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 RICHARD W. BRYAN\*  
 CHRISTINE A. NYKIEL\*  
 TIMOTHY R. DINGILIAN

\*ALSO ADMITTED IN MARYLAND  
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**JACKSON & CAMPBELL, P.C.**

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SUITE 300 SOUTH

1120 20TH STREET, N.W.

WASHINGTON, D.C. 20036

INT'L TELEX: 64706

(202) 457-1600

14445

RECORDATION NO.

THOMAS SEARING JACKSON\*  
 EDMUND D. CAMPBELL\*  
 OF COUNSEL

MARYLAND OFFICE  
 200 A MONROE STREET  
 BALTIMORE, MARYLAND 20850  
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 104 RANDOLPH STREET  
 ARLINGTON, VIRGINIA 22201  
 (703) 522-1330

DIRECT DIAL NUMBER

457-1638

OCT 10 1984 - 1 05 PM  
 INTERSTATE COMMERCE COMMISSION

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 INTERSTATE COMMERCE COMMISSION

14445

OCT 10 1984 - 1 05 PM  
 INTERSTATE COMMERCE COMMISSION

OCT 10 1984 - 1 05 PM  
 INTERSTATE COMMERCE COMMISSION

No. 4 2840150  
 OCT 10 1984

Date  
 Fee \$ 40.00

ICC Washington, D. C.

Mr. James H. Bayne  
 Office of the Secretary  
 Recordation Office  
 Interstate Commerce Commission  
 12th Street and Constitution Avenue, N.W.  
 Washington, D.C. 20423

Re: Citicorp Industrial Credit, Inc.  
 and Transportation Corporation of  
 America

Dear Mr. Bayne:

In accordance with the provisions of Section 11303 of the Revised Interstate Commerce Act, 49 U.S.C. § 11303, and Part 1116 of Title 49 of the Code of Federal Regulations, I request, as special counsel for Citicorp Industrial Credit, Inc., that the enclosed document be recorded and filed with the Interstate Commerce Commission. *(Cross index under 14512)*

You will find enclosed herewith an original and one copy of the following documents:

1. Loan and Security Agreement by and between Transportation Corporation of America and Citicorp Industrial Credit, Inc., dated October 3, 1984.
2. Promissory Note between Transportation Corporation of America, as maker, and Citicorp Industrial Credit, Inc., as payee, dated October 3, 1984.

*Richard W. Bayne*

OCT 10 3 50 PM '84  
 MOTION PICTURE UNIT  
 ICC OFFICE OF THE SECRETARY

Mr. James H. Bayne  
October 10, 1984  
Page 2

3. Assignment by and between Transportation Corporation of America, as assignor, and Citicorp Industrial Credit, Inc., as assignee, dated October 3, 1984.

This Loan and Security Agreement, Promissory Note, and Assignment are intended to secure the payment of and/or evidence an indebtedness of Transportation Corporation of America to Citicorp Industrial Credit, Inc. with respect to the purchase by Transportation Corporation of America of Two Hundred and Ten (210) 100-ton center beam bulkhead flatcars bearing road numbers BCIT 871000 through BCIT 871149, inclusive, and BCIT 871200 through BCIT 871259, inclusive.

The parties to these aforementioned documents are:

Citicorp Industrial Credit, Inc.  
Attention: Theodore Bajo, Esquire ✓  
Vice President, General Counsel  
450 Mamaroneck Avenue  
Harrison, New York 10582, and ✓

Transportation Corporation of America  
Attention: C. H. Wright  
President  
26th and State Streets  
Chicago Heights, Illinois 60411

You will also find enclosed herewith a check made payable to the Interstate Commerce Commission for the sum of ~~\$110.00~~<sup>40.00</sup>, in payment of the filing fee.

These documents are ancillary to a Memorandum of Lease filed with the Interstate Commerce Commission on April 20, 1984, and bearing recordation number 14312 and should be filed therewith bearing number 14312-A, etc.

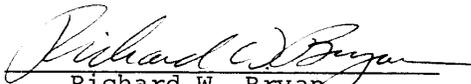
Would you please stamp, as filed, and return the enclosed copies to my office at your earliest convenience?

Mr. James H. Bayne  
October 10, 1984  
Page 3

If you have any questions in this regard,  
please do not hesitate to contact me.

Sincerely yours,

JACKSON & CAMPBELL, P.C.

By:   
Richard W. Bryan

RWB:ram

Enclosures (as stated)

cc: Theodore Bajo, Esquire  
Lewis F. Harvey, Esquire

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

10/10/84

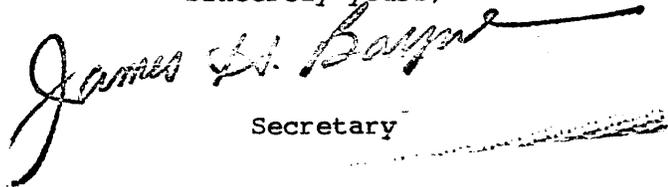
**OFFICE OF THE SECRETARY**

Richard W. Bryan  
Jackson & Campbell  
One Lafayette Centre  
Suite 300 South  
1120 20th St. N.W.  
Washington, D.C. 20036

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/10/84 at 4:05pm and assigned re-  
recording number(s). 14445, 14445-A & 14445-B

Sincerely yours,

  
Secretary

Enclosure(s)

SE-30  
(7/79)

DUPLICATE ORIGINAL - FOR FILING PURPOSES ONLY

14445

RECORDATION NO. .... Filed 1425

OCT 10 1984 -1 05 PM

INTERSTATE COMMERCE COMMISSION

LOAN AND SECURITY  
AGREEMENT

BY AND BETWEEN

TRANSPORTATION CORPORATION OF AMERICA ("COMPANY")

AND

CITICORP INDUSTRIAL CREDIT, INC. ("CIC")

DATED October 3, 1984

-----  
Filed and Recorded with the Interstate Commerce Commission pursuant to  
49 USC Section 11303 on \_\_\_\_\_, 1984 at \_\_\_\_\_,  
Recordation No. \_\_\_\_\_

LOAN AND SECURITY AGREEMENT

LOAN AND SECURITY AGREEMENT dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 198\_, between TRANSPORTATION CORPORATION OF AMERICA, an Illinois corporation, having its principal office at 26th and State Street, Chicago Heights, Illinois 60411 ("Company"), and CITICORP INDUSTRIAL CREDIT, INC., a Delaware corporation, having its principal office at 450 Mamaroneck Avenue, Harrison, New York 10528 ("CIC").

WHEREAS, the Company is desirous of acquiring certain Equipment for the purpose of leasing such Equipment to the Lessee; and

WHEREAS, CIC has made a Loan to the Company, as evidenced by the Company's Note for the purpose of enabling the Company to acquire the Equipment.

NOW THEREFORE, in consideration of the mutual premises contained herein, and intending to be legally bound, the parties hereto agree as follows:

SECTION 1. GENERAL RULES AND DEFINITIONS. The following general rules and definitions will apply hereto:

1.1 General Rules. For the purposes of this Agreement:

(a) The terms defined in this Section 1, unless the context otherwise requires, will have the meanings applied to them in Section 1. Additional definitions may be found throughout the Agreement.

(b) All accounting terms not otherwise defined herein will have meanings assigned to them in accordance with generally accepted accounting principles consistently applied.

(c) The words "herein", "hereof", "hereunder" and words of similar import refer to this Agreement as a whole and not to a particular section, paragraph or other subdivision.

(d) Unless the context clearly indicates the contrary, any personal pronoun or possessive adjective may be undertaken in any appropriate gender and any singular term shall include the plural.

1.2 Definitions. As used in this Agreement, the following terms will have the following meanings unless the context requires otherwise:

Agreement means this Loan and Security Agreement as may, from time to time, be amended.

