more than one State, whether or not actually so used, it will immediately give written notice to Leasing of any change in the location of the chief executive office or the chief place of business of the Trustee, and of any use of any of such Equipment in any jurisdiction other than a State in which the Trustee shall have previously advised Leasing such Equipment will be used, and

such Equipment will not, unless Leasing shall otherwise consent in writing, be used outside the territorial limits of the United States; (4) it has, or forthwith will acquire, full title to the Equipment, and will at all times keep the Equipment free of all liens and claims whatsoever, other than the security interest hereunder; (5) no financing statement (other than any which may have been filed on behalf of Leasing) covering any of the Equipment is on file in any public office, and it will from time to time, on request of Leasing execute such financing statements and other documents (and pay the cost of filing or recording the same in all public offices deemed necessary by Leasing) and do such other acts and things, all as Leasing may request, to establish and maintain a valid security interest in the Equipment (free of all other liens and claims whatsoever) to secure the payment of the Liabilities, including, without limitation, deposit with Leasing of any certificate of title issuable with respect to any of the Equipment and notation thereon of the security interest hereunder (and any carbon, photographic or other reproduction of this Agreement or of any such financing statement shall be sufficient for filing as a financing statement); (6) it will not sell, transfer, lease or otherwise dispose of any of the Equipment or any interest therein except with the prior written consent of Leasing; (7) it will at all times keep the Equipment insured against loss, damage, theft and other risks, in such amounts and companies and under such policies and in such form, all as shall reasonably be satisfactory to Leasing, which policies shall provide that loss thereunder shall be payable to Leasing as its interest may appear (and Leasing may apply any proceeds of such insurance which may be received by it toward payment of the Liabilities, whether or not due, in such order of application as Leasing may determine) and such policies or certificates thereof shall, if Leasing so requests, be deposited with Leasing; and (8) Leasing may examine and inspect the Equipment or any thereof, wherever located, at any reasonable time or times. Leasing may from time to time, at its option, perform any agreement of the Trustee hereunder which the Trustee shall fail to perform and take any other action which Leasing deems necessary for the maintenance or preservation of any of the Equipment or its interest therein, and the Trustee agrees to forthwith reimburse Leasing for all expenses of Leasing in connection with the foregoing, together with interest thereon at the rate of 12% per annum from the date incurred until reimbursed by the Trustee.

The occurrence of any of the following events shall constitute a Default (as such term is used herein): (a) non-payment, when due, of any amount payable on any of the Liabilities or failure to perform any agreement of the Trustee contained herein; (b) any statement, representation or warranty of the Trustee herein or in any other writing at any time furnished by the Trustee to Leasing is untrue in any material

respect as of the date made; (c) any Obligor (which term, as used herein, shall mean the Trustee and each other party primarily or secondarily liable on any of the Liabilities) becomes insolvent or unable to pay debts as they mature or makes an assignment for the benefit of creditors, or any proceeding is instituted by or against any Obligor alleging that such Obligor is insolvent or unable to pay debts as they mature; (d) entry of any judgment against any Obligor; (e) dissolution, merger or consolidation, or transfer of a substantial part of the property of any Obligor which is a corporation or a partnership; or (f) Leasing feels insecure for any reason whatsoever. Whenever a Default shall be existing, all Notes and all other Liabilities may (notwithstanding any provisions thereof), at the option of Leasing, and without demand or notice of any kind, be declared, and thereupon immediately shall become, due and payable, and Leasing may exercise from time to time any rights and remedies available to it under applicable law. The Trustee agrees, in case of Default, to assemble, at its expense, all the Equipment at a convenient place acceptable to Leasing and to pay all costs of Leasing of collection of all Notes and all other Liabilities, and enforcement of rights hereunder, including reasonable attorneys' fees and legal expenses, and expenses of any repairs to any realty or other property to which any of the Equipment may be affixed or be a part. Without limiting the foregoing, upon Default Leasing may, to the fullest extent permitted by applicable law, without notice, advertisement, hearing or process of law of any kind, (a) enter upon any premises where any of the Equipment may be located and take possession of and remove such Equipment, (b) sell any or all of the Equipment, free of all rights and claims of the Trustee therein and thereto, at any public or private sale, and (c) bid for and purchase any or all of the Equipment at any such sale. The Trustee hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Bank of any of its rights and remedies upon Default. If any notification of intended disposition of any of the Equipment is required by law, such notification, if mailed, shall be deemed reasonably and properly given if mailed at least five days before such disposition, postage prepaid, addressed to the Trustee either at the address shown below, or at any other address of the Trustee appearing on the records of Leasing. Any proceeds of any of the Equipment may be applied by Leasing to the payment of expenses in connection with the Equipment, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by Leasing toward the payment of such of the Liabilities, and in such order of application, as Leasing may from time to time elect.

