

**NORTH  
AMERICAN  
CAR**

13794/A  
RECORDATION NO. .... Filed 1425

SEP 16 1982 -2 10 PM

**NORTH AMERICAN CAR CORPORATION**

33 West Monroe  
Chicago, IL U.S.A. 60603  
Telephone 312.853.5000  
Telex #255222

INTERSTATE COMMERCE COMMISSION  
September 15, 1982

Interstate Commerce Commission  
Washington, D.C. 20423

13794

No. 2-2509300

Date SEP 16 1982

Fee \$ 60.00

ICC Washington, D.C.

SEP 16 1982 -2 10 PM

Dear Secretary:

I have enclosed an original and several counterparts of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

One document is a Canadian Equipment Mortgage and Assignment of Leases, a primary document dated as of September 21, 1982.

*New Member*

The names and addresses of the parties are:

Mortgagor: North American Car (Canada) Limited  
Suite 300  
750-11th Street  
Calgary, Alberta

Mortgagee: North American Car Corporation  
33 West Monroe Street  
Chicago, Illinois 60603

The Equipment covered by the document is described therein.

The second document is an Assignment, a secondary document, dated as of September 21, 1982. The primary document to which this document is connected is the Canadian Equipment Mortgage and Assignment of Leases described above.

The names and addresses of the parties are:

Assignor: North American Car Corporation  
33 West Monroe Street  
Chicago, Illinois 60603

Assignee: Marubeni Corporation, as Agent  
4-2, Ohtemachi 1-chome  
Chiyoda-ku, Tokyo 100  
Japan

A fee of \$60.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the messenger delivering this letter.

SEP 16 2 45 PM '82

*James McCulloch*  
*Countryman*

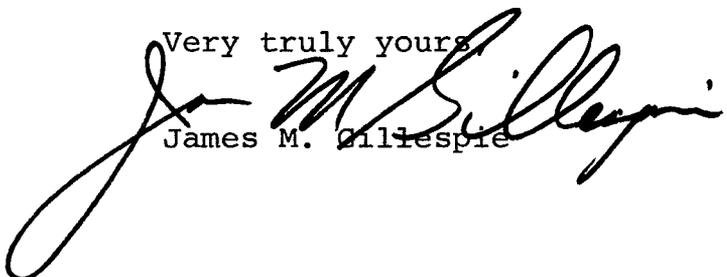
NORTH  
AMERICAN  
CAR

A short summary of the documents to appear in the index follows:

Canadian Equipment Mortgage and Assignment of Leases dated as of September 21, 1982, between North American Car (Canada) Limited, Mortgagor, in favor of North American Car Corporation, the Mortgagee, covering the Equipment described in said Canadian Equipment Mortgage and Assignment of Leases.

Assignment, dated as of September 21, 1982 between North American Car Corporation, Assignor, and Marubeni Corporation, Assignee, assigning the Assignor's interest in the Canadian Equipment Mortgage and Assignment of Leases dated as of September 21, 1982 between North American Car (Canada) Limited, Mortgagor, and North American Car Corporation, Mortgagee and the Equipment described therein.

Very truly yours,

  
James M. Gillespie

JMG:bmt  
Enclosures

13794

RECORDATION NO. .... Filed 1425

SEP 16 1982 - 2 30 PM

CANADIAN EQUIPMENT MORTGAGE AND  
ASSIGNMENT OF LEASES

INTERSTATE COMMERCE COMMISSION

THIS CANADIAN EQUIPMENT MORTGAGE AND ASSIGNMENT OF LEASES dated as of September 21, 1982 (hereafter called this "Canadian Mortgage") is executed by North American Car (Canada) Limited ("NAC Canada"), presently an Ontario corporation, in favor of North American Car Corporation, a Delaware corporation (North American Car Corporation, its successors and assigns herein called the "Mortgagee").

W I T N E S S E T H:

WHEREAS, NAC Canada has entered into a Canadian Resale Agreement dated as of August 30, 1982 (said Agreement, as it may be amended or otherwise modified from time to time, being herein called the "Canadian Resale Agreement") with the Mortgagee, providing for the sale to NAC Canada of certain railroad cars, upon the terms and conditions set forth therein, and subject to the lien of an Equipment Mortgage and Assignment of Leases of even date herewith between North American Car Corporation as mortgagor, and Marubeni Corporation as mortgagee (as amended or otherwise modified from time to time, the "NAC Mortgage");

WHEREAS, NAC Canada has issued to the Mortgagee a promissory note dated August \_\_, 1982 (the "Canadian Note") to further evidence its obligation under the Canadian Resale Agreement to pay the principal of and interest on the purchase price of the above referred to railroad cars as provided in the Canadian Note and in the Canadian Resale Agreement; and

WHEREAS, it is a condition precedent to the sale under the Canadian Resale Agreement of the aforesaid railroad cars that this Canadian Mortgage be executed, delivered and filed for recordation;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto agree as follows:

Section 1. Collateral.