Assignment means the assignment by the Company to CIC pursuant to Section 2.1 hereof, which assignment is substantially in the form attached hereto as Exhibit A.

Business Day means a day on which banks in New York, New York are open for business.

Closing Date means the date of the Agreement.

Collateral means (i) the Equipment; (ii) the Letter Agreement and (iii) the Lease, all rights thereunder, all renewals and extensions thereof, all subleases of the Equipment by the Lessee, and all rents, issues, profits, income and other amounts due and to become due under the Leases and any subleases and the proceeds of all of the foregoing including but not limited to the proceeds of insurance.

Documents mean this Agreement, the Note, all other documents contemplated under the Agreement and the Note, and other documents necessary for recordation and perfection of the liens and security interests granted thereby.

Equipment means the 210 new Thrall Car center beam railcars, the listing of which is attached hereto as Schedule 1 (as may be amended from time to time) together with all accessories, attachments, accessions, replacements, renewals, substitutions, improvements, and additions thereto, now or hereafter acquired, together with all rents, issues, income, profits and proceeds thereof (including but not limited to insurance proceeds).

Event of Default means any event specified in Section 7.1 of this Agreement whether or not any requirement in connection with such event for the giving of notice or lapse of time or any other condition has been satisfied.

Indebtedness means the total indebtedness owing to any Person calculated in accordance with generally accepted accounting principles consistently applied.

Lease means the contract attached hereto as Exhibit B and any amendments thereto and any other subsequent contracts covering the Equipment.

Lessee means British Columbia Railway Company (sometimes referred to hereinafter as "BC Rail") and any subsequent party to the Lease that is obligated to pay rent thereunder.

Letter Agreement means that certain agreement of Duchossois Industries, Inc. ("DII") in the form of Exhibit C attached hereto.

Loan means the loan made by CIC to the Company hereunder, evidenced by the Note.

Loan Date means the date on which CIC makes the Loan to the Company hereunder.

Loan Rate means a rate per annum equal to 12.99% compounded monthly on the basis of the actual number of days elapsed over 360.

Note means the promissory note in the form attached hereto as Exhibit D, executed by the Company in connection with the transaction contemplated hereunder.

Note Balance means the outstanding principal balance of the Note together with accrued and unpaid interest thereon.

Obligations means payment of and performance when due of the Note and all other indebtedness, liabilities and obligations whatsoever of the Company to CIC under the Documents whether direct or indirect, absolute or contingent, due or to become due, and whether now existing or hereafter arising, and howsoever evidenced or acquired, whether joint or several, and whether evidenced by a note, draft, acceptance, guaranty, open account, letter of credit, surety agreement or otherwise.

Person means any corporation, partnership, trust, estate, individual, unincorporated business entity or governmental department, administrative agency or instrumentality.

Rental Payment means the periodic rental payment payable by the Lessee to the Company under the Lease, net of applicable periodic maintenance charges and applicable sales, use, ownership, transaction and personal property taxes.

## SECTION 2. SECURITY INTEREST

2.1 Grant of Security Interest. As security for the prompt payment and performance when due of the Company's Obligations and in order to induce CIC to enter into this Agreement and to make the Loan, the Company hereby assigns, conveys, mortgages, pledges, hypothecates, transfers and grants to CIC a first priority security interest in the Collateral.

SECTION 3. REPRESENTATIONS AND WARRANTIES. The Company represents, warrants and covenants that:

3.1 Authority. The Company is a corporation duly incorporated and validly existing and in good standing under the laws of Illinois and fully licensed, qualified to do business and in good standing in every jurisdiction in which it is required by law to be, including every jurisdiction where such licensing or qualification is or will be required for the purposes of enforcing its rights to the Equipment and the Lease. The Company has all powers and all permits, consents and authorizations necessary to own and operate its properties and to carry on its business as presently conducted. The execution and delivery of the Documents by the Company, the consummation of the transactions contemplated herein and fulfillment of and compliance with the terms of the Documents by the Company (i) are permitted by the Articles of Incorporation and By-Laws of the Company; (ii) will not contravene, or constitute a default under any provision of applicable law or regulation or of the Articles of Incorporation or By-Laws of the Company, or of any mortgage, indenture, lease, agreement or other instrument, or any judgment, order or decree, binding upon the Company; and (iii) shall not subject the Company to any tax, penalty, liability or other onerous condition under or pursuant to any applicable law or governmental regulation. All consents of any holder of any Indebtedness of the Company required for the Company to enter into this Agreement have been obtained. The Documents, and the several agreements and instruments contemplated thereby, have been duly executed and delivered and constitute legal, valid and binding obligations of the Company, enforceable in accordance with their respective terms.

3.2 Title to Equipment and Other Properties. The Company has good and marketable title to its real properties and good title to all of its other properties and assets, including the properties and assets reflected in the balance sheet as of June 30, 1984 described in Section 3.10 (other than properties and assets disposed of in the ordinary course of business), subject to no lien of any kind except liens securing obligations as reflected in said balance sheet or incurred in the ordinary course of business. The Company and its subsidiaries enjoy peaceful and undisturbed possession of all leases necessary in any material respect for the operation of their respective properties and assets, none of which contains any unusual or burdensome provisions which might materially affect or impair the operation of such properties and assets. All such leases are valid and subsisting and are in full force and effect.

3.3 The Lease. The Lease is a valid and binding obligation enforceable in accordance with its terms against the Company and the Lessee. The Lease is in full force and effect and there has been no prepayment of any sums due thereunder. Neither party to the Lease is in default thereunder and no claims, offsets, withholdings, credits, deductions or defenses are threatened or exist (or with notice or the passage of time or both would exist) to the payment of any and all sums due thereunder. The Lease shall be at all times and by its terms, free from setoff, abatement, counterclaim and defense of any kind. The Lease, in the form and substance of Exhibit B attached hereto, constitutes the entire agreement between the Company and the Lessee with respect to the Equipment. All original Leases and subleases, if any, in the possession of the Company have been legended as follows: "This lease, including all rights and monies due and to become due hereunder have been assigned to Citicorp Industrial Credit, Inc."

3.4 Liens and Security Interests. The security interests and liens attaching to the Collateral pursuant to the Documents will at all times constitute valid, perfected and enforceable first priority security interests and liens in favor of CIC, subject to no other security interests, mortgages, liens or other encumbrances, except as otherwise permitted under this Agreement. Before any funding hereunder, the Company will have taken, or will have participated with CIC in taking all necessary action and will have made all necessary filings at the Company's expense, including but not limited to filings under all applicable United States federal and state statutes and under applicable Canadian federal and provincial statutes to provide CIC with perfected first priority security interests, mortgages and liens in the Collateral under the laws of all applicable jurisdictions.

3.5 Governmental Approvals. No approvals or consents of any governmental department, administrative agency or instrumentality having jurisdiction over the Company are necessary to permit the Company to enter into and execute the Documents or to perform its obligations under any of such; or if any such approvals or consents are required, such have been obtained by the Company.

3.6 Litigation. There is no action, suit or proceeding pending or, to the knowledge of the Company threatened, against the Company or any rights or properties of the Company before any court, governmental department, administrative agency or instrumentality which, if such action, suit

or proceeding were adversely determined, would materially adversely affect the financial condition or the results of operations of the Company of its business or the ability of the Company to perform its obligations under the Documents. There is no action, suit or proceeding pending or threatened involving the Collateral.