No delay on the part of Leasing in the exercise of any

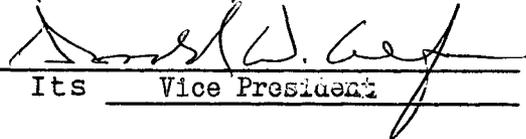
right or remedy shall operate as a waiver thereof, and no single or partial exercise by Leasing of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

This Agreement has been delivered at Chicago, Illinois and shall be governed by and construed in accordance with the laws of the State of Illinois. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

The rights and privileges of Leasing hereunder shall inure to the benefit of its successors and assigns.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the 1st day of March, 1978.

CONTINENTAL ILLINOIS NATIONAL  
BANK AND TRUST COMPANY OF CHICAGO,  
not in its individual corporate  
capacity, but as Trustee under  
an Equipment Leasing Trust  
Agreement, dated as of March 1,  
1978 ("Trustee")

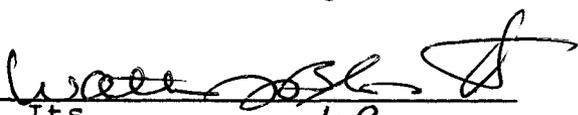
By   
Its Vice President

Address:  
231 South LaSalle Street  
Chicago, Illinois 60693

ATTEST:

  
TRUST OFFICER Secretary  
(Corporate Seal)

CONTINENTAL ILLINOIS LEASING  
CORPORATION ("Leasing")

By   
Its VP

ATTEST:

  
Assistant Secretary  
(Corporate Seal)



STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF C O O K )

On this 7<sup>th</sup> day of March, 1978, before me personally appeared DONALD W. ALVIN, to me personally known, who being by me duly sworn, says that he is Vice President of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association not in its individual capacity but as trustee under an Equipment Leasing Trust Agreement, dated as of March 1, 1978; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association in the aforementioned capacity.

Louise M. Naumes  
Notary Public

(Seal)

My Commission Expires: 4/12/78

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF C O O K )

On this 7<sup>th</sup> day of March, 1978, before me personally appeared Walter G. Bloomer to me personally known, who being by me duly sworn, says that he is Vice President of CONTINENTAL ILLINOIS LEASING CORPORATION that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Louise M. Naumes  
Notary Public

(Seal)

My Commission Expires: 4/12/78

SCHEDULE A  
TO  
SECURITY AGREEMENT

<u>Number</u>	<u>Item</u>	<u>Identification Number</u>
1	Budd Car Model RDC - 3	Unit 130

CONSENT  
TO SECURITY  
AGREEMENT

The Chicago and North Western Transportation Company ("North Western") has agreed to reconstruct a portion of the Equipment (as defined in the foregoing Security Agreement) pursuant to the attached form of Reconstruction Agreement, dated as of March 1, 1978. Following such reconstruction, North Western has agreed to lease the Equipment from Continental Illinois National Bank and Trust Company of Chicago, not in its individual capacity, but as trustee under an Equipment Leasing Trust Agreement, dated as of March 1, 1978. North Western hereby acknowledges receipt of a copy of, and consents to the the terms of, the foregoing Security Agreement.

CHICAGO AND NORTH WESTERN  
TRANSPORTATION COMPANY

BY *J. M. Ruttle*  
its *Vice President*

ATTEST

*Diane Kohler-Rausch*  
*Asst.* Secretary  
(Corporate Seal)



3/6/78

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RECONSTRUCTION AGREEMENT

Dated as of March 1, 1978

Between

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY,  
as Rebuilder

and

CONTINENTAL ILLINOIS NATIONAL BANK  
AND TRUST COMPANY OF CHICAGO,  
as Trustee under an Equipment  
Leasing Trust Agreement, dated as of  
March 1, 1978,  
as Owner

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Attachments to Reconstruction Agreement:

Schedule A - Description of Equipment

Annex I Schedule A - Specifications for Reconstruction

Appendix I - Hulk Purchase Agreement

RECONSTRUCTION AGREEMENT

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

THIS RECONSTRUCTION AGREEMENT dated as of March 1, 1978 between CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, a Delaware corporation (the "Rebuilder") and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as trustee (the "Owner") under an Equipment Leasing Trust Agreement, dated as of March 1, 1978 (the "Trust Agreement");

W I T N E S S E T H:

WHEREAS, pursuant to a Hulk Purchase Agreement dated as of March 1, 1978 (the "Hulk Purchase Agreement") between the Owner and North Western Leasing Company (attached hereto as Appendix I and made a part hereof), the Owner has agreed to purchase certain railroad rolling stock described in Schedule A hereto (collectively the "Hulks" and individually a "Hulk") which is to be reconstructed by the Rebuilder in accordance with the specifications therefor set forth in Annex I of Schedule A hereto (hereinafter, with such modifications therein as may be approved by the Parties hereto, called the "Specifications"); and the Owner proposes to pay for such reconstruction of the Hulks at the price, in the manner and upon the terms and conditions hereinafter provided; and

WHEREAS, concurrently with the execution and delivery of this Agreement, the Owner and the Rebuilder are negotiating the terms of an Equipment Lease (the "Lease") pursuant to which the Owner will, upon completion of the reconstruction of a Hulk (such reconstructed Hulk being herein called an "Item of Equipment" and collectively the "Equipment"), lease, as lessor, the Item of Equipment to the Rebuilder, as lessee;

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements hereinafter set forth, the Owner and the Rebuilder hereby agree as follows:

SECTION 1. RECONSTRUCTION OF THE EQUIPMENT.

The Rebuilder agrees (i) to reconstruct the Hulks, in accordance with the Specifications, for the Owner, (ii) to number and mark each Item of Equipment with the road numbers specified with respect thereto in the Lease, (iii) to cause each Item of Equipment to be plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each Item of Equipment in letters not less than one inch in height with the words "Owned By and Leased From a Bank or Trust Company, as Trustee, and Subject to a Security Agreement Filed Under Section 20c of the Interstate Commerce Act", and (iv) to deliver the Equipment to the Owner, as and when so reconstructed, marked and numbered, all for the Reconstruction Price provided in Section 5 hereof. The Rebuilder warrants to the Owner that the design, quality and component parts of the Equipment as so reconstructed will conform to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all standards recommended by the Association of American Railroads applicable to railroad equipment of the character of the Equipment as so reconstructed as of the date of this Agreement.

SECTION 2. TIME AND PLACE OF DELIVERY.

The Owner will deliver the Hulks, or cause the Hulks to be delivered, to the Rebuilder at the plant of the Rebuilder in Clinton, Iowa. The Rebuilder will deliver the reconstructed Equipment to the Owner for acceptance in the manner provided in Section 4 hereof at the delivery point or points mutually agreed upon by the Owner and the Rebuilder from time to time following the execution and delivery of this Agreement, but such delivery and acceptance for each Item of Equipment shall take place prior to the Outside Delivery Date provided in Section 3 hereof. The Rebuilder agrees that it will not accept for reconstruction, nor commence any reconstruction of, any Hulk if (i) the Rebuilder does not reasonably anticipate that such Hulk will be fully reconstructed prior to the Outside Delivery Date provided in Section 3 hereof, (ii) an Event of Default under the Lease, or an event which, with the lapse of time or the

giving of notice, or both, would constitute an Event of Default thereunder, shall have occurred, (iii) the commencement of any proceeding or the filing of any petition under the federal bankruptcy laws by or against the Rebuilder or any of its property, or (iv) the Owner is no longer obligated under the terms of the Hulk Purchase Agreement to accept delivery of and to pay for any additional Hulks thereunder for any of the reasons therein provided.

SECTION 3. OUTSIDE DELIVERY DATE.

The Rebuilder agrees that all Items of Equipment will be reconstructed and delivered prior to March 30, 1979 (the "Outside Delivery Date").

SECTION 4. INSPECTION AND ACCEPTANCE.

The Owner agrees that acceptance by an authorized representative of the Rebuilder, as lessee, of a reconstructed Item of Equipment under the Lease shall constitute acceptance of such Item by the Owner hereunder. From the time any Item of Equipment is delivered to the Rebuilder until such delivery of the reconstructed Item of Equipment, the responsibility and risk of loss with respect thereto shall be borne by the Rebuilder.

SECTION 5. PAYMENT FOR RECONSTRUCTION OF EQUIPMENT.