Section 1.1. Grant of Security Interest. In order to secure the prompt payment of the principal of and interest on the Canadian Note and any Supplemental Notes (as hereinafter defined) and the faithful performance and observance by NAC Canada of all of its covenants and agreements contained herein and in the Canadian Resale Agreement and any Supplemental Resale Agreement (as hereinafter defined) including, without limitation, the agreement of NAC Canada to pay the principal of and interest on

the Purchase Price of the below referred to railroad cars on the terms and conditions of the Canadian Resale Agreement and of any railroad cars hereafter purchased by NAC Canada under any Supplemental Resale Agreement as provided in Section 2.2(d) hereof (collectively, the "Obligations"), NAC Canada does hereby assign, pledge, mortgage and grant a security interest unto the Mortgagee in and to all of its right, title and interest in and to the following property (all such property hereinafter collectively called the "Collateral"):

(a) Any and all railroad cars described in Schedule A hereto (which is hereby made a part hereof and incorporated herein by this reference), as the same may from time to time be amended pursuant to any supplement substantially in the form of Schedule B hereto (or in such other form as may be satisfactory to the parties) which shall hereafter be delivered to the Mortgagee pursuant to the provisions of Section 2 (such railroad cars while the same shall be subject to the lien and security interest of this Mortgage being herein collectively referred to as the "Equipment"), together with, and the term "Equipment" shall include, all parts, attachments, appurtenances, accessories and accessions owned by NAC Canada now or hereafter incorporated or installed in or attached to said railroad cars, and all substitutions, replacements and renewals of any and all such parts, attachments, appurtenances, accessories and accessions owned by NAC Canada and all other property owned by NAC Canada which shall hereafter become physically incorporated or installed in or attached to said railroad cars, whether the same is now owned by NAC Canada or hereafter acquired by it;

(b) Any and all claims or rights under any warranty, express or implied, relating to any of the Equipment made by any manufacturer, subcontractor, owner or vendor thereof;

(c) Any and all leases, whether now or hereafter existing, of Equipment (the "Leases") between NAC Canada as lessor and other persons as lessees (the "Lessees") entered in the ordinary course of NAC Canada's business, including, without limitation, (i) the right to receive all rent due thereunder, (ii) all claims for damages arising out of the breach of any Lease, (iii) the right, if any, to terminate any Lease, to perform thereunder and to compel performance of the terms thereof, (iv) the right to take possession of the Equipment, and (v) all other rights, claims and causes of action, if any, which NAC Canada may have against any Lessee with respect to the Leases; and

(d) All proceeds of any and all of the properties described in paragraphs (a), (b) and (c) above including whatever is receivable or received when Collateral or proceeds are sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or involuntary, and including, without limitation, insurance proceeds from any loss or damage to any item of Equipment or

any other proceeds resulting from any Event of Loss, and indemnity payments.

IT IS HEREBY AGREED by the parties hereto that the Collateral is to be held, used and operated subject to the further terms herein set forth.

Section 1.2. Definitions. Except as the context may otherwise require, terms defined or incorporated by reference in the Canadian Resale Agreement and used (but not otherwise defined) herein shall have the respective meanings attributed thereto in the Canadian Resale Agreement. The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Canadian Mortgage shall have the respective meanings hereinafter specified (the following definitions to be equally applicable to the singular and plural forms of the terms herein defined):

"AAR Value" means, with respect to each item of Equipment or NAC Equipment or Substituted Equipment, the so-called "Settlement Value" thereof as determined in accordance with the Interchange Rules adopted by the Association of American Railroads, Mechanical Division, Operations and Maintenance Department, in effect on the date on which the relevant AAR Value is to be determined, or if there are no such Interchange Rules then in effect (or if such Rules would not yield a "Settlement Value" for the Equipment or NAC Equipment or Substituted Equipment in question), the depreciated cost (as determined on a straight-line basis in accordance with accounting principles and practices generally accepted in the United States) of replacement by new railroad cars of the same or an improved model owned by NAC Canada free and clear of any lien, charge or encumbrance whatsoever (other than a Lease or the NAC Mortgage).

