

CHICAGO AND NORTHWESTERN TRANSPORTATION COMPANY



14616

REGISTRATION NO. Filed 1425

April 2, 1985

REGISTRATION NO. 14616/A
FILED 1425

APR 3 1985 3 20 PM OFFICE OF THE SECRETARY

File No. _____

APR 3 1985 3 22 PM
INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION
DIRECT DIAL NUMBER
(312) 559-6167

5-098A138

Mr. James H. Bayne
Interstate Commerce Commission
Washington, D.C. 20423

No. _____
Date APR 3 1985
10-00

Dear Mr. Bayne:

Pursuant to Section 11303 (formerly Section 20c) of the Interstate Commerce Act, enclosed for recordation are counterparts of Conditional Sale Agreement and Agreement and Assignment both dated as of March 15, 1985, covering one Super Dome Passenger Rail Car listed in Schedule A attached to the Agreement.

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

1. Conditional Sale Agreement between William H. Nicholson, 34 Marland Road, Colorado Springs, Colorado 80960 and Milwaukee Rail Car Corporation, 5126 North 37th Street, Milwaukee, Wisconsin 53209.
2. Agreement and Assignment between William H. Nicholson, 34 Marland Road, Colorado Springs, Colorado, Assignor, and North Western Leasing Company, One North Western Center, Chicago, IL 60606, Assignee.

Enclosed is our check for \$10.00 for your recording fee. Please assign a sub-file number for the Agreement and Assignment. Keep one counterpart for your files and return the other counterparts showing your recordation data.

Sincerely,

Joan A. Schramm

Joan A. Schramm
Assistant Secretary

Enclosure

cc: R. D. Smith

R. F. Guenther

D. E. Stockham, Attn: P. J. Brod
Arthur Andersen & Co.,
Attn: G. Holdren

APR 3 1985 10:00 AM
RECORDING UNIT

f-cs38

Handwritten signature: S. P. ...

Interstate Commerce Commission
Washington, D.C. 20423

4/3/85

OFFICE OF THE SECRETARY

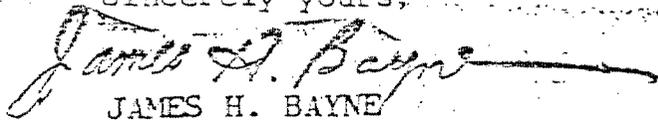
Joan A. Schramm
Assist. Secretary
Chicago & North Western Transp. Co.
One North Western Center
Chicago, Illinois 60606

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 4/3/85 at 3:20pm and assigned re-
recording number(s). 14616 & 14616-A

Sincerely yours,



JAMES H. BAYNE

Secretary

Enclosure(s)

• 14616
REGISTRATION NO. _____ FILED 1428

APR 3 1985 -3 20 PM

INTERSTATE COMMERCE COMMISSION

CONDITIONAL SALE AGREEMENT

Dated as of March 15, 1985

between

WILLIAM H. NICHOLSON

and

MILWAUKEE RAIL CAR CORPORATION

CONDITIONAL SALE AGREEMENT

CONDITIONAL SALE AGREEMENT dated as of March 15, 1985, between WILLIAM H. NICHOLSON, (hereinafter called the "Seller or the Vendor" as the context may require, all as more particularly set forth in Article 1 hereof), and MILWAUKEE RAIL CAR CORPORATION, a Wisconsin corporation (hereinafter called the "Purchaser").

WHEREAS, the Seller has agreed to supply, sell and deliver to the Purchaser, and the Purchaser has agreed to purchase, the equipment described in Schedule A hereto (hereinafter called the "Equipment");

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

ARTICLE 1 Assignment; Definitions. The term "Vendor", whenever used in this Agreement, means, before any assignment of any of its rights hereunder, WILLIAM H. NICHOLSON, and any successor or successors for the time being to its properties and businesses, and, after any such assignment, both any assignee or assignees for the time being of such particular assigned rights as regards such rights, and also any assignor as regards any rights hereunder that are retained or excluded from any assignment or which are not vested in any assignee or assignees until satisfaction of conditions contained in such assignment. The term "Seller", whenever used in this Agreement, means, both before and after any such assignment, WILLIAM H. NICHOLSON and any successor or successors for the time being to its respective properties and businesses.

ARTICLE 2. Sale. Pursuant to this Agreement, the Seller will sell and deliver to the Purchaser, and the Purchaser will purchase from the Seller and accept delivery of and pay for (as hereinafter provided), the Equipment. The Equipment shall conform to the specifications applicable thereto (which specifications, are hereinafter called the Specifications). The design, quality and component parts of the Equipment shall, on the date of delivery thereof to the Purchaser, in each case conform to all Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards recommended by the Association of American Railroads, if any, reasonably interpreted as being applicable to equipment of the character of the Equipment.

ARTICLE 3. Delivery.

The Seller will deliver or have delivered the Equipment to the Purchaser, with freight charges prepaid, at Purchaser's facility located at 5126 North 37th Street, Milwaukee, Wisconsin (the "Facility").

Upon delivery of the Equipment at the Facility, if it conforms to the Specifications, requirements and standards applicable thereto, an authorized representative of the Purchaser shall execute and deliver to the Seller a certificate of acceptance (hereinafter called the "Certificate of Acceptance") stating that such Equipment has been inspected and accepted on behalf of the Purchaser. The Purchaser's execution and delivery of a Certificate of Acceptance shall conclusively establish that such Equipment is acceptable to and accepted by the Purchaser, notwithstanding any defect with respect to design, manufacture, condition or in any other respect, and that such Equipment is, insofar as this Agreement is concerned, in good order and condition and appears to conform with the Specifications. By execution and delivery of such Certificate of Acceptance, the Purchaser represents that it has no knowledge of any such defect.