3.7 No Event of Default. The Company is not in default in the performance of any covenant or condition made in respect of any outstanding Indebtedness, indenture, material agreement or other instrument, and no holder of any such outstanding Indebtedness or party to any such indenture, agreement or other instrument has given the Company notice of any asserted default thereunder. The Company is not a party to any contract or agreement or subject to any charter or corporate restriction which materially adversely affects the business, properties, assets or financial condition of the Company. To the best knowledge of the Company, the Company is not in material default with respect to any judgement, order, decree, writ, injunction, rule or regulation of any court or governmental department, commission, board, bureau, agency or instrumentality.

3.8 Tax Returns. The Company has filed all United States tax returns and all state, local and foreign tax returns required to be filed by it and has paid, or made provisions for the payment of, all taxes which have or may become due pursuant to said returns or pursuant to any assessment received by the Company except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with generally accepted accounting principles and such returns properly reflect the United States income, foreign tax, and/or state taxes of the Company for the periods covered thereby.

3.9 Lease Payments. The Company warrants that Exhibit B attached hereto correctly sets forth the schedule of Rental Payments in United States of America dollars. The initial Lease has a noncancellable term of fifteen years. The Lessee is not entitled to any discounts under the Lease.

3.10 Financial Information. The Company has delivered to CIC the balance sheets of the Company and DII and the related statements of income and retained earnings of the Company and DII for its most recent fiscal year end and for the most recent fiscal quarter then ended. Such balance sheets and statements fairly present the financial condition of the Company and DII as of such dates and the results of the operations of the Company, DII and its subsidiaries for the period ending on such dates, all in accordance with generally accepted accounting principles consistently applied. Since the end of the latest fiscal quarter there has been no material adverse change in the Company's financial condition or operations.

3.11 Other Obligors. If there be more than one borrower, guarantor or co-maker of this Agreement the obligation of each shall be primary, joint and several, and whether or not there is more than one borrower, guarantor or co-maker, each hereby consents to any extension of time of payments and/or the execution of any refinancing agreement relative to this Agreement.

3.12 Consequential Damages. CIC shall not be liable for any indirect, special or consequential damages arising out of this Agreement or any breach hereof.

3.13 Loan Proceeds. The Company agrees that the proceeds of the Loan are to be used by the Company to acquire a portion of the Equipment. In connection therewith, the Company represents that the amount of the Loan shall in no event exceed 80% of the Company's aggregate cost for said Equipment comprising part of the Collateral.

3.14 Sales Taxes. The Company's purchase and lease of the Equipment is exempt from Illinois and Indiana sales and use taxes.

SECTION 4. THE LOAN:

4.1 Loan Amount. Subject to, and upon the terms, conditions, covenants and agreements contained in the Documents, CIC agrees to make a Loan to the Company in the original principal amount of \$7,200,000, such Loan to be evidenced by the Note. The Note shall bear interest at the Loan Rate.

4.2 Payments. All payments on the Note shall be made in accordance with the Agreement and the terms of the Note.

SECTION 5. CONDITIONS TO LOAN. The obligation of CIC to make the Loan hereunder is subject to the performance by the Company of all its obligations under the Documents and to the satisfaction of the following conditions:

5.1 Accuracy of Representations. The representations and warranties contained in the Documents shall be true and correct in all material respects on and as of the Closing Date and the Loan Date.

5.2 Defaults and No Adverse Change. No Event of Default shall have occurred or be continuing on the Closing Date; and no Default or Event of Default shall have occurred or be continuing on the Loan Date. Since the end of the latest fiscal quarter, there has been no material adverse change in the Company's financial condition or operation.

5.3 Delivery of Documents. Receipt by CIC of all the Documents required and contemplated under the Agreement to be given to CIC at least (5) days prior to the Closing Date. Such Documents shall include but shall not be limited to:

- (i) evidence that all other original Leases in possession of Company, have been appropriately legended, as provided in section 3.3, any documents and correspondence relating to, or in support of such Lease and the Equipment to become subject thereto;
- (ii) a fully executed Assignment covering the Lease and the Equipment in the form attached hereto as Exhibit A;
- (iii) a copy of the Lessee's certificate stating that Lessee has unconditionally accepted the Equipment;
- (iv) a proper bill of sale evidencing the sale of the Equipment to the Company;
- (v) evidence that the Equipment is insured, in accordance with Section 6.6 hereof;
- (vi) duly executed UCC financing statements prepared by CIC;
- (vii) secretary's certificate relating to incumbency and corporate resolutions acceptable to CIC on which certificate CIC may conclusively rely;
- (viii) an officer's certificate in the form attached hereto as Exhibit E;

(ix) duly executed Letter Agreement in the form of Exhibit C attached hereto;

(x) any and all documents required to be filed or deposited with the Registrar General of Canada or with any Provincial or Territorial office of Canada, if such required documents include documents other than the Lease, the Assignment or the Letter Agreement.

(xi) any such other documents as counsel for CIC may reasonably request.

5.4 Certificates and Documents. Receipt by CIC from the Company in form and substance satisfactory to CIC at least 5 days prior to the Closing Date, of (i) all documents that CIC may reasonably request relating to the valid existence of the Company and to the authorization, execution and delivery of the Documents and other matters relevant thereto; and (ii) Certificates of Good Standing in the states of its incorporation and principal place of business and such other certificates authorizing the Company to conduct business in such states (A) where it maintains an office; and (B) where such is required to enforce its rights under the Lease.

5.5 Opinion of Counsel. Receipt by CIC, in form and substance satisfactory to CIC at least 3 days prior to the Closing Date, of an opinion of counsel for the Company on such other matters as CIC shall reasonably request.

SECTION 6. COMPANY'S COVENANTS. During the term of this Agreement and until the Company's Obligations have been fully and finally fulfilled, the Company covenants and agrees that:

6.1 Payment. The Company shall promptly pay to CIC all amounts due and payable under the Note.

6.2 Compliance. The Company shall promptly comply with all of its obligations under the Documents.

6.3 Financial Statements. The Company shall furnish to CIC:  
(a) within 120 days after the end of each fiscal year of the Company and DII, a copy of the audited annual financial statements (consisting of at least a balance sheet and related statements of income, retained earnings and changes in financial condition) of the Company and DII prepared in conformity with generally accepted accounting principles.

(b) within 90 days of the end of each quarter of each fiscal year during the term hereof, interim financial statements of the Company and DII prepared and certified by an authorized officer of the Company and prepared similarly to the statements referred to in clause (a) above (subject to normal year-end adjustments) and consisting of at least a balance sheet as of the close of such period and profit and loss statement for the quarter then ended and for the period from the beginning of such fiscal year to the close of such;

(c) such other information concerning the Company's and DII financial condition or operations, as CIC shall reasonably request from time to time.

6.4 Payment of Obligations. The Company will pay and discharge, when due, all of its material Indebtedness and all obligations, except those obligations (other than those due CIC) being contested in good faith, and the Company shall maintain, in accordance with generally accepted accounting principles, adequate reserves for the payment of the same.

6.5 Notice; Litigation. The Company shall, within 5 Business Days of becoming aware of such event, give written notice to CIC of (i) the occurrence of any Event of Default hereunder or any event under any other agreement, loan, indenture or mortgage by which it is bound, would, but for the passing of time or the giving of notice, constitute a default, (ii) any legal, judicial or regulatory proceedings affecting the Company or any of its properties or assets in which the amount involved is material and is not covered (subject to normal deductibles) by insurance and that is reasonably probable to have a material adverse effect on the business or the financial condition of the Company, (iii) any dispute between the Company, and any governmental regulatory body or other person that is reasonably probable to materially interfere with the normal business operations of the Company, (iv) substantial damage to any material part of the Equipment, specifying the nature and extent of damage and whether such damage is being repaired in due course, or total loss destruction of any material part of the Equipment, (v) any other action, event or condition of any nature of which it has knowledge which may have, or lead to, or result in, any material adverse effect upon the business, assets or financial condition of the Company all taken as a whole, (vi) any exercise of any right or option by the Lessee pursuant to the Lease; and (vii) any termination of, breach of or default under the Lease.