The Reconstruction Price for each Item of Equipment shall be the amount set forth on Schedule A hereto for such Item of Equipment. The Reconstruction Price for each Item of Equipment shall be set forth in an invoice covering the respective Items furnished by the Rebuilder to the Owner on or prior to the Closing Date (as hereinafter defined), which invoice shall be certified by the Rebuilder to the effect that the total cost of the Items of Equipment covered thereby does not exceed the price that would be charged by an independent builder of equipment similar in nature to such Items of Equipment. Payment of the Reconstruction Price for each Item of Equipment shall be made to the Rebuilder on the Closing Date therefor by wire transfer of immediately available funds to such bank located in the United States as

the Rebuilder shall designate to the Owner in writing. The term "Closing Date" shall mean April 12, 1978, July 12, 1978, October 12, 1978, January 12, 1979 or April 12, 1979 with respect to the Items of Equipment which shall have been reconstructed, delivered to and accepted by the Owner during the preceding calendar quarter. The obligation of the Owner to pay for any Item of Equipment on any Closing Date shall be subject to the receipt by the Owner of such documentation, in form and substance satisfactory to the Owner, including an opinion of counsel for the Rebuilder as to the corporate authorization of the Rebuilder and the Items of Equipment being free and clear of liens and encumbrances, as shall be customary in connection with railroad rolling stock reconstruction agreements.

SECTION 6. RECONSTRUCTION WARRANTY.

The Rebuilder warrants that the Hulks will be reconstructed in accordance with the Specifications and warrants the reconstructed Items of Equipment will be free from defects in material, workmanship and design under normal use and service, the obligation of the Rebuilder under this Section 6 being limited to making good at its plant any part or parts of any reconstructed Item of Equipment, which shall, within one year after the delivery of such reconstructed Item of Equipment to the Owner, be returned to the Rebuilder with transportation charges prepaid, and which examination by the Rebuilder shall disclose to its satisfaction to have been thus defective. This warranty is expressly in lieu of all other warranties (other than warranties of subcontractors and suppliers which are hereby assigned to the Owner), expressed or implied, and of all other obligations or liabilities on the part of the Rebuilder except as herein provided, and the Rebuilder neither assumes nor authorizes any person to assume for it any other liability in connection with the reconstruction of the Equipment and delivery of the reconstructed Equipment except as aforesaid. The Rebuilder further agrees with the Owner that the acceptance of any reconstructed Item of Equipment hereunder shall not be deemed a waiver by the Owner of any of its rights under this Section.

SECTION 7. REPRESENTATION AND WARRANTY AS TO TITLE.

The Rebuilder represents that upon completion of the reconstruction of each Item of Equipment hereunder, at the time of delivery and acceptance by the Rebuilder of such Item as lessee under the Lease, such Item will be free and clear of all liens and encumbrances of persons claiming by, through or under the Rebuilder other than the right of the Rebuilder to be paid the Reconstruction Price for such Item as herein provided. The Rebuilder further warrants that it will pay and discharge any and all claims arising by, through or under the Rebuilder which might constitute or become a lien or charge upon such Item unless the Rebuilder shall, in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Owner to such Item. The Rebuilder's obligations under this Section 7 shall survive the completion of reconstruction and payment for the Equipment as provided herein.

SECTION 8. REBUILDER'S INDEMNITY.

The Rebuilder hereby agrees to indemnify and hold the Owner, and Cobak Corporation, as Trustor of the Trust Agreement, and their respective successors, assigns, directors, officers and agents harmless from and against any and all losses, claims, liabilities and expenses which arise out of or relate to the ownership of any Hulk during the period of reconstruction thereof or the reconstruction of such Hulk or any testing or other processing of such Hulk prior to acceptance by the Rebuilder of such reconstructed Hulk as lessee under the Lease (including claims for patent, trademark or copyright infringement in connection with the reconstruction of such Hulk as provided herein and claims for strict liability in tort).

SECTION 9. NOTICES.

Any notice to be given by either party hereto to the other shall be in writing and deemed to be properly served

if delivered, or addressed and deposited in the United States mails, certified, first-class, postage prepaid, as follows:

If to the Rebuilder: Chicago and North Western  
Transportation Company  
400 West Madison Street  
Chicago, Illinois 60606

Attention: John M. Butler  
Vice President-Finance

If to the Owner: Continental Illinois National Bank  
and Trust Company of Chicago,  
as Trustee  
231 South LaSalle Street  
Chicago, Illinois 60693

Attention: Corporate Trust Department

with a copy to:

Cobak Corporation  
231 South LaSalle Street  
Chicago, Illinois 60693

Attention: Joe M. Nachbin,  
Vice President

or delivered or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

SECTION 10. SUCCESSORS AND ASSIGNS.