On delivery and acceptance of the Equipment hereunder at the Facility, the Purchaser will assume the responsibility and risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of such Equipment. Equipment not delivered, accepted and settled for on or prior to August 1, 1985, (hereinafter called the Cut-Off Date) shall be excluded from this Agreement and from the term "Equipment" as used herein, and the Purchaser shall be relieved of its obligation to purchase and pay for any such Equipment.

ARTICLE 4. Purchase Price and Payment.

The base price of the Equipment is set forth in Schedule A hereto. The term "Purchase Price" as is used herein shall mean the Purchase Price for the Equipment as set forth in Schedule "A" hereto.

The term "Closing Date" with respect to the Equipment shall mean such date not later than the Cut-Off Date (as defined in Article 3), occurring not more than five Business Days following presentation by the Seller to the Purchaser of an invoice for the Purchase Price of such Equipment, as shall be fixed by the Purchaser by written notice delivered to the Vendor at least one Business Day prior to the Closing Date designated therein. The term "Business Day or Days" shall mean

with respect to a payment, a day on which banks are open for business in Chicago and Wisconsin.

The Purchaser hereby acknowledges itself to be indebted to the Vendor in the amount of, and hereby promises to pay in cash to the Vendor at the Purchaser's place of business in Milwaukee, Wisconsin the Purchase Price of the Equipment, (hereinafter called the Conditional Sale Indebtedness).

The Conditional Sale Indebtedness shall be payable on August 1, 1985. The unpaid Conditional Sale Indebtedness shall bear interest, from the Closing Date at a rate of 13.65% per annum. Such interest shall be payable semiannually on the first day of August and February in each year commencing the first such date after the Closing Date. Notwithstanding the foregoing, the Conditional Sale Indebtedness, the interest therein and all other indebtedness of the Builder to the Company shall become at once due and payable at the option of the Company if in the Company's sole opinion the performance of the Builder hereunder is jeopardized by any event or situation or by any act or failure to act on the part of the Builder which would lead the Company to believe that Builder will not be able to substantially comply with the terms of this Agreement.

All payments of Conditional Sale Indebtedness and interest therein due under this Agreement shall be made in immediately available funds on or before noon, Wisconsin time, on the date due; and funds received after that hour shall be deemed to have been received on the next business day.

All payments of principal and interest provided for in this Agreement shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

ARTICLE 5. Taxes. All payments to be made by the Purchaser hereunder will be free of expense to the Vendor for collection or other charges and will be free of expenses to the Vendor with respect to the amount of any local, state, federal or foreign taxes (other than net income, gross receipts [except gross receipts taxes in the nature of or in lieu of sales or use taxes], excess profits and similar taxes) or license or registration fees, assessments, charges, fines, levies, imposts, duties, withholdings, stamp taxes and penalties hereafter levied or imposed upon or in connection with or measured by this Agreement or any sale, use, payment, shipment, delivery or transfer of title or other disposition under the terms hereof (all such expenses, taxes, license fees, assessments, charges, fines, levies, imposts, duties, withholdings, stamp taxes and penalties, together with any interest payable with respect thereto, being hereinafter called impositions), all of which impositions the Purchaser assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. Without limiting the foregoing, the Purchaser will also pay promptly all impositions which may be imposed upon the

Equipment delivered to it or for the use or operation thereof or upon the earnings arising therefrom (except as provided above) or upon the Vendor solely by reason of its interest therein (except as provided above) and will keep at all times all and every part of the Equipment free and clear of all impositions which might in any way affect the security interest of the Vendor or result in a lien upon any part of the Equipment; provided, however, that the Purchaser shall be under no obligation to pay any impositions of any kind so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect the interest or rights of the Vendor in or to the Equipment or otherwise under this Agreement. If any such impositions shall have been charged or levied against the Vendor directly and paid by the Vendor, the Purchaser shall reimburse the Vendor upon presentation of an invoice therefor, and any amounts so paid by the Vendor shall be secured by and under this Agreement; provided, however, that the Purchaser shall not be obligated to reimburse the Vendor for any impositions so paid unless the Vendor believes in its reasonable opinion that it shall have been legally liable with respect thereto (as evidenced, if the Purchaser so requests, by an opinion of counsel for the Vendor), or unless the Purchaser shall have approved the payment thereof.

ARTICLE 6. Security Interest in the Equipment.

The Vendor shall and hereby does retain a continuing security interest in the Equipment until the Purchaser shall have made all of its payment and shall have kept and performed all of its agreements and obligations under this Agreement, notwithstanding the delivery of the Equipment to and the possession and use thereof by the Purchaser as provided in this Agreement. Any and all additions to the Equipment (except additions that are not required by Article 9 hereof and that are readily removable without causing material damage to the unit) and any and all replacements of the Equipment and of parts thereof and additions thereto (except as provided above) shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement.

Except as otherwise specifically provided in this Article 6 and in Article 8 hereof, when and only when the full indebtedness in respect of the Purchase Price of the Equipment and in respect of the price of the Equipment described in this Agreement, together with interest and all other payments as herein and in this Agreement, shall have been paid, and all the Purchaser's and the Seller's obligations herein and in this Agreement contained shall have been performed, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Purchaser without further transfer or action on the part of the Vendor. However, the Vendor, if so requested by the Purchaser and at the Purchaser's expense at that time will (a) execute a bill or bills of sale

for the Equipment transferring and releasing its interest therein to the Purchaser, or upon its order (such bill of sale to be with warranty that the Equipment is free of all liens, security interests and other encumbrances), and deliver such bill or bills of sale to the Purchaser at its address referred to in Article 21 hereof, (b) execute and deliver at the same place, for filing, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the release of the security interest of the Vendor in the Equipment, and (c) pay to the Purchaser any money paid to the Vendor pursuant to Article 8 hereof and not theretofore applied as therein provided.