6.6 Insurance. The Company agrees that all risks of loss, damage to or destruction of the Equipment shall at all times be on the Company. The Company, at its own cost and expense, shall maintain, with financially sound and responsible companies, insurance in such form, in such amounts and against such risks (including without limitation, public liability and property damage insurance in amounts consistent with industry practice) as is acceptable to CIC, plus any additional insurance, if any, required in the Documents. The Company will have the right to place any such insurance with any insurance carrier acceptable to CIC. Prior to any funding hereunder, the Company will furnish CIC with (i) a summary of the insurance coverage of the Company together with certificates showing CIC as loss payee to the extent its interest may appear with respect to property damage insurance, and as an additional insured with respect to liability coverage, all such policies to be noncancellable without 30 days prior written notice to CIC, (ii) supplements to such summary from time to time as the amounts or terms of such insurance coverage change, and (iii) copies for the applicable policies and proof of payment of the premiums therefor. Any insurance proceeds relating to the Equipment received by the Company shall at all times be CIC's property, shall be held by the Company in trust for CIC and shall be paid over to CIC immediately upon receipt. The Company shall not modify any insurance coverage without the written consent of CIC.

6.7 Payment of Taxes. With respect to the Collateral and any re-lease of the Equipment hereunder, and until the Company has fulfilled all of its obligations under the Documents, the Company will pay when due all license fees, sales, use, property, excise, transaction, ownership and all other taxes, assessments and other liabilities, with respect to the

Collateral except for those taxes being contested in good faith and in a timely manner and against which the Company has set up adequate reserves in accordance with generally accepted accounting principles. The Company shall provide CIC with evidence of such remittances or exemptions therefrom, upon CIC's request.

6.8 Actions by Company. The Company shall take all necessary steps to defeat the assertion by any third party of any claims upon or against the Collateral or any part thereof. The Company shall pay and discharge, or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge of any Indebtedness, charge, assessment, obligation or claim which, if unpaid, might become a lien, charge, security interest or other incumbrance upon or against any of the Collateral. The Company at the request of CIC shall take all actions at Company's expense with respect to the Collateral as CIC shall, from time to time, reasonably request.

6.9 Maintenance of Equipment; Casualty Occurrences. (a) The Company will at its sole cost and expense operate the Equipment or cause the same to be operated in the manner and use for which it was designed, and shall maintain and keep the Equipment or cause the same to be maintained and kept, in good working order and proper repair acceptable for its intended use and consistent with specifications promulgated by the Association of American Railroads; (b) in the event that any item of Equipment shall become worn out, unsuitable for use, lost, stolen, destroyed or damaged beyond economical repair, condemned, seized or expropriated ("Casualty Occurrence") then the Company shall have the option within 30 days of becoming aware of such Casualty Occurrence to (i) pay to CIC an amount equal to the remaining principal balance outstanding under the Note in respect of the item or items of Equipment suffering a Casualty Occurrence plus accrued but unpaid interest thereon to the date on which such payment to CIC is made, or (ii) substitute Equipment of "like kind" for the Equipment suffering the Casualty Occurrence.

6.10 Further Assurances, Etc. The Company will, at any time and from time to time, execute and deliver, and use its best efforts to cause to be executed and delivered by all necessary Persons, such further instruments and take such further action as may be requested by CIC, in order to cure any defects in the execution and delivery of, or to comply with, or to accomplish the purposes, covenants and agreements contained in the Documents. The Company shall provide CIC with such financial statements and such other information as it shall reasonably request from time to time.

6.11 Modifications. The Company shall not without the prior written consent of CIC, declare a default or exercise any of its remedies under the Lease, or terminate, modify or accept a surrender of, or offer or permit any modification, surrender or termination of the Lease or consent to (i) any compromise, settlement or adjustment of any amount due or to become due under the Lease or (ii) the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease or any part thereof. The Company shall not, without the prior written consent of CIC, offer or permit any modification, surrender or termination of any agreement that could adversely affect the interests of CIC hereunder.

6.12 Retention of Title; Identification. The Company will not encumber, sell, assign or otherwise dispose of any interest in the Collateral, except as such is encumbered and assigned to CIC as provided herein or in the Lease, without the prior written consent of CIC and, in any event, any purchaser or assignee from the Company shall assume all of the Company's obligations hereunder and shall execute such documents as may be required by CIC to evidence such assumption and subordination. The charges, encumbrances and assessments. The Company agrees that it will immediately at its own cost and expense prepare and deliver to Lessee the appropriate form of stencil or plate for marking purposes and will forthwith exercise its rights and powers under the Lease to direct BC Rail to affix a plate or otherwise mark plainly, distinctly, permanently and conspicuously on each side of such unit of Equipment, in letters not less than one inch in height the following legend:

"Title To This Car Subject To Documents Filed  
With Interstate Commerce Commission".

Such marks shall be such as to be readily visible. In the event that during the term hereof, any of such marks shall at any time be removed, defaced or destroyed, the Company shall cause the same to be restored or replaced. The Company shall not change, or permit to be changed, the numbers of any item of Equipment at any time covered hereby (or any numbers which may have been substituted as herein provided) except in accordance with a statement of new numbers to be substituted therefor which previously shall have been provided to CIC and which shall be filed and recorded by the Company in like manner as this Agreement.

6.13 Information; Inspection. The Company will keep accurate corporate books and financial records and so long as any Obligation of the Company remains outstanding hereunder and will afford to CIC access at all reasonable times to the Company's books and records pertaining to the subject matter of this Agreement in order that CIC and its representatives may examine such books and records. During the period in which the Equipment is in the possession of the Company it will furnish additional information, documents and reports in such detail as CIC shall reasonably request including but not limited to quarterly reports specifying, among other things, current Equipment locations and casualty occurrences. In addition, the Company will permit CIC to visit and inspect the Equipment, all at reasonable times and as often as may be reasonably requested. In the event the Company receives any information from the Lessee including but not limited to Equipment location and casualty occurrences, it will provide such information to CIC.

6.14 Corporate Existence; Merger or Consolidation. The Company will preserve and maintain its separate corporate existence and all rights, privileges and franchises in connection therewith and shall maintain its corporate existence, rights and privileges in the jurisdiction of its incorporation, and qualify and remain qualified as a foreign corporation in each jurisdiction in which such qualification is necessary or desirable and will comply with all material laws and regulations applicable to it. The Company shall not merge or consolidate with another corporation unless the Company is the survivor of such merger or consolidation, without the prior consent of CIC which consent shall not be unreasonably withheld.

6.15 Other Businesses. The Company agrees that it shall not without the prior written consent of CIC, which consent shall not be unreasonably withheld, undertake to enter into any business, other than the business of leasing where doing so would adversely effect the Company's ability to pay any of its Indebtedness.