References to any party herein shall be deemed to include the successors and assigns of such party; provided, however, that no assignment by the Rebuilder or any assignee thereof shall subject any assignee to, or relieve the Rebuilder from, any of the obligations of the Rebuilder hereunder. Each party hereto may conclusively assume that there has been no assignment of the other party's rights under this Agreement unless and until it shall have been notified in writing of any such assignment by such assignor.

SECTION 11. LAW GOVERNING.

This Reconstruction Agreement shall be construed in accordance with the laws of the State of Illinois.

SECTION 12. EXECUTION IN COUNTERPARTS.

This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunder duly authorized as of the day and year first above written.

CHICAGO AND NORTH WESTERN  
TRANSPORTATION COMPANY

By \_\_\_\_\_  
Its Vice President

REBUILDER

(Seal)

Attest:

\_\_\_\_\_  
Assistant Secretary

CONTINENTAL ILLINOIS NATIONAL BANK  
AND TRUST COMPANY OF CHICAGO, as  
Trustee

By \_\_\_\_\_  
Its

OWNER

(Seal)

Attest:

\_\_\_\_\_  
Assistant Secretary



DESCRIPTION OF EQUIPMENT

Description of Hulks:

<u>Number</u>	<u>Type of Equipment</u>
100	Covered Hoppers
25	Gondola Cars
1	Budd Car
26	50-ton 53'6" Flat Cars

Reconstruction Specifications: See Annex A hereto

Description of Reconstructed  
Items of Equipment:

<u>Number</u>	<u>Type of Equipment</u>
100	Ballast Cars (formerly Covered Hoppers)
25	Wheel Transport Cars (formerly Gondolas)
1	Track Geometry Car (Self-Propelled) (formerly Budd Car)
1	Welded Rail Train consisting of 24 cars plus auxiliary threader and idler cars (formerly 26 Flat Cars)

Reconstruction Price:

For the Ballast Cars	\$9,200 (per car)
For the Wheel Transport Cars:	\$10,890 (per car)
For the Track Geometry Car:	\$600,000
For the Wheel Rail Train and Auxiliary Threader and Idler Cars:	\$550,000 total
Outside Delivery Date:	March 30, 1979
Place of Delivery of Rebuilt Items of Equipment:	Clinton, Iowa

ANNEX A  
TO DESCRIPTION OF EQUIPMENT

Specifications for Reconstruction

The design, quality and component parts of the Equipment as reconstructed will conform to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all standards recommended by the Association of American Railroads applicable to railroad equipment of the character of the Equipment (as so reconstructed) as of the date of the Reconstruction Agreement.

Further Specifications

For the Ballast Cars: Remove outlet gates of covered hoppers and add Morrison-Knudsen regulated ballast doors; remove intermediate roof sheets; reinforce top plate to provide additional strength; apply stiffener to bulkheads; overhaul trucks; upgrade draft systems.

For Wheel Transport Cars: Remove sides and ends of gondola cars to 12" above decking; remove side posts to 6" above decking; add 6"x6" structural tubing as top chord for stiffness; add structural steel ends; weld center sill "Z" sections, in which slots have been cut for stacking of mounted wheel sets, to both sides of the center sill in order to permit the storage of up to 57 mounted wheel sets on each car by setting each pair of wheels crosswise in the appropriate wheel slots.

For the Track Geometry Car: Remodel to provide observation room for improved rear visibility; add bedroom and kitchen facilities; install electric generating, heating and air conditioning systems to provide power and environment able to support a complete track geometry measuring system, which system will be in the car and such system to include sensors, mini-computers, magnetic tape recording device and digital/analog output systems (the output system is to

be able to provide track measurement data on gauge, cross level, profile and alignment).

For the Welded Rail Train and Auxiliary Threader and Idler Cars: Articulate 24 flat cars into a unit and convert 2 flat cars into auxiliary threader and idler cars; repair all underframe members; add welded rail train racks to be used in connection with the stacking of 40-lengths of rail in continuous ribbons of approximately 1/4 mile in length, such welded train racks to be used as follows: center tie-down rack to lock rails into position and remaining racks to act as separators and rollers for loading and unloading.