ARTICLE 7. Marking of the Equipment.

The Purchaser will cause the Equipment to be kept numbered with its identifying number as set forth in Schedule A hereto, or in the case of Equipment not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Agreement to cover such Equipment, and will, on and after the Cut-Off Date, cause to be kept and maintained, plainly, distinctly, permanently and conspicuously marked on each side of the Equipment, in letters not less than one inch in height, the words "Ownership subject to a Security Agreement filed with the Interstate Commerce Commission", or other appropriate markings approved by the Vendor with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Vendor's interest in the Equipment and its rights under this Agreement. The Purchaser will replace promptly any such markings which may be removed, defaced, obliterated or destroyed. The Purchaser will not change the number of the Equipment except in accordance with a statement of a new number or numbers to be substituted therefor, which statement previously shall have been filed with the Vendor by the Purchaser and filed, recorded and deposited by the Purchaser in all public offices where this Agreement shall have been filed, recorded and deposited.

Except as provided in the immediately preceding paragraph, the Purchaser will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership.

ARTICLE 8. Casualty Occurrences.

In the event that the Equipment shall be worn out, lost, stolen, destroyed, or, in the opinion of the Purchaser, shall no longer be economically useful to the Purchaser, or shall be irreparably damaged or otherwise rendered unsuitable or unfit for use from any cause whatsoever, or shall be requisitioned or

taken by any governmental authority under the power of eminent domain or otherwise for a stated period which exceeds the remaining term of this Agreement (such occurrence being hereinafter called a Casualty Occurrence), the Purchaser shall promptly and fully inform the Vendor in regard thereto (after it has knowledge of such Casualty Occurrence). The Purchaser shall, on the date for the payment of the Conditional Sale Indebtedness occurring five (5) days after it has knowledge of such event, pay to the Vendor a sum equal to the Casualty Value (as defined herein) of such Equipment as of the date of payment (or the sum provided for in the third paragraph of this Article 8 in the event the Purchaser makes such payment pursuant to said third paragraph) and shall file with the Vendor a certificate of an officer of the Purchaser setting forth the Casualty Value of each unit of the Equipment suffering a Casualty Occurrence.

Any money paid to the Vendor pursuant to the preceding paragraph of this Article 8 shall, as the Purchaser may direct in a written instrument filed with the Vendor, be applied (so long as no event of default shall have occurred and be continuing), in whole or in part, to prepay the Conditional Sale Indebtedness or toward the cost of a new or used unit of equipment in good condition and complying with all the provisions of the fifth paragraph of Article 9 hereof to replace Equipment suffering a Casualty Occurrence. Any unit of replacement equipment shall have a remaining useful life at least as long as that which the unit being replaced would have had but for the Casualty Occurrence.

So long as no event of default shall have occurred and be continuing, the Purchaser may pay to the Vendor in lieu of the aggregate Casualty Value required to be paid on the payment date pursuant to the provisions of the first paragraph of this Article 8, a sum equal to the Conditional Sale Indebtedness as of the date of such payment in respect of the Purchase Price of the Equipment having suffered a Casualty Occurrence and such sum shall be applied by the Vendor on the payment date to prepay Conditional Sale Indebtedness.

The Casualty Value of the Equipment suffering a Casualty Occurrence (including a replacement unit) shall be deemed to be the Purchase Price of such Equipment (or cost thereof in the case of a replacement unit) less an amount representing (as of

the date that the Purchaser determines that such Equipment suffered a Casualty Occurrence) depreciation on such Equipment at the rate of 7% per annum, but in no event shall the Casualty Value be less than the Conditional Sale Indebtedness in respect of such Equipment as of the date that the Purchaser determines that such Equipment suffered a Casualty Occurrence.

The Purchaser will cause any replacement unit or units to be marked as provided in Article 7 hereof. Any and all such replacements of Equipment shall constitute accessions to the Equipment and shall be subject to all appropriate terms and conditions of this Agreement as though part of the original Equipment delivered hereunder and shall be included in the term "Equipment" as used in this Agreement. Title to all such replacement units shall be free and clear of all liens and encumbrances and shall be taken initially and shall remain in the name of the Vendor subject to the provisions hereof, and the Purchaser shall execute, acknowledge, deliver, file, record or deposit all such documents and do any and all such acts as may be necessary to cause such replacement units to come under and be subject to this Agreement. All such replacement units shall be warranted by the Purchaser or third parties in like manner as is customary at the time for similar equipment.

Whenever the Purchaser shall file with the Vendor a written direction to apply amounts toward the cost of any replacement unit, the Purchaser shall file therewith:

(1) a certificate of the President, or the Controller or Chief Accounting Officer of the Purchaser certifying as to the matters hereinabove set forth in this Article 8; and

(2) an opinion of Counsel for the Purchaser that the Vendor has a valid and perfected security interest in such replacement unit, free and clear from all claims, liens, security interests and other encumbrances that such unit has come under and become subject to this Agreement and that all necessary filings and recordings have been made to perfect the security interest of the Vendor therein.