6.16 Recordation, Payment of Expenses. The Company will, promptly after the execution and delivery of the Documents cause the Agreement, the Assignment and the Note to be duly filed, recorded or deposited with the Interstate Commerce Commission in accordance with 49 U.S.C. 11303. In addition, the Company covenants and agrees that, if the Lessee is a railroad or shipper having its principal place of business in Canada or intends to base or use the cars in Canada, it will cause the Agreement, the Note and the Assignment to be duly filed, recorded or deposited in the office of the Registrar General of Canada, if permitted, and otherwise in the appropriate office in every Province and Territory of Canada, provided further, that the term used in the immediately preceding provision means other than occasional and intermittent use. The Company will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record and will refile, reregister and rerecord any and all further instruments required by law (including all applicable laws of Canada and any other jurisdiction) or reasonably request by CIC in and to the purpose of proper protection of the security interests of CIC in and to the Equipment and the Assignment hereunder, of the interests of the Company in and to the Lease and of fully carrying out and effectuating this Agreement and the intent hereof. Promptly after the execution and delivery of the Documents and of each supplement or amendment hereto and thereto, the Company will furnish to CIC an Opinion of Counsel stating that, in the opinion of such counsel, such document or financing statement relating to such document has been properly deposited, filed, registered and recorded and redeposited, refiled, reregistered and rerecorded, if necessary so as effectively to protect the security interests of CIC in and to the Equipment and the Assignment hereunder and of the interests of the Company in and to the Lease, and that no further filing, recordation is or will be necessary for the protection of CIC's rights in the Equipment, the Lease and the Assignment in any state of the United States of America or District of Columbia.

6.17 Lease Termination. In the event that (i) the Lease between the Company and BC Rail shall terminate for any reason, or (ii) BC Rail shall be in material default of any of its obligations under said Lease, the Company shall use its best efforts to re-lease the Equipment to a Lessee reasonably acceptable to CIC, pursuant to an agreement containing terms and conditions substantially similar to those in the Lease attached hereto as Exhibit B. In the event that the Company shall not enter into a new Lease within 120 days after either of the events set forth in (i) or (ii) above, then at the expiry of said 120 days and pursuant to the provisions of the Letter Agreement, the Company shall enter into a Lease substantially similar to that attached hereto as Exhibit B, with DII pursuant to which DII shall be obligated to make payments of rent and other sums to the Company in such amounts and at such times as BC Rail was obligated to make under the Lease. Nothing contained in this Section 6.17 shall be deemed a waiver of the Company's Obligations hereunder or under the Note.

#### SECTION 7. DEFAULT AND REMEDIES

7.1 Events of Default. The occurrence of any of the following events or conditions shall constitute an Event of Default:

(a) Failure of Company to pay any amounts payable hereunder or under the Note when due;

(b) Breach of the Lease by the Company or default in the due observance or performance by the Company of any covenant, condition or provision required to be observed or performed by the Company in the Lease

and such continues for a period of time sufficient to permit the Lessee or its successors or assigns to exercise any one or more of the remedies set forth in the Lease;

(c) Any representation or warranty made by the Company in any certificate, report, financial or other statement furnished by the Company pursuant thereto or in connection therewith is untrue or misleading in any material respect as of the date made or furnished;

(d) Any of the Documents or the Lease shall fail to be in full force and effect or shall fail to be a legal, valid, binding and enforceable obligation and agreement, or any lien, any rights pursuant to assignment of claims statutes or any security interest created by any of the foregoing shall fail at any time for any reason to be enforceable, duly perfected and first priority;

(e) Failure of DII to at all times during the term hereof, maintain a tangible net worth at least equal to \$60,000,000;

(f) Breach by the Company of any representation or warranty contained herein or default by the Company in the due observance or performance of any of the covenants, agreements or obligations contained herein which shall not have been cured within 20 days of written notice of such breach or default;

(g) Filing by the Company of a petition for relief under the Bankruptcy Code or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or consenting to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or making a general assignment for the benefit of creditors, or failing generally to pay its debts as they become due, or taking any corporate action to authorize any of the foregoing;

(h) Filing of an involuntary petition or the commencement of any other proceeding against the Company seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed for a period of 30 days; or the issuance of a warrant of attachment, execution or similar process against the Company and such warrant remains neither unbonded nor undismissed for a period of 10 days from notice to the Company;

(i) Any of the Company's Indebtedness (other than the Note) becomes due by its terms and remains unpaid and the holder thereof proceeds to exercise any remedies (unless the Company's failure to pay is due to a good faith contest by the Company of its purported obligation to pay) or such Indebtedness is due and payable prior to its expressed maturity by reason of any default by the Company in the performance or observance of any obligation or condition or in connection with the breach of any warranty or representation;

(j) Final judgment for the payment of money, \$50,000 or more of which is not fully covered by insurance, shall be rendered against the Company and the same shall remain undischarged for a period of 30 days during which execution shall not be effectively stayed;

(k) Subjection of the Collateral to levy or execution or other judicial process which is not or cannot be removed within 30 days from the subjection thereof;

(l) Any act of the Company which imperils the value of the Collateral or the prospect of full performance of the Obligations including but not limited to the liquidation or dissolution of the Company or the commencement of any acts relative thereto, or, without the prior written consent of CIC, any sale or other disposition of all or substantially all of the assets not in the ordinary course of business of the Company including any merger or consolidation of the Company unless the Company is the surviving entity;

(m) Inability, by death or otherwise, of any guarantor or co-obligor under the Documents to perform any of the obligations or promises contained in the Documents or the Letter Agreement;

(n) Material default by the Company of its obligations under any indenture, agreement or undertaking without regard to any waiver of such default;

(o) A material adverse change from the date hereof in the financial or operating condition of the Company.

7.2 Remedies. If there shall occur any Event of Default set forth in Section 7.1 hereof then, upon the election of CIC, evidenced by written notice to Company, CIC may take one or more of the following actions:

(i) declare all Obligations immediately due and payable in full without notice or demand;

(ii) subject to the rights of the Lessee secure peaceable repossession of the Equipment without judicial process or the removal of the same by CIC or its representative(s);

(iii) subject to the rights of the Lessee require the Company to assemble the Equipment and at the Company's sole cost and expense including but not limited to the cost of track rental, make it available to CIC on track acceptable to CIC for such time as CIC shall require;

(iv) sell the Equipment at public or private sale, without advertisement or notice except that required by law, for the best price that CIC can obtain and upon such terms as CIC may deem advisable and be the purchaser at any such sale;

(v) require the Company to pay all expenses of such retaking, selling or the like, including CIC's reasonable attorneys' fees and legal expenses;

(vi) enforce the provisions of the Lease against the Lessee and collect, receive and retain all rental payments and unpaid mileage and other charges on the same case due under the Lease;

(vii) exercise any other right or remedy which may be available to it under the Uniform Commercial Code or any other applicable law or proceed by appropriate court action to enforce the terms hereunder or recover damages for the breach hereof. The Company agrees that CIC's exercise of any remedy shall obligate the Company, and the Company agrees that it will take such action and pay such amounts as are contracted for or incurred by CIC in connection with the exercise of such rights and remedies required by CIC. The Company shall be liable for any deficiency remaining after sale of the Equipment and application of the net proceeds to the Obligations secured hereby. If such proceeds exceed the amount due and owing CIC for such Obligations, CIC agrees to pay over the surplus to the Company.

7.3 Attorney's Fees. The Company agrees to pay reasonable attorneys' fees whenever an attorney is used to collect on or enforce this Agreement or to enforce, defend, declare or adjudicate any of CIC's rights or interests hereunder or with respect to any Collateral, whether by suit, negotiation or otherwise and regardless of the forum.

7.4 Remedies Cumulative. All rights and remedies of CIC pursuant to the provisions of the Agreement are cumulative, and may, to the extent permitted by law, be exercised concurrently or separately, and the exercise or partial exercise of any right or remedy shall not be deemed to be an election of such right or remedy or to preclude any other or further or future exercise of any other right or remedy. No failure on the part of CIC to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof or of any similar or other right or remedy in the future.