"Assumed AAR Value" has the meaning attributed thereto in Section 1.12.

"Canadian Resale Agreement" has the meaning attributed thereto in the first recital paragraph hereof.

"Collateral" has the meaning attributed thereto in Section 1.1.

"Collateral Value" means, as of any date of determination thereof, (a) with respect to each item of Equipment or NAC Equipment or Substituted Equipment first put into service (by any Person) not more than 24 months prior to such date, 90% of the AAR Value (or, in the case of any item of Equipment or NAC Equipment which has suffered an Event of Loss, the Assumed AAR Value) thereof as of such date, (b) with respect to each item of Equipment or NAC Equipment or Substituted Equipment first put into service (by any Person) more than 24 months prior to such date, 80% of the AAR Value (or, in the case of any item of Equipment or NAC Equipment which has suffered an Event of

Loss, the Assumed AAR Value) thereof as of such date, and (c) with respect to each Letter of Credit, the then undrawn face amount thereof.

"Default" means an Event of Default or an event which with the lapse of time or the giving of notice or both would constitute an Event of Default.

"Equipment" has the meaning attributed thereto in Section 1.1.

"Event of Default" has the meaning attributed thereto in Section 3.

"Event of Loss" has the meaning attributed thereto in Section 1.12.

"Insured Amount" has the meaning attributed thereto in Section 1.6.

"Leases" and "Lessees" have the meanings respectively attributed thereto in Section 1.1.

"Letter of Credit" means a Letter of Credit issued under and in compliance with the terms of the NAC Mortgage.

"NAC Equipment" means the "Equipment" under and as defined in the NAC Mortgage other than the Equipment hereunder.

"NAC Mortgage" has the meaning attributed thereto in the first recital paragraph hereof.

"Obligations" has the meaning attributed thereto in Section 1.1.

"Officer's Certificate" means a certificate signed by the President, any Vice President or the Treasurer of NAC Canada.

"Opinion of Counsel" means an opinion in writing signed by legal counsel who shall be satisfactory to the Mortgagee and who may be an employee of or of counsel to NAC Canada.

"Perfectured Jurisdictions" means jurisdictions in which all filings, registrations and recordations required pursuant to Section 5.5 hereof, Section 5.5 of the NAC Mortgage and Section 4.F of the Assignment have been duly effected and remain in full force and effect.

"Permitted Liens" has the meaning attributed thereto in Section 1.11.

"Request" means a written request for the action specified therein, delivered to the Mortgagee, dated not more than 10 days prior to the date of receipt thereof by

the Mortgagee and signed on behalf of NAC Canada by the President, any Vice President or the Treasurer of NAC Canada.

"Substituted Equipment" has the meaning attributed thereto in the NAC Mortgage.

"Supplemental Note" has the meaning attributed thereto in Section 2.2(d).

"Supplemental Resale Agreement" has the meaning attributed thereto in Section 2.2(d).

Each reference herein to a specific agreement or document shall, unless the context otherwise requires, be deemed to refer to such agreement or document as amended or otherwise modified from time to time.

Section 1.3. Payment. NAC Canada will pay in lawful money of the United States of America and in immediately available funds the amount of the Obligations according to the terms and provisions of this Canadian Mortgage, the Canadian Note, the Canadian Resale Agreement, the Supplemental Notes, the Supplemental Resale Agreements and the other Operative Documents, or according to the terms of any modification hereof or thereof, when and as the same shall become due and payable.

Section 1.4. Representations and Warranties. NAC Canada represents and warrants:

(i) That it is the owner of all of the Equipment, that there are no Liens against any of the Equipment (other than the rights of the Lessees under Leases complying with Section 1.10, the lien of the NAC Mortgage and the lien of this Canadian Mortgage) or any Lease and that it has good right and lawful authority to assign, pledge, mortgage and grant a security interest in the same.

(ii) That it has not assigned, pledged or mortgaged, and hereby covenants that it will not assign, pledge or mortgage, so long as this Canadian Mortgage shall remain in effect, the whole or any part of the Collateral to anyone other than the Mortgagee.

Section 1.5. Receipt of Rent. NAC Canada shall be permitted to receive and dispose of for its own account all monies due and to become due under the Leases and to exercise all rights and make all claims under the Leases for its own account, unless and until an Event of Default has occurred and is continuing. Upon the occurrence and during the continuance of any Event of Default, such rights shall devolve upon the Mortgagee and, upon the request of the Mortgagee, NAC Canada or the Mortgagee in the name of NAC Canada, shall take all action necessary (including the giving of notice to the Lessees) to cause all monies due from the Lessees to be paid to the Mortgagee at such place as the Mortgagee or its assignees shall designate.