In order to facilitate the sale or other disposition of any Equipment suffering a Casualty Occurrence, the Vendor shall, upon request of the Purchaser and at the Purchaser's expense, after payment by the Purchaser of a sum equal to (A) the lesser of (i) the Casualty Value of such Equipment, or (ii) the amount provided for in the third paragraph of this Article 8, plus (B) any cost and expenses of the Vendor in connection with such sale for which the Vendor is to be reimbursed hereunder, execute and deliver to the Purchaser or the Purchaser's

vendee, assignee or nominee, a bill of sale (without warranties) for such Equipment, and such other documents as may be required to release such Equipment from the terms and scope of this Agreement, in such form as may be reasonably requested by the Purchaser.

ARTICLE 9. Insurance, Maintenance, Compliance with Laws and Rules. The Purchaser will, at all times during the term of this Agreement, at its own expense, cause to be carried and maintained property insurance and public liability insurance in respect of the Equipment at the time subject hereto in amounts (subject to Purchaser's customary deductibles) and against risks customarily insured against by car rebuilding companies in respect of similar equipment, and, in any event, comparable in amounts and against risks customarily insured against by the Purchaser in respect of similar equipment owned by it but in no event shall such coverage be less than \$1,000,000 in combined single limit coverage for both casualty and personal injury with a \$10,000 deductible or retainage. The Purchaser will deliver on the Closing Date a certificate (or verification) of insurance from the Purchaser's insurance broker evidencing any property and liability insurance effected or in force in accordance with the provisions of this Article. The Purchaser will cause the Vendor and North Western Leasing Company to be named as additional insured. All policies evidenced by certificates of insurance shall contain an agreement of the insurers that such policies shall not be cancelled without at least 10 days' prior written notice to the Vendor in the event of nonpayment of premium by the Purchaser when due.

Any net insurance proceeds (excluding public liability insurance) resulting from insurance carried by the Purchaser or condemnation payments received by the Vendor in respect of the Equipment suffering a Casualty Occurrence shall be deducted from the amounts payable by the Purchaser to the Vendor in respect of Casualty Occurrences pursuant to Article 8. If the Vendor shall receive any such net insurance proceeds or condemnation payments and the Purchaser already has paid the full Casualty Value with respect to the Equipment for which such proceeds are received, the Vendor shall pay such net insurance proceeds or condemnation payments to the Purchaser; provided, however, that if an event of default or other event (hereinafter called a "Default") which with notice, demand and/or lapse of time, would constitute such an event of Default shall have occurred and be continuing, then the amount otherwise payable to the Purchaser may be retained by the Vendor and applied to discharge the liabilities of the Purchaser under this Agreement and the Related Agreements. All net insurance proceeds

(excluding public liability insurance) received by the Vendor or the Purchaser with respect to Equipment not suffering a Casualty Occurrence shall be applied in payment of the cost of repairing the damage to such Equipment, but no such proceeds shall be paid to the Purchaser until the Vendor shall have received a certificate signed by an authorized officer of the Purchaser to the effect that such damage has been fully repaired; and any balance remaining after the completion of such repairs shall be paid to the Purchaser unless an event of Default or Default shall have occurred and be continuing, in which case the amount otherwise payable to the Purchaser may be retained by the Vendor and applied to discharge the liabilities of the Purchaser hereunder and the Related Agreements.

The Vendor shall not be liable for the payment of premiums and assessments under any insurance policy and such insurance shall be primary without right of contribution from any other insurance which is carried by the Vendor to the extent that such other insurance provides it with contingent and/or excess liability insurance with respect to its interest as such in the Equipment.

The Purchaser will, at all times during the term of this Agreement, maintain the Equipment or cause the Equipment to be maintained in good order and repair at its own expense. The Purchaser also agrees only to use the Equipment in the manner for which it was designed and intended. Without limiting the foregoing, the Purchaser will at all times maintain the Equipment or cause the Equipment to be maintained in original condition, normal wear and tear excepted, and where applicable, suitable for use in interchange if and to the extent permitted by the Interchange Rules of the Association of American Railroads, all at the Purchaser's expense. Any parts installed as replacements made by the Purchaser to comply therewith shall be considered accessions and immediately subject to the security interest granted by this Agreement without further act. The Purchaser may make additions or improvements to the Equipment and Title to any additions or improvements shall without further act be immediately subject to the security interest granted by this Agreement.

During the term of this Agreement the Purchaser will at all times comply in all respects with all laws of the jurisdictions in which its operations involving the Equipment may extend, with the Interchange Rules of the Association of American Railroads and with all lawful rules of the Department of Transportation, Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the

extent that such laws and rules affect the title, operation or use of the Equipment, and in the event that such laws or rules require any alteration, replacement or addition of any part on any unit of the Equipment, the Purchaser will conform therewith, at its own expense; provided, however, that the Purchaser may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor under this Agreement.

ARTICLE 10. Possession and Use.

The Purchaser, so long as an event of default shall not have occurred under this Agreement and be continuing, shall be entitled to the possession of the Equipment and the use thereof; provided, however, that such possession and use of the Equipment shall be upon the lines of railroad owned or operated by the Purchaser within the Facility whether under lease or otherwise, from and after delivery of the Equipment by the Seller to the Purchaser, but only upon and subject to all the terms and conditions of this Agreement. The Purchaser shall not, without the prior written consent of the Vendor, have the right to lease or otherwise encumber the Equipment.

ARTICLE 11. Prohibition Against Liens.

The Purchaser will pay or discharge any and all sums claimed by any party from, through or under the Purchaser or its successors or assigns which, if unpaid, might become a lien, charge or security interest on or in the Equipment, equal or superior to the Vendor's interest therein. Any amounts paid by the Vendor in discharge of liens, charges or security interests upon the Equipment shall be secured by and under this Agreement.

ARTICLE 12. Purchaser's Indemnities.