#### SECTION 8. PREPAYMENT OF NOTE.

8.1 Prepayment. Provided there has not occurred an Event of Default, the Company may prepay the Note in full at any time after thirty-six (36) months from the effective date hereof, provided the Company shall give at least forty-five (45) days prior written notice of the intended date of prepayment. In addition to a payment of the Note Balance on such date, and to the extent not prohibited by law, a surcharge calculated as follows shall be payable therewith. If the Market Rate, as defined below, is less than the interest rate evidenced in the Note, then the surcharge shall be an amount equal to .5% of the principal balance outstanding on the day prior to prepayment plus the difference between (y) said principal balance, and (z) the remaining unpaid payments discounted at the Market Rate. If the Market Rate is greater than the interest rate evidenced herein, then the surcharge shall be an amount equal to .5% of said principal balance. For purposes hereof, the term Market Rate shall mean the average of the yields to maturity of the most recently issued two (2) and five (5) year Treasury Notes for the fifteen (15) business days ending on the Friday immediately preceding the week in which prepayment of the indebtedness evidenced in the Note shall occur, plus two hundred (200) basis points (2.0%). Except as otherwise provided in Section 6.9 hereof, no partial prepayments shall be allowed hereunder without the written consent of CIC.

#### SECTION 9. INDEMNITIES.

9.1 Company's Indemnities. The Company shall (a) indemnify CIC, its successors and assigns, from and against any and all suits, claims, counterclaims, damages, penalties and losses it shall suffer (including but

not limited to attorneys' fees) which arise out of or in connection with the Company's breach of any of its representations, warranties or covenants contained herein, in the Lease or the Documents, and (b) indemnify and save CIC, its successors and assigns, employees, officers, directors and agents harmless from and against any and all claims or suits for any loss, damage or injury sustained by any Person whatsoever by reason of the sale, financing, use, possession or disposition of the Equipment, and in connection therewith, the Company shall pay the costs of all legal fees and all other expenses incurred by CIC.

9.2 Payment. Such indemnity amounts shall be payable by the Company upon demand by CIC.

#### SECTION 10. POWER OF ATTORNEY

10.1 Power of Attorney in Respect of Lease. The Company does hereby irrevocably constitute and appoint CIC its true and lawful attorney-in-fact with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rents, income, per diem mileage and other sums which are assigned under this Agreement with full power to settle, adjust or compromise any claim thereunder as fully as the Company could itself do, and to endorse the name of the Company on all commercial paper given in payment or in partial payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Company, or otherwise, which CIC may deem necessary or appropriate to protect and preserve the right, title and interest of CIC in and to such rents and other sums due under the Lease and the security intended to be created under the Documents. In addition, CIC may perform any obligation, duty and act of the Company under the Lease. The Company agrees to indemnify CIC for any expenses incurred by CIC under this Section.

10.2 Delegation. The powers and authority granted in Section 10.1 herein may be delegated by CIC, in whole or in part, in its discretion, and CIC is authorized and empowered to substitute another for itself, with full powers in such substitute to act in Company's stead in the same manner as if such substitute had been named herein as Company's attorney-in-fact.

#### SECTION 11. MISCELLANEOUS.

11.1 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of CIC, any right, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law or in any other agreement.

11.2 Survival of Agreements. Notwithstanding the termination of any of the Documents, all agreements, covenants, indemnities, obligations, representations and warranties made in the Documents shall continue in full force and effect to the extent required for their full observance and performance.



All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given to any party when sent by registered or certified mail, if by mail; or when delivered to the telegraph company, charges prepaid, if by telegram; in each case addressed to such party as provided herein or in accordance with the latest unrevoked direction from such party.

11.8 Amendment. This Agreement may not be amended except in writing signed by CIC and the Company.

11.9 Descriptive Headings. Descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

11.10 Assignment. This Agreement or any part hereof may not be assigned by the Company without the written consent of CIC. This Agreement or any part hereof may be assigned by the CIC.

11.11 Mortgage Act of British Columbia. The Company hereby acknowledges and agrees that Section 23, 24, 26, 27 and 28 of the Chattel Mortgage Act, R.S.B.C. 1979, Chapter 48 and any other statutory provisions similar to the said Sections or enacted to replace or amend the said Sections, however designated, shall have no force, effect or application to this Agreement or to any action under this Agreement or to any security collateral to this Agreement or to any agreement or instrument renewing, amending, supplementing or extending this Agreement and the Company hereby releases and waives any and all rights, benefits and protections given by the said Sections.

IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be executed in duplicate as of the date first above mentioned.

TRANSPORTATION CORPORATION OF AMERICA

By: T.A. Cayton

Title: Treasurer

CITICORP INDUSTRIAL CREDIT, INC.

By: James E. Agrest

Title: Vice President

STATE OF Illinois )  
COUNTY OF Cook ) SS:

ON THIS 3rd day of October, 1984, before me personally appeared T. A. Cayton, to me personally known, who being by me duly sworn, says that he is the Treasurer of Transportation Corporation of America, that the seal 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.

Richard [Signature] [SEAL]

My Commission Expires:

11-10-87

ACKNOWLEDGEMENT OF OFFICER OF A CORPORATION

I, \_\_\_\_\_, businessman of  
(Name of Deponent)

\_\_\_\_\_  
(Address of Deponent) MAKE OATH AND SAY AS FOLLOWS:

1. I am \_\_\_\_\_  
(State whether the Deponent is the president, secretary or other officer or director of the corporation)

of Transportation Corporation of America  
(State the name of the corporation granting the Chattel Mortgage)

a corporation incorporated under the laws of the State of Illinois, of the United States of America, having its head office at 26th & State Street,  
(Address of

Chicago Heights, Illinois (and having its chief place of business in head office)

British Columbia at \_\_\_\_\_ )  
(Give address or chief place of business in British Columbia if applicable).

2. The paper writing attached hereto and marked "A" is an executed copy of a Chattel Mortgage (as defined in the Chattel Mortgage Act, R.S.B.C. 1979, Chapter 48) together with every Schedule or Inventory thereto annexed or therein referenced to as made, given and executed by the said corporation at Chicago Heights, Illinois  
(State place where the Chattel Mortgage is executed).

3. That I, as \_\_\_\_\_,  
(State whether as president, secretary, other officer or director)

of the said corporation, being duly authorized so to do, on behalf of the said corporation, did affix the seal of the said corporation to the said Chattel Mortgage and did duly deliver the said Chattel Mortgage as the act and deed of the said corporation on the \_\_\_ day of October, 1984.

SUBSCRIBED TO AND SWORN )  
BEFORE ME THIS \_\_\_ DAY )  
OF \_\_\_\_\_, 19\_\_\_ )  
AT \_\_\_\_\_: )  
)  
)  
)  
)  
)  
)  
Notary Public in and for the )  
State of \_\_\_\_\_ )

\_\_\_\_\_  
Signature of Deponent

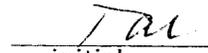
Schedule 1

Attached to and a part of that certain Loan and Security Agreement dated October 3, 1984 by and between Transportation Corporation of America ("Company") and Citicorp Industrial Credit, Inc. ("CIC")

210 Thrall Car Manufacturing Company 100-Ton Beam Bulkhead Flat Cars

Serial Numbers: BCIT 871000-BCIT 871149 both inclusive

BCIT 871200 through BCIT 871259 both inclusive

  
initial

Transportation Corporation of America

ASSIGNMENT

ASSIGNMENT, dated as of \_\_\_\_\_, 1984 by and between TRANSPORTATION CORPORATION OF AMERICA, an Illinois corporation (the "Company") and CITICORP INDUSTRIAL CREDIT, INC., a Delaware corporation ("CIC");

WHEREAS, CIC has made a Loan to the Company for the purpose of enabling the Company to acquire certain Equipment more specifically described in the Loan and Security Agreement dated as of the date hereof (the "Agreement"); and

WHEREAS, title to the Equipment is to be vested in and is to be retained by the Company and such Equipment is to be leased by the Company pursuant to the Lease between Company and the lessee named therein (hereinafter referred to as the "Lease") copies of the Lease or Memorandum of Lease having been filed with (i) the Interstate Commerce Commission on April 12, 1984 and bearing recordation No. 14312, and (ii) the Registrar General of Canada on May 7, 1984, and acknowledged by the Deputy Registrar of Canada by letter of May 8, 1984, a copy which is attached hereto as Exhibit B; and

WHEREAS, it is desired to grant to CIC an assignment of and a security interest in and to the Collateral described below;

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

1. The Company hereby assigns, transfers and sets over to CIC as security for the payment and performance of all of the Company's Obligations under the Agreement (i) all of the Company's right, title and interest in and to the Equipment described in Exhibit A attached hereto, together with all accessions, replacements, attachments, substitutions, or additions thereto; (ii) all of the Company's right, title and interest as lessor in, to and under the Lease together with all rights, powers, privileges, and other benefits of the Company as lessor under the Lease in respect of the Equipment, including but not limited to Company's right to receive and collect all rentals, liquidated damages, proceeds of sale and other payments now or hereafter to become payable to or receivable by the Company under or pursuant to the provisions of the Lease; (iii) all the Company's right to receive and collect all per diem mileage or other payments now or hereafter to become payable to the Company in respect of the Equipment, whether under or pursuant to the provisions of the Lease or otherwise; provided, however, that until the happening of an Event of Default CIC shall not collect or receive any of such rentals or other payments or take any other action in respect thereof; and (iv) all of the Company's right, title and interest in and to the Guaranty of Rents executed by DII in favor of the Company. The Company represents and warrants that it has not heretofore made and agrees that it will not hereafter make in respect of the Equipment any other assignment of the Lease or the rentals or payments payable to or receivable by the Company under the Lease.

[Filed and recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. 11303 on \_\_\_\_\_ at \_\_\_\_\_ a.m., recordation number \_\_\_\_\_.]

2. The rights hereby assigned to CIC are subject to the rights of the Lessee under the Lease, and so long as the Lessee is not in default under its Lease, CIC shall not interfere with the rights of peaceful and undisturbed possession of the Lessee in and to the Equipment in accordance with the terms of the Lease. The Company will faithfully abide by, perform and discharged each and every obligation, covenant and agreement which the Lease provides is to be performed by the Company; without the written consent of CIC, the Company will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, and conditions and agreements to be performed by the Lessee, including without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease, and the Company agrees that any amendment, modification or termination thereof without such consent shall be void.

3. The Company does hereby irrevocably constitute CIC the Company's true and lawful attorney in accordance with section 10.1 of the Agreement. In addition to, and without in any way limiting the powers conferred upon CIC by the Agreement, CIC may upon the happening of an Event of Default (as defined in the Agreement), in CIC's own name or in the name of CIC's nominee, or in the name of the Company or as the Company's attorney, (i) ask, demand, sue for, collect and receive any and all rentals or per diem mileage or other payments to which the Company is or may become entitled in respect of the Equipment; (ii) enforce the terms of the Guaranty of Rents against the guarantor thereof; and (iii) enforce compliance by Lessee under the Lease with all the terms and provisions thereof and make all waivers and agreements, give all notices, consents and releases, take all action upon the happening of a default specified in the Lease, and do any and all other things whatsoever which the Company, as lessor or beneficiary under the Guaranty of Rents, is or may become entitled to do under the Lease or the Guaranty of Rents, or which to CIC may seem to be necessary or advisable under the circumstances.

4. The assignment made by this instrument is made only as security and, therefore, shall not subject CIC to, transfer, or pass or in any way affect or modify, the liability of the Company under the Lease or otherwise, it being understood that, notwithstanding any assignment, any obligations of the Company under the Lease or otherwise shall be and remain enforceable against and only against the Company or persons other than CIC.

5. Upon the full discharge and satisfaction of the Company's Obligations under the Documents provided for in the Agreement, the assignment made pursuant to this instrument shall terminate and all rights, title and interest of CIC as assignee hereunder in and to the Equipment or the Lease or the payments due pursuant thereto or the Guaranty of Rents shall revert to the Company.

6. The Company covenants and agrees with CIC that in any suit, proceeding or action brought by CIC pursuant to the provisions of this instrument for any rentals or per diem mileage or other payments in respect of the Equipment, whether under or pursuant to the provisions of the Lease, the Guaranty of Rents or otherwise, or to enforce any provisions of the Lease or the Guaranty of Rents, the Company will save, indemnify and keep CIC harmless from and against all expense, loss or damage suffered by reason of any defense, set-off, counterclaim or recoupment whatsoever.

7. The Company will pay and discharge any and all taxes, claims, liens, charges or security interests (other than the security interest created hereby and under the Agreement) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Company, or its successors and assigns (other than CIC), not arising out of the transaction contemplated by the Agreement (but including income taxes arising out of rentals and any other payments under the Lease and any other proceeds of the Equipment) which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or the rentals, other payments or proceeds, unless the Company shall be contesting the same in good faith by appropriate proceedings in any reasonable manner, and the nonpayment thereof does not, in the opinion of CIC, adversely affect the interest of CIC. The Company agrees to give CIC notice of any such contest at least 10 days prior to institution thereof.

8. The Company will, from time to time, execute, acknowledge and deliver any and all further instruments required by law as requested by CIC in order to confirm or further assure the interest of CIC hereunder.

9. All capitalized terms contained herein shall, unless the context specifically requires otherwise, have the meanings ascribed in the Agreement.

10. Except as otherwise provided herein, the provisions of this Assignment shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.

11. All notices and other communications in connection with this Assignment shall be given in accordance with the provisions of Section 11.7 of the Agreement.

12. This Assignment may be executed in any number of counterparts all of which together shall constitute a single instrument, but the counterpart delivered to CIC shall be deemed to be an original and all others shall be deemed to be duplicates thereof. The provisions of this Assignment and all rights and obligations of the parties hereunder shall be governed by the laws of the State of New York, but the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303.

IN WITNESS WHEREOF, the Company and CIC have caused their names to be signed hereto by their respective officers thereunto duly authorized and as of the day and year first above written.

TRANSPORTATION CORPORATION OF  
AMERICA

By \_\_\_\_\_

Title \_\_\_\_\_

CITICORP INDUSTRIAL CREDIT, INC.

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

Exhibit B

Lease Agreement between Company and BC Rail

Exhibit C

Form of Letter Agreement

## PROMISSORY NOTE

Exhibit D

\$ \_\_\_\_\_

Dated: \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned, TRANSPORTATION CORPORATION OF AMERICA, an Illinois corporation (the "Maker"), hereby promises to pay to the order of CITICORP INDUSTRIAL CREDIT, INC. (the "Payee") by wire transfer in immediately available funds to such account as the Payee may designate in writing, from time to time, in lawful money of the United States of America, under the terms, conditions and circumstances as set forth herein and as may be more fully described in the Loan and Security Agreement dated \_\_\_\_\_, 1984 between Maker and Payee ("Agreement" herein), the principal sum of \$ \_\_\_\_\_, together with interest on the unpaid principal balance from time to time unpaid hereon from the date hereof at the rate of 12.99% per annum compounded monthly, such interest being payable in 30 consecutive semi-annual installments commencing on the \_\_\_ day of \_\_\_\_\_, 1985 and on the like date of each \_\_\_\_\_ and \_\_\_\_\_ thereafter until this Note shall be paid in full, and principal to be paid in 15 consecutive annual installments in the amount of \$ \_\_\_\_\_ each, commencing on the \_\_\_\_\_ day of \_\_\_\_\_, 1985 and on \_\_\_\_\_ each year thereafter until paid in full, except that the installments of interest and principal due on \_\_\_\_\_, 1999 shall be in an amount sufficient to discharge the accrued interest on, and the unpaid principal of this Promissory Note. Each such installment when paid shall be applied first to the payment of all interest accrued and unpaid thereon, and the balance to principal. All calculations of interest hereunder shall be computed on the basis of a 360 day year for the actual number of days elapsed.

As security for the indebtedness evidenced hereby, the Maker has granted to Payee a security interest in certain Collateral, as more fully described in the Agreement and Payee shall be entitled to all rights and benefits thereunder. The terms used in this Promissory Note, unless otherwise defined herein or unless the context otherwise requires, shall have the meanings ascribed in the Agreement.

In the event that any amounts due hereunder shall not be paid to Payee on the date when due, the Maker shall pay on demand as a late charge an amount equal to five percent (5%) of such overdue amounts limited, however, to the maximum amount allowed by law.

Any amount of principal not paid when due, whether at stated maturity, by acceleration or otherwise, shall bear interest from the day when due until said principal amount is paid in full, at an interest rate of 14% per annum, and shall be added to the balance hereof.

This Promissory Note is the Note referred to in the Agreement, which Agreement, among other things, contains provisions for: acceleration of the maturity hereof upon the happening of certain stated events and also for prepayment on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified. Maker hereby waives demand, for payment, presentment, protest and notice of any kind in connection with the delivery, acceptance, performance, default or enforcement of this

Promissory Note and hereby consents to any extensions of time, renewals, releases of any party to this Promissory Note, waivers or modifications that may be granted or consented to by the holder of this Promissory Note in respect of the time of payment or any other provisions of this Promissory Note.

Neither the failure on the part of the holder of this Promissory Note in exercising any right or remedy nor any single or partial exercise or the exercise of any other right or remedy shall operate as any waiver. No modification or waiver of any provision of this Promissory Note, nor any departure by Maker therefrom, shall in any event be effective unless the same shall be in writing and then such waiver or consent shall be effective only in the specific instance and for the specific purpose given. Whenever any payment to be made under this Promissory Note shall be due on a day other than a Business Day such payment shall be deemed to be payable on the next following business day and such extension of time in such case, shall be included in computing interest, if any, in connection with such payment. Maker agrees to pay all costs and expenses, including but not limited to reasonable attorneys' fees which may be incurred in connection with the enforcement and collection of this Promissory Note.

The terms and provisions hereof shall inure to the benefit of, and be binding upon, the respective successors and assigns of Payee and Maker.

TRANSPORTATION CORPORATION OF  
AMERICA

By \_\_\_\_\_

Title \_\_\_\_\_

CERTIFICATE OF INCUMBENCY  
TRANSPORTATION CORPORATION OF AMERICA

I, John M. Hartigan, assistant secretary of Transportation Corporation of America, an Illinois corporation, do hereby certify that the following named individuals are the duly elected officers of said Company and they held the offices set opposite their names since prior to September 1, 1984 and now hold such offices. I further certify that the signatures written opposite their names and titles are their correct signatures.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Robert J. Ladecky	Vice President	_____
T. A. Layton	Treasurer	_____

IN WITNESS WHEREOF, we have set our hands and the seal of said Company this \_\_\_\_\_ day of \_\_\_\_\_, 1984.

\_\_\_\_\_  
John M. Hartigan, Assistant  
Secretary of Transportation  
Corporation of America

CERTIFIED COPY OF RESOLUTIONS OF BOARD OF DIRECTORS  
OF  
TRANSPORTATION CORPORATION OF AMERICA

I, John M. Hartigan, Assistant Secretary of Transportation Corporation of America, an Illinois corporation (the "Company"), do hereby certify that the following resolutions were duly adopted by the unanimous written consent of the Board of Directors of the Company on September 25, 1984, and that said resolutions have not been rescinded, amended or modified.

RESOLVED, that the form and substance of a proposed form of Loan and Security Agreement between the Company and Citicorp Industrial Credit, Inc. ("CIC") providing for a loan to the Company in the amount of \$8,000,000 plus interest at 12.99%, secured by 210 center beam railcars on lease to British Columbia Railway Co. are hereby approved and that the President, any Vice President or the Treasurer of the Company are hereby authorized and directed to execute and deliver to CIC a Loan and Security Agreement in substantially the form hereby approved, with such changes as said officer may approve, such approval to be conclusively evidenced by his execution and delivery of the same.

FURTHER RESOLVED, that the form and substance of the Note and Assignment contained as Exhibits A and D to the Loan and Security Agreement approved in the preceding resolution are hereby approved and that the President, any Vice President or the Treasurer of the Company are hereby authorized and directed to execute and deliver to CIC, pursuant to said Agreement, an Assignment and Note in substantially the form hereby approved, with such changes as said officer may approve, such approval to be conclusively evidenced by his execution and deliver of the same.

FURTHER RESOLVED, that the aforesaid officers of the Company are hereby authorized and directed to deliver to CIC such corporate papers, certificates and other papers and documents as may be required by CIC, and to take such action as may be necessary or proper, in order to consummate the matters authorized in this and the preceding resolutions.

I hereby further certify that the copy of the Loan and Security Agreement attached hereto, including the Assignment and Note attached thereto, are in the same form as those presented to and approved by the Board of Directors at said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the Company this \_\_\_\_ day of \_\_\_\_\_, 1984.

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John M. Hartigan, Assistant  
Secretary of Transportation  
Corporation of America

CERTIFIED COPY OF RESOLUTIONS OF BOARD OF DIRECTORS

OF

DUCHOSSOIS INDUSTRIES, INC.

I, John M. Hartigan, Assistant Secretary of Duchossois Industries, Inc., a Delaware corporation (the "Company"), do hereby certify that the following resolutions were duly adopted by the unanimous written consent of the Board of Directors of the Company on September 25, 1984, and that said resolutions have not been rescinded, amended or modified.

RESOLVED, that the form and substance of a proposed form of Letter Agreement between the Company and Citicorp Industrial Credit, Inc. ("CIC") contained as Exhibit C to the Agreement between the Company's wholly owned subsidiary Transportation Corporation of America and CIC are hereby approved and that the President, any Vice President or the Treasurer of the Company are hereby authorized and directed to execute and deliver to CIC a Loan and Security Agreement in substantially the form hereby approved, with such changes as said officer may approve, such approval to be conclusively evidenced by his execution and delivery of the same.

FURTHER RESOLVED, that the aforesaid officers of the Company are hereby authorized and directed to deliver to CIC such corporate papers, certificates and other papers and documents as may be required by CIC, and to take such action as may be necessary or proper, in order to consummate the matters authorized in this and the preceding resolution.

I hereby further certify that the copy of the Letter Agreement attached hereto is in the same form as that presented to and approved by the Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the Company this \_\_\_\_ day of \_\_\_\_\_, 1984.

\_\_\_\_\_  
John M. Hartigan, Assistant  
Secretary of Duchossois Industries,  
Inc.

CERTIFICATE OF INCUMBENCY  
DUCHOSSOIS INDUSTRIES, INC.

I, John M. Hartigan, assistant secretary of Duchossois Industries, Inc., a Delaware corporation, do hereby certify that the following named individuals are the duly elected officers of said Company and they held the offices set opposite their names prior to September 1, 1984 and now hold such offices. I further certify that the signatures written opposite their names and titles are their correct signatures.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Robert J. Ladecky	Vice President	_____
Michael J. Mularski	Treasurer	_____

IN WITNESS WHEREOF, we have set our hands and the seal of said Company this \_\_\_\_\_ day of \_\_\_\_\_, 1984.

\_\_\_\_\_  
John M. Hartigan, Assistant  
Secretary of Duchossois Industries,  
Inc.