Section 1.6. Insurance. NAC Canada shall at all times maintain insurance on the Equipment when such Equipment is in its possession or control. Such insurance shall be of the types customarily carried by corporations of established reputations engaged in the same or a similar business and of similar business standing and shall insure against risks of the kinds customarily insured against by such other corporations under similar circumstances. NAC Canada shall keep in effect its present or equivalent policies of insurance on the Equipment, insuring against loss or damage resulting from such risks up to an amount at least equal to the greater (the "Insured Amount") of the actual fair market value or the AAR Value of the Equipment. All such policies shall provide that loss be payable to the Mortgagee and its assignees and NAC Canada as their respective interests may appear except that losses not in excess of U.S.\$100,000 may, so long as no Default shall have occurred and be continuing, be paid directly to NAC Canada for repair or replacement of the damaged Equipment. When any of the Equipment is leased and is not in NAC Canada's possession or control, NAC Canada represents and warrants that it is NAC Canada's practice, in lieu of insurance thereof by NAC Canada, to require Lessees of such Equipment to bear the risk of loss of such Equipment, and NAC Canada shall not be required to insure any Equipment the risk of loss of which is borne by the Lessee thereof; provided, however, if, in the event that any of the Equipment shall suffer an Event of Loss, NAC Canada fails to perform its obligations under the third sentence of Section 1.12 within 30 days after the time required therein, the Mortgagee may by notice to NAC Canada direct and require NAC Canada to obtain and keep in effect policies of insurance whereby the Mortgagee is insured against loss or damage resulting from such risks to any of the Equipment in an amount not less than the Insured Amount. NAC Canada will pay the premiums on all policies of insurance required to be maintained by NAC Canada pursuant to this Section 1.6 and will deliver to the Mortgagee, at least once in every year, an Officer's Certificate stating that such insurance is in effect and naming the insurer or insurers. If NAC Canada shall fail to maintain such insurance or fail to deliver such certificate, the Mortgagee may (but shall be under no obligation so to do) cause the Equipment to be insured in such amount as the Mortgagee shall deem advisable and may demand and recover from NAC Canada the premiums on such insurance, plus any financing expense incurred by the Mortgagee in order to pay such premiums, such amounts to be added to the Obligations secured by this Canadian Mortgage.

Section 1.7. Inspections. The Mortgagee shall have the right, at its own expense, to inspect the Equipment and the records with respect thereto at such reasonable times as the Mortgagee may request.

Section 1.8. Marking of Equipment. NAC Canada will keep and maintain, or cause to be kept and maintained, plainly, distinctly, permanently and conspicuously marked on each side of each railroad car constituting part of the Equipment in letters not less than one inch in height, the following:

"OWNERSHIP SUBJECT TO AN EQUIPMENT TRUST OR SECURITY AGREEMENT AND/OR VESTED IN A TRUSTEE OR OTHER PERSON OR ENTITY AS SET FORTH IN A BAILMENT AGREEMENT OR LEASE FILED WITH THE INTERSTATE COMMERCE COMMISSION."

or other appropriate words on the side of such railroad car with appropriate changes and additions thereto as from time to time may be required by law in order to protect the Mortgagee's security interest in the Equipment and its rights hereunder. Once the Equipment is so marked, NAC Canada will not permit the serial number of any item of Equipment to be changed.

The Equipment may be lettered "NORTH AMERICAN CAR (CANADA) LIMITED" or in some other appropriate manner for convenience of identification of the ownership by NAC Canada thereof and may also be lettered in such manner as may be appropriate for convenience of identification of the interests therein of any Lessee under a Lease complying with Section 1.10; but NAC Canada will not allow any name to be placed on any of the Equipment as a designation which might be interpreted as a claim of ownership thereof by any person other than NAC Canada, or as an indication of any Lien thereon (except the interests of the Lessees as aforesaid) except as provided above.