The Purchaser agrees to indemnify, protect and hold harmless the Vendor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and costs, charges, and expenses in connection therewith, including reasonable counsel fees, arising out of (i) retention by the Vendor of a security interest in the Equipment, (ii) the use and operation, or the maintenance, repair or replacement, thereof by the Purchaser during the period when said security interest remains in the Vendor, (iii) the transfer of said security interest in the Equipment by the Vendor pursuant to any of the provisions of this Agreement, (iv) without limiting the foregoing, the construction,

reconstruction, possession, purchase, delivery, installation, ownership, leasing, return, sale or other disposition of the Equipment, (v) the condition of the Equipment at any time, (vi) the acts or omissions to act of the Purchaser, whether for itself or as agent or attorney-in-fact for the Vendor hereunder or under any Related Agreement, or (vii) claims for negligence or strict liability in tort relating to the Equipment. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of all sums due under this Agreement, or the satisfaction, discharge or termination of this Agreement in any manner whatsoever.

ARTICLE 13. Patent Indemnities, Warranty of Material and Workmanship. The Purchaser agrees to indemnify, protect and hold harmless the Vendor from and against any and all losses, damages, liabilities, claims, demands, costs, charges and expenses including royalty payments and counsel fees, in any manner imposed upon or accruing against the Vendor, its assigns because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right.

ARTICLE 14. Assignments. Except for a sale, assignment or transfer to North Western Leasing Company, the Purchaser will not sell, assign, transfer or otherwise dispose of its rights under this Agreement or, except as provided in Article 10 hereof, transfer the right to possession of the Equipment. A sale, assignment, transfer, disposition or lease to a railroad company organized under the laws of the United States of America or any of the States thereof or other purchaser or lessee which shall acquire or lease all or substantially all the lines of railroad of the Purchaser, and which, by execution of an appropriate instrument satisfactory to the Vendor, shall assume and agree to perform each of, and all, the obligations and covenants of the Purchaser under this Agreement, shall not be deemed a breach of this covenant, provided that the Purchaser (with binding effect upon successors of the Purchaser) agrees not to be released as a primary obligor for the payment of principal and interest when due and payable (whether by acceleration or otherwise) on indebtedness outstanding under this Agreement on the date of such sale, assignment, transfer or disposition.

All or any of the rights, benefits and advantages of the Vendor under this Agreement, including the right to receive the

payments herein provided to be made by the Purchaser, may be assigned by the Vendor and reassigned by any assignee at any time or from time to time. No such assignment shall subject any assignee to, or relieve the Vendor from, any of the obligations of the Vendor to sell and deliver the Equipment in accordance with this Agreement or to respond to its obligations and warranties hereunder, or relieve the Purchaser of any of its obligations to the Vendor which, according to its terms or context, is intended to survive an assignment.

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

The Purchaser recognizes that it is the custom of railroad equipment sellers to assign conditional sale agreements and understands that the assignment of this Agreement, or of some of or all the rights of the Vendor hereunder, is contemplated. The Purchaser expressly represents, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Vendor hereunder and for the purposes of inducing such acquisition, that in the event of such assignment by the Vendor as hereinbefore provided, the rights of such assignee to the entire unpaid indebtedness in respect of the Purchase Price or such part thereof as may be assigned, together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever arising out of any defect in the Vendor's title to, or any interruption from whatsoever cause in the use, operation, or possession of the Equipment or any part thereof, or any damage to or loss or destruction of the Equipment, or any part thereof, or by reason of any other indebtedness, howsoever and whenever arising, of the Vendor, to the Purchaser or to any other person, firm, or corporation or to any governmental authority, or any breach of any obligation of the Vendor with respect to the Equipment or the manufacture, construction, delivery, repair or warranty thereof, or from any other cause whatsoever, it being the intent hereof that the

Purchaser shall be unconditionally and absolutely obligated to pay the Vendor all of the amounts which are the subject of its assignment. Any and all obligations of the Vendor, howsoever arising, shall be and remain enforceable by the Purchaser against and only against the Vendor.

The Vendor and the Purchaser will in connection with each settlement for the Equipment subsequent to such assignment, deliver to the assignee on or prior to the date for settlement, all documents required by the terms of such assignment to be delivered to such assignee in connection with such settlement, in such number of counterparts or copies as may reasonably be requested, and the Purchaser will furnish to such assignee such number of counterparts of any other certificate or document required by the Vendor as may reasonably be requested including the opinion of counsel for Purchaser in the form of Exhibit "X" hereto and the Certificate of Acceptance in the form of Exhibit "Y" hereto.

ARTICLE 15. Defaults. In the event that any one or more of the following events of Default shall occur and be continuing to wit:

(a) the Purchaser shall fail to pay in full any indebtedness in respect of the Purchase Price of the Equipment or any other sum payable by the Purchaser as provided in this Agreement when payment thereof shall be due hereunder and such failure shall continue for more than 5 business days after written notice thereof from the Vendor; or

(b) the Purchaser or the Vendor shall fail or refuse to comply with any covenant, agreement, term or provision of this Agreement, on its part to be kept or performed or to make provision satisfactory to the Vendor for such compliance and such failure shall continue for more than 30 days after the Vendor shall have demanded in writing performance thereof; or

(c) any representation or warranty on the part of the Purchaser or the Vendor made herein, or in any statement or certificate furnished to the Vendor or its assigns pursuant to or in connection with this Agreement is untrue in any material respect as of the date of issuance or making thereof.

(d) a case shall be commenced under Chapter 7 of the Bankruptcy Code (as such Chapter is now in effect or hereafter may be amended or replaced), by or against the Purchaser and, unless such petition or case shall have been dismissed, nullified or otherwise rendered ineffective (but then only so long as such ineffectiveness shall continue), (i) within 60 days after such case shall have been commenced, (A) all the

obligations of the Purchaser under this Agreement shall not have been duly assumed for the then unexpired term hereof in writing, pursuant to a court order or decree, by a trustee or trustees appointed in such case in such manner that such obligations shall have, to the fullest extent permitted by law, the same status and priority as to payment as obligations incurred by such trustee or trustees which are entitled to payment as administrative expenses pursuant to 11 U.S.C. 507(a)(1) (as such section is now in effect or hereafter may be amended or replaced) and (B) all events of default under subparagraphs (a), (b) or (f) of this Article 15 shall not have been cured, and (ii) thereafter during the pendency of the case, the trustee or trustees appointed in such case shall not cure in a timely fashion all other events of default under subparagraphs (a), (b) or (f) of this Article 15 which from time to time occur hereunder; or

(e) any other case or proceedings shall be commenced by or against the Purchaser for any relief or adjudication under any bankruptcy or insolvency law, or any law relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, composition or extension or the Board of Directors of the Purchaser shall authorize the commencement of any such other case or proceedings, and, if any such case or proceedings have been commenced against the Purchaser, such case or proceedings shall not have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue) within 60 days after such case or proceedings shall have commenced; or the Purchaser shall make an assignment for the benefit of creditors; or the Purchaser admits in writing its inability to pay its debts generally as they become due, or is unable to pay or is generally not paying its debts as they become due, and such admission, inability or failure shall continue for 30 days after notice thereof from the Vendor; or a trustee, custodian or receiver is appointed for the Purchaser or for a major part of the property thereof and is not discharged within 60 days after such appointment; or

(f) the Purchaser shall make or suffer any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of the Equipment and shall fail or refuse to cause such assignment or transfer to be cancelled by agreement of all parties having any interest therein and to recover possession of such unit (or make provision satisfactory to the Vendor for such compliance) within 15 days after written notice from the Vendor demanding such cancellation and recovery of possession; then at any time after the occurrence of such an event of default the Vendor

may, upon written notice to the Purchaser and upon compliance with any mandatory legal requirements then in force and applicable to such action by the Vendor, declare (hereinafter called a "Declaration of Default") the entire indebtedness in respect of the Purchase Price of the Equipment, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such Declaration of Default at the rate per annum specified in Article 4 hereof as being applicable to amounts remaining unpaid after becoming due and payable, to the extent legally enforceable. Without limiting the other rights of the Vendor, the Vendor shall thereupon be entitled to recover judgment for the entire unpaid balance of the indebtedness in respect of the Purchase Price of the Equipment so payable, with interest as aforesaid, and to collect such judgment out of any property of the Purchaser wherever situated. The Purchaser shall promptly notify the Vendor of any event which has come to its attention which constitutes, or which with the giving of notice and/or lapse of time could constitute, an event of default under this Agreement.

The Vendor may at its election waive any such event of default and its consequences and rescind and annul any Declaration of Default by notice to the Purchaser in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of Default had occurred and no Declaration of Default had been made. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Purchaser that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent Default or impair any rights or remedies consequent thereon.

ARTICLE 16. Remedies. At any time during the continuance of a Declaration of Default, the Vendor may take or cause to be taken by its agent or agents immediate possession of the Equipment, without liability to return to the Purchaser any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 16 expressly provided, and may remove the same from possession and use of the Purchaser or any other person and for such purpose may enter upon the Purchaser's premises, including the Facility, or any other premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services, and aids and any available trackage and other facilities or means of the Purchaser.

In case the Vendor shall demand possession of the Equipment pursuant to this Agreement and shall reasonably designate a point or points upon the premises of the Purchaser for the delivery of the Equipment to the Vendor, the Purchaser shall, at its own expense, forthwith and in the usual manner (including but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any part of the Equipment has been interchanged to return the Equipment so interchanged), cause (a) the Equipment to be moved to such point or points on its tracks as shall be designated by the Vendor and shall there deliver the Equipment or cause it to be delivered to the Vendor and (b) the Equipment to be moved to such interchange point or points of the Purchaser as shall be designated by the Vendor upon any sale, lease or other disposal of all or any part of the Equipment by the Vendor. At the option of the Vendor, the Vendor may keep the Equipment on any of the tracks or premises of the Purchaser until the Vendor shall have leased, sold or otherwise disposed of the same, and for such purpose the Purchaser agrees to furnish without charge for rent or storage, the necessary facilities at any point or points selected by the Vendor reasonably convenient to the Purchaser and, at the Purchaser's risk, to permit inspection of the Equipment by the Vendor, the Vendor's representatives and prospective purchasers and users. This agreement to deliver the Equipment and furnish facilities as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court of equity having jurisdiction in the premises, the Vendor shall be entitled to a decree against the Purchaser requiring specific performance hereof. The Purchaser hereby expressly waives any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the Equipment in any reasonable manner.

At any time during the continuance of a Declaration of Default, the Vendor (whether before or after taking possession of the Equipment as hereinbefore in this Article 16 provided) may at its election and upon such notice as is hereinafter set forth retain the Equipment in satisfaction of the entire indebtedness in respect of the Purchase Price of the Equipment and make such disposition thereof as the Vendor shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Purchaser by telegram or registered mail, addressed as provided in Article 20 hereof, and to any other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Vendor should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the second proviso below, all the Purchaser's rights in the

Equipment shall thereupon terminate and all payments made by the Purchaser may be retained by the Vendor as compensation for the use of the Equipment by the Purchaser; provided, however, that if the Purchaser, before the expiration of the 30-day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the indebtedness in respect of the Purchase Price of the Equipment, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Vendor in retaking possession of, removing and storing the Equipment and the Vendor's reasonable attorneys' fees, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Purchaser; provided, further, that if the Purchaser or any other persons notified under the terms of this paragraph object in writing to the Vendor within 30 days for the receipt of notice of the Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. If the Vendor shall have given no notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 16.