Section 1.9. Compliance with Laws and Rules. During the term of this Canadian Mortgage, NAC Canada will comply, and will require each Lessee or user of the Equipment to comply, with all rules, regulations, orders and laws pertaining to the use, operation or maintenance of the Equipment under the laws of all the jurisdictions in which its or such Lessee's or user's operations involving the Equipment may extend, including without limitation all lawful rules of the 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 use, operation or maintenance of the Equipment; and in the event that such laws or rules require the alteration of the Equipment, NAC Canada will give notice thereof to the Mortgagee, and will, or will cause the appropriate Lessees or users to, conform therewith, at its or their expense, and will maintain the same in proper condition for operation under such laws and rules; provided, however, that NAC Canada, in good faith, may contest or cause to be contested the validity or application of any such law or rule in any reasonable manner which does not adversely affect the property or rights of the Mortgagee under this Canadian Mortgage.

Section 1.10. Possession and Use. So long as no Event-of Default shall have occurred and be continuing, NAC Canada shall be entitled to the possession and use of the Equipment, but only on and subject to the terms and conditions of the NAC Mortgage and the terms and conditions of this Canadian Mortgage. In furtherance of the foregoing, it is expressly understood and agreed that NAC Canada will not, without the prior written consent of the Mortgagee, sell, assign, lease or otherwise dispose of or relinquish possession of, or suffer or allow to pass out of its possession or control, any of the Equipment,

except that so long as no Event of Default shall have occurred and be continuing, NAC Canada may lease the Equipment to any railroad company or other corporation or entity; provided, however, that:

(i) NAC Canada agrees to cause substantially the following language to appear in each Lease:

"It is understood that some of the cars furnished Lessee under this Agreement and the Lessor's rights under this Agreement may, at the time of delivery to Lessee or at some future time during the term of this Agreement, be subject to the terms of a Mortgage, Deed of Trust, Equipment Trust, Pledge or Assignment or similar security arrangement. Lessee agrees that the cars may be stenciled or marked to set forth the ownership of such cars in the name of any mortgagee, trustee, pledgee, assignee or security holder and that this Agreement and Lessee's rights hereunder are and shall at all times be subject and subordinated to any and all rights of any mortgagee, trustee, pledgee, assignee or security holder. As to the cars subject hereto, this Agreement and the rentals hereunder may have been assigned and may in the future be assigned to the holder, if any, of the superior lien from time to time on each car as determined with reference to the filings with the Interstate Commerce Commission; provided, however, until notified to the contrary by any person reasonably proving to Lessee's satisfaction that he is the assignee of this Agreement, or the rentals hereunder, the Lessee is to pay all rentals to the order of the Lessor. Lessee hereby consents to and accepts such assignment."

(ii) NAC Canada represents and warrants that it has used and agrees that it will continue to use its best efforts to cause substantially the following additional clause to be inserted in each Lease:

"Lessee agrees that no claim or defense which Lessee may have against Lessor shall be asserted or enforced against any assignee of this Agreement."

(iii) NAC Canada agrees to mark each executed counterpart of each Lease held by it with the following:

"This lease has been assigned to the holder of the superior lien from time to time on each car as determined with reference to the filings with the Interstate Commerce Commission."

The foregoing notwithstanding, NAC Canada shall at no time keep or use or permit to be kept or used any of the Equipment in any jurisdiction other than the Perfected Jurisdictions; provided that, so long as no Default has occurred and is continuing, Equipment may be used or kept outside of the Perfected Jurisdictions to the extent permitted by the

penultimate sentence of Section 1.10 of the NAC Mortgage, the terms and provisions of which, together with related definitions, are hereby incorporated herein.

NAC Canada covenants and agrees to furnish to the Mortgagee: (a) on or before June 1 in each year beginning with 1983, an Officer's Certificate stating, as to each Lease then in effect, the name and address of each Lessee thereunder, the identifying number of each unit of the Equipment subject thereto and the expiration date thereof, and also stating the serial number of each unit of the Equipment not then subject to any Lease; and (b) on or before December 1, 1982 and each June 1 and December 1 in each year thereafter, an Officer's Certificate as to NAC Canada's compliance with the provisions of the penultimate sentence of Section 1.10 of the NAC Mortgage during the period since the previous such Officer's Certificate (or, in the case of the first such Officer's Certificate, since the date of this Mortgage).

Section 1.11. Taxes and Other Liens. NAC Canada will pay or cause to be paid, or otherwise satisfy and discharge, any and all taxes and any and all sums claimed by any party by, through or under NAC Canada which, if unpaid, might become a Lien upon the Collateral or any part thereof and will keep at all times all and every part of the Collateral free and clear of all Liens, other than the interest of any Lessee under any Lease complying with the provisions of Section 1.10, the lien of this Canadian Mortgage and the lien of the NAC Mortgage (the foregoing excluded liens and interests herein being collectively called "Permitted Liens"); provided, however, that NAC Canada shall be under no obligation to pay any taxes or claims the validity of which are being contested by it in good faith and by appropriate legal proceedings so long as the non-payment thereof does not adversely affect the title, lien, property or rights of the Mortgagee in or to the Collateral under this Canadian Mortgage and NAC Canada shall have furnished an Opinion of Counsel to such effect. If any Liens, taxes or claims for which NAC Canada is liable as aforesaid shall have been charged or levied against the Mortgagee directly and paid by the Mortgagee, the amount thereof shall be added to the Obligations secured by this Canadian Mortgage and, NAC Canada shall reimburse the Mortgagee upon presentation of an invoice therefor.

Section 1.12. Maintenance of Equipment. NAC Canada agrees that it will, at its own expense, maintain and keep all the Equipment in good order and proper repair in accordance with industry standards, unless and until it becomes worn out, unsuitable for use, lost or destroyed. Whenever any of the Equipment shall become worn out, unsuitable for use, lost or destroyed, or is requisitioned, taken over or nationalized by any governmental agency under the power of eminent domain or otherwise (any such event being hereinafter sometimes called an "Event of Loss"), NAC Canada shall promptly deliver to the Mortgagee an Officer's Certificate describing such Equipment and stating the AAR Value thereof as of the date such Equipment suffered an Event of Loss (assuming the same was in the condition and state of repair required to be maintained hereunder) (such

value hereinafter called the "Assumed AAR Value"). Whenever the Assumed AAR Value of all the Equipment having suffered an Event of Loss, together with the Assumed AAR Value of the NAC Equipment then having suffered an Event of Loss, shall amount to U.S.\$500,000 or more, NAC Canada shall within 30 days thereafter cause to be furnished to the Representative Seller a Letter of Credit in accordance with the provisions of Section 2 of the NAC Mortgage and/or cause Substituted Equipment to be substituted therefor under Section 2 of the NAC Mortgage and, if applicable, Section 2.2 of this Canadian Mortgage. NAC Canada will bear the responsibility for 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 any or all of the Equipment.

NAC Canada covenants and agrees to furnish to the Mortgagee, whenever required by the Mortgagee, and at least once, on or before June 1, in every calendar year commencing with the year 1983 and thereafter throughout the term hereof, an Officer's Certificate, dated as of the preceding April 30, stating (1) the amount, description and serial numbers of all Equipment that shall have suffered an Event of Loss since the date of the preceding statement (or the date of this Canadian Mortgage in the case of the first statement), and (2) that in the case of Equipment repainted or repaired since the date of the last preceding statement (or the date of this Canadian Mortgage in the case of the first statement) the plates or marks required by Section 1.8 have been preserved, or that such Equipment when repainted or repaired has been again plated or marked as required thereby.

Section 2. Release, Substitution and Addition of Equipment.

Section 2.1. Release. Upon Request, the Mortgagee shall, so long as no Default has occurred and is continuing and subject to the provisions of this Section 2, at any time and from time to time, release from the lien of this Canadian Mortgage any of the Equipment which has theretofore been released from the lien of the NAC Mortgage in accordance with the terms of Section 2 thereof.

Section 2.2. Substitution and Addition of Collateral. NAC Canada hereby agrees promptly to subject to the lien of this Canadian Mortgage any Substituted Equipment sold to NAC Canada by NAC pursuant to Section 1.10 of the NAC Mortgage. In furtherance of the foregoing NAC shall, at the time of the request for the substitution of such Substituted Equipment under Section 2.1 of the NAC Mortgage, deliver or cause to be delivered to the Mortgagee the following papers:

(a) a bill of sale whereby NAC sells, subject to the lien of the NAC Mortgage, such Substituted Equipment to NAC Canada, accompanied by any affidavits required for the filing or registration thereof, and otherwise in form and substance satisfactory to the Mortgagee;

(b) an Officer's Certificate stating (i) that each such unit so to be substituted is Substituted Equipment as defined in the NAC Mortgage, (ii) that no Default has occurred and is continuing, and (iii) that, in the opinion of the signer, all conditions precedent provided for herein relating to such substitution have been complied with;

(c) an executed counterpart of a supplement hereto, in substantially the form of Schedule B hereto (or in such other form as may be satisfactory to the parties), amending Schedule A hereto so as to subject such Substituted Equipment to the lien of this Canadian Mortgage;

(d) to the extent that such Substituted Equipment was substituted for NAC Equipment and/or Letters of Credit under the NAC Mortgage, (i) a promissory note duly executed and delivered by NAC Canada evidencing NAC Canada's obligation to pay the principal of and interest on the purchase price of such Substituted Equipment and substantially in the form of Schedule C (a "Supplemental Note") dated the date of such substitution, in the principal amount of the purchase price of such Substituted Equipment (which shall be not less than its Collateral Value), and otherwise duly completed, and (ii) an original fully executed counterpart of a resale agreement relating to such Substituted Equipment substantially similar to the Canadian Resale Agreement and otherwise in form and substance satisfactory to the Mortgagee (a "Supplemental Resale Agreement") marked "Chattel Paper Original" (being the only executed counterpart thereof so marked);

(e) an Opinion of Counsel to the effect (i) that NAC Canada has good and valid title to each unit of such Substituted Equipment, free and clear of all Liens other than Permitted Liens, (ii) that such supplement has been duly authorized, executed and delivered by NAC Canada and is valid and effective, either alone or together with any other instrument referred to in and accompanying such opinion, to validly create a security interest in and to such Substituted Equipment, free from all other Liens other than Permitted Liens, (iii) that each of such Supplemental Note and such Supplemental Resale Agreement has been duly authorized, executed and delivered by NAC Canada and constitutes its legal, valid and binding obligation enforceable in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally, and (iv) that, in the opinion of such counsel, all conditions precedent provided for herein relating to such substitution have been complied with.

Notwithstanding the foregoing, no substitution of Substituted Equipment for Equipment shall be permitted under this Section 2 unless prior to such substitution the Substituted Equipment proposed to be substituted hereunder has been substituted as

collateral under and in accordance with the terms of the NAC Mortgage.

Section 3. Events of Default. In the event that any Event of Default (an "Event of Default") under and as defined in Section 6 of the Master Sales Agreement shall have occurred and be continuing, then (1) in the event of the occurrence of any event referred to in paragraphs (ix) and (x) of Section 6 of the Master Sales Agreement the entire unpaid balance of the Obligations shall become and be immediately due and payable without notice of any kind, and (2) in the event of the occurrence of any other Event of Default or at any time thereafter the entire unpaid balance of the Obligations shall, at the election of the Mortgagee, become and be immediately due and payable upon notice by the Mortgagee to NAC Canada; and in any such event the Mortgagee may exercise any or all of the remedies referred to in Section 4 and/or such other remedies as may be otherwise provided by applicable law as the Mortgagee in its sole and complete discretion may then elect.

Section 4. Remedies.

Section 4.1. Remedies. Upon the occurrence and continuance of any Event of Default, the Mortgagee may, forthwith and, to the extent permitted by law, without notice to NAC Canada (except as otherwise expressly provided in Section 4.2), do any one or more of the following acts regarding the Collateral, or any portion thereof:

(a) exercise any or all of the rights and remedies upon default, in foreclosure and otherwise, available to mortgagees or secured parties under the provisions of applicable law including, without limitation, all the rights and remedies under Article 9 of the Uniform Commercial Code as in effect in the State of Illinois (whether or not in effect in the jurisdiction where any of the Equipment may be located);

(b) institute legal proceedings for the specific performance of any covenants or agreements herein undertaken by NAC Canada or for aid in the execution of any power or remedy herein granted;

(c) institute legal proceedings to foreclose upon and against the security interest granted in and by this Canadian Mortgage, to recover judgment for all amounts then due and owing as Obligations, and to collect the same out of any sale of the Collateral or of collections upon the Leases;

(d) institute legal proceedings for the sale, under the judgment or decree of any court of competent jurisdiction, of any Collateral;

(e) without regard to the adequacy of the security for the obligations under the Canadian Resale Agreement by

virtue of this Canadian Mortgage or any other collateral or to the solvency of NAC Canada, institute legal proceedings, in any correct of competent juriselection for the appointment of a receiver or receivers with respect to any or all of the Collateral pending foreclosure hereunder or otherwise upon such terms and with such powers as the Mortgagee may request and the court may permit;

(f) notify the Lessees under the Leases in the name of NAC Canada or otherwise to make payments under the Leases directly to the Mortgagee, or as may otherwise be directed by the Mortgagee;

(g) personally or by agents or attorneys, enter upon any premises where the Collateral or any part thereof may then be located and take possession of all or any part thereof; and without being responsible for loss or damage to such Collateral, hold, store and keep idle, or lease, operate, or otherwise use or permit the use of, the Collateral or any part thereof, for such time and upon such terms as the Mortgagee may in its sole and complete discretion deem to be in its own best interest;

(h) demand, collect and retain all hire, earnings and other sums due and to become due in respect of the Collateral from any party whomsoever, accounting only for the net earnings arising from such use, if any, after charging against any receipts from the use of the same and from any subsequent sale thereof all costs and expenses of, and damages or losses by reason of, such use or sale;

(i) sell or dispose of all or any part of the Collateral, free from any and all claims of NAC Canada or of any other party claiming by, through or under NAC Canada at law, in equity or otherwise, at one or more public or private sales, in such place or places, at such time or times and upon such terms as the Mortgagee may determine, in its sole and complete discretion and in light of its own best interests, with or without previous demand on or (except as otherwise expressly provided in Section 4.2) notice to NAC Canada or advertisement of any such sale or other disposal; and for the aforesaid purposes, all notices of sale, advertisement and demands and any right or equity of redemption otherwise required or available to NAC Canada under applicable law are (except as aforesaid) hereby waived by NAC Canada to the fullest extent permitted by applicable law, provided that the power of sale hereunder shall not be exhausted by one or more sales, and the Mortgagee from time to time may adjourn any sale to be made pursuant to this Section 4.1; or

(j) by instrument in writing appoint any person or persons, whether or not an officer or officers or an employee or employees of the Mortgagee, to be a receiver or receivers of all or any part of the Collateral and remove any receiver or receivers so appointed and may appoint

another or others in his or their stead; provided that (i) any such receiver shall, so far as concerns responsibility for his acts, be deemed the agent of NAC Canada, and in no event the agent of the Mortgagee, and the Mortgagee shall not in any way be responsible for any misconduct, negligence, or non-feasance on the part of any such receiver, (ii) subject to the provisions of the instrument appointing such receiver, any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on or concur in carrying on the business of NAC Canada and to sell or concur in selling all or any part of the Collateral and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of NAC Canada and to further charge the Collateral in priority to the charge of this Canadian Mortgage as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine, (iii) except as may be otherwise directed by the Mortgagee all moneys from time to time received by such receiver shall be in trust for and paid over to the Mortgagee, (iv) the rights and powers conferred by this paragraph are in supplement of and not in substitution for any rights or powers that the Mortgagee may from time to time have pursuant to any applicable law, and every such receiver may in the discretion of the Mortgagee be vested with all or any of the rights and powers of the Mortgagee, and (v) the term "receiver" as used in this paragraph includes a receiver and manager.

Section 4.2. Sale. Any sale of Collateral may be in one lot or 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 Mortgagee may determine. In the event that any mandatory requirement of applicable law shall obligate the Mortgagee to give prior notice to NAC Canada of any of the acts specified in Section 4.1, NAC Canada hereby covenants and agrees that a notice of such act sent to it as provided in Section 5.11 by telex or by certified mail, return receipt requested, at least seven Business Days before the date of any such act shall be and is reasonable notification of such act, including reasonable notification of the time and place of any public sale hereunder and reasonable notification of the time after which any private sale or other intended disposition to be made hereunder is to be made. The Mortgagee may bid for and become the purchaser of the Collateral, or any of it, so offered for sale.

At any sale pursuant to this Section 4, whether under the power of sale or by virtue of judicial proceedings, it shall not be necessary for the Mortgagee or a public officer under order of a court to have present physical or constructive possession of the Collateral to be sold. The recitals contained in any conveyances and receipts made and given by the Mortgagee or such public officer to any purchaser at any sale made pursuant

to this Canadian Mortgage shall, to the extent permitted by applicable law, conclusively establish the truth and accuracy of the matters stated therein (including, without limiting the generality of the foregoing, the Obligations, the accrual and nonpayment thereof and advertisement and conduct of such sale in the manner provided herein and by applicable law); and all prerequisites to such sale shall be presumed to have been satisfied and performed. Upon any sale hereunder of any or all of the Collateral or any interest therein, the receipt of the officer making such sale under judicial proceedings or of the Mortgagee shall be sufficient discharge to the purchaser for the purchase money, and such purchaser shall not be obligated to see to the application thereof. Any sale hereunder of any or all of the Collateral or any interest therein shall forever be a perpetual bar against NAC Canada with respect to such Collateral or interest therein, as the case may be.

Section 4.3. Demand for Possession of the Equipment.

In case the Mortgagee shall demand possession of the Equipment