At any time during the continuance of a Declaration of Default, the Vendor, with or without retaking possession thereof, at its election and upon not less than 15 days' notice to the Purchaser and to any other persons to whom the law may require notice of the time and place and upon any other notice which may be required by law, may sell the Equipment, free from any and all claims of the Purchaser or any other party claiming from, through or under the Purchaser, at law or in equity, at a public or private sale and with or without advertisement as the Vendor may determine; provided, however, that if, prior to such sale and prior to the making of a contract for such sale, the Purchaser should tender full payment of the total unpaid balance of the indebtedness in respect of the Purchase Price of the Equipment, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Vendor in retaking possession of, removing, storing, holding and preparing the Equipment for, and otherwise arranging for, the sale and the Vendor's reasonable attorneys' fees, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Purchaser. The proceeds of such sale, less the attorneys' fees and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding,

preparing for sale and selling the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement.

Any sale hereunder may be held or conducted at such place or places and at such time or times as the Vendor may specify, in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine. The Vendor may bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale. The Purchaser shall be given written notice of such sale not less than 15 days prior thereto, by telegram or registered mail addressed to the Purchaser as provided in Article 20 hereof. In the event that the Vendor shall be the purchaser of the Equipment, it shall not be accountable to the Purchaser (except to the extent of surplus money received as hereinafter provided in this Article 16), and in payment of the purchase price therefor the Vendor shall be entitled to have credited on account thereof all or any part of the sums due to the Vendor from the Purchaser hereunder.

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

If, after applying all sums of money realized by the Vendor under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Purchaser shall pay the amount of such deficiency to the Vendor upon demand, together with interest from the date of such demand to the date of payment by the Purchaser at the rate per annum set forth in Article 4 hereof, applicable to amounts remaining unpaid after becoming due and payable. If the

Purchaser shall fail to pay such deficiency, the Vendor may bring suit therefor and shall be entitled to recover a judgment therefor against the Purchaser. If, after applying as aforesaid all sums realized by the Vendor, there shall remain a surplus in the possession of the Vendor, such surplus shall be applied to any sum due, in such order as the Vendor may elect, and if any further surplus remains it shall be paid to the Purchaser.

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

ARTICLE 17. Applicable State Laws. Any provision of this Agreement prohibited by any applicable law of any jurisdiction (which is not overridden by applicable Federal law) shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Purchaser to the full extent permitted by law, it being the intention of the parties hereto that this Agreement shall be deemed to be a conditional sale and enforced as such.

Except as otherwise provided in this Agreement, the Purchaser, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Equipment, or any unit thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Vendor's rights under this Agreement and any and all rights of redemption.

ARTICLE 18. Recording. The Purchaser will cause this Agreement, any assignments hereof and any amendments or supplements hereto or thereto to be filed and recorded with the Interstate Commerce Commission in accordance with 49 U. S. C., §11303; and the Purchaser will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit, and record any and all further instruments required by law or reasonably requested by the Vendor for the purpose of proper protection, to the satisfaction of counsel

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

ARTICLE 19. Payment of Expenses. The Purchaser will pay all reasonable costs and expenses incident to this Agreement and the first assignment of this Agreement and any instrument supplemental or related hereto or thereto, but excluding all fees and expenses of counsel for the first assignee of this Agreement and for any party acquiring interests in such first assignment.

ARTICLE 20. Notice. Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it at its chief place of business at the following specified addresses:

(a) to the Purchaser, at 5126 North 37th Street, Milwaukee, Wisconsin 53209, attention President;

(b) to the Vendor, at 34 Maryland Road, Colorado, Springs, Colorado 80906, attention William H. Nicholson.

ARTICLE 21. Article Headings; Effect and Modification of Agreement. All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

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

ARTICLE 22. Law Governing. The Purchaser warrants that its chief place of business and its chief executive officers are located in the state specified in clause (a) of Article 20 hereof. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of Illinois;

provided, however, that the parties shall be entitled to all rights conferred by 49 U. S. C. §11303 and such additional rights arising out of the filing, recording or deposit hereof, if any, and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited.

ARTICLE 23. Execution. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Agreement is dated, for convenience, as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

THE PURCHASER ACKNOWLEDGES INSOFAR AS THE VENDOR IS CONCERNED THAT NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, THE EQUIPMENT IS SOLD AS-IS WITHOUT WARRANTY OR REPRESENTATION EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF ANY UNIT OR UNITS OF EQUIPMENT, INCLUDING, WITHOUT LIMITATION, THEIR VALUE, CONDITION, DESIGN OR OPERATION.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be executed in their respective corporate names by their officers, thereunto duly authorized, and their respective corporate seals to be hereunto affixed, duly attested, all as of the date first above written.

WILLIAM H. NICHOLSON

By William H. Nicholson

WITNESS:

Melania B. Nicholson

MILWAUKEE RAIL CAR CORPORATION

By Robert F. Bauman
President

[Corporate Seal]

ATTEST:

Paula Sigowski
Secretary

FA-475(32)

STATE OF COLORADO)
COUNTY OF El Paso)

SS.:

On this 31st day of March, 1985, before me personally appeared WILLIAM H. NICHOLSON, to me personally known, who, being by me duly sworn, says that the signature affixed to the foregoing instrument is his genuine signature and that said instrument was signed by him and that the execution of the foregoing instrument was his free act and deed.

Mary E. Nicholson
Notary Public

[Notarial Seal]

My Commission expires

MY COMMISSION EXPIRES 3-30-88

STATE OF WISCONSIN)
COUNTY OF Milwaukee)

SS.:

On this 21st day of March, 1985, before me personally appeared Robert Bauman, to me personally known, who, being by me duly sworn, says that he is President of MILWAUKEE RAIL CAR 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.

Julia Shipmich
Notary Public

[Notarial Seal]

My Commission expires

July 31, 1988

FA-475(32)*

[Counsel to Milwaukee Rail Car Corporation]

William H. Nicholson
34 Marland Road
Colorado Springs, Colorado 80960
and
North Western Leasing Company
165 North Canal Street
Chicago, Illinois 60606

Gentlemen:

As counsel for Milwaukee Rail Car Corporation, a Wisconsin corporation (the "Buyer"), I am familiar with (a) the Conditional Sale Agreement dated as of March 15, 1985 (the "Conditional Sale Agreement") between William H. Nicholson (the "Seller") and the Buyer, (b) the Agreement and Assignment dated as of March 15, 1985 (the "Assignment") between the Seller and North Western Leasing Company (the "Assignee") and, (c) the Buyer's Acknowledgment of Notice of Assignment (the "Acknowledgment"), and I have examined such corporate and other documents and records and such questions of law as I have considered necessary or appropriate for purposes of this opinion. On the basis of such examination, I advise you that in my opinion:

(i) the Conditional Sale Agreement has been duly authorized, executed and delivered by the Buyer and, assuming due authorization, execution and delivery of the Conditional Sale Agreement by the Seller is a legal, valid and binding instrument enforceable in accordance with its terms, subject to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally;

(ii) the Assignment and the Acknowledgment have been duly authorized, executed and delivered by the Seller and Assignee and, assuming due authorization, execution and delivery of the Assignment by the Assignee, are legal, valid and binding instruments enforceable in accordance with their terms, subject to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally;

(iii) the Assignee is vested with all the rights, titles, interests, powers and privileges purported to be assigned to it by the Assignment;

(iv) The Assignee has a valid and perfected security interest in the Equipment, at the time of delivery thereof to the Buyer under the Conditional Sale Agreement, was free from all claims, liens, security interests and other encumbrances including those created by any general mortgage of the Buyer (other than those created by the Conditional Sale Agreement; and other than the rights of the Assignee under the Assignment);

(v) no approval of the Interstate Commerce Commission or any other governmental authority is necessary for the valid execution and delivery of the Conditional Sale Agreement, the Assignment or the Acknowledgment or if any approval is necessary, it has been obtained;

(vi) the Conditional Sale Agreement and the Assignment with the Acknowledgment have been duly filed with the Interstate Commerce Commission in accordance with 49 U.S.C. §11303 and, for the units of rolling stock in the Equipment, no other filing or recordation is necessary for the protection of the rights of the Assignee in any state of the United States of America or in the District of Columbia;

(vii) the Buyer is a duly organized and validly existing corporation in good standing under the laws of the State of Wisconsin and has duly qualified and is authorized to do business and is in good standing in each other jurisdiction where the character of its properties or the nature of its activities makes such qualification necessary and has all requisite power and authority to own its properties and to carry on its business as now conducted;

(viii) there is no condition, restriction or requirement in the documents constituting the corporate charter of the Buyer adversely relating to or affecting the execution and delivery by the Buyer of the Conditional Sale Agreement, the Assignment or the Acknowledgment or the enforceability thereof in accordance with their terms or requiring any approval of the Buyer's stockholders in respect thereof; and

(ix) neither the execution and delivery of the Conditional Sale Agreement, the Assignment and the Acknowledgment, nor the consummation of the transactions therein contemplated, nor the fulfillment of the terms thereof, will conflict with or result in a violation of, or constitute a default under, any of the terms, conditions or provisions of any law, regulation, order, writ, injunction or decree of any court or governmental instrumentality, domestic or foreign, or of any agreement or instrument to which the Buyer is now a party or by which the Buyer is bound.

Very truly yours,

FA-475(32)*

Date:

CERTIFICATE OF ACCEPTANCE

TO: NORTH WESTERN LEASING COMPANY

I, ROBERT J. BAUMAN, the duly authorized representative of MILWAUKEE RAIL CAR CORPORATION (the "Purchaser") for the purpose of Article 4(b) of the Agreement and Assignment dated as of March 15, 1985 between NORTH WESTERN LEASING COMPANY (the "Assignee") and WILLIAM H. NICHOLSON (the "Assignor") DO HEREBY CERTIFY that the unit of railroad equipment described as Dome Passenger Rail Car Super Dome 53 or Via 2701 (the "Equipment") has been inspected on behalf of the Purchaser and that the unit of Equipment was delivered to the Purchaser under the Conditional Sale Agreement dated as of March 15, 1985 between Purchaser and Assignor and has been accepted by me on behalf of the Purchaser.



Authorized Representative
MILWAUKEE RAIL CAR
CORPORATION

SCHEDULE A

TO

CONDITIONAL SALE AGREEMENT DATED AS OF MARCH 15, 1985

BETWEEN

WILLIAM H. NICHOLSON

AND

MILWAUKEE RAIL CAR CORPORATION

<u>Description of Equipment</u>	<u>Railroad Nos.</u>	<u>Purchase Price</u>
One - Super Dome Passenger Rail Car	Currently Super Dome 53 or Via 2701 and to be renumbered CNW 421	\$170,000.00*

* base price

FA-475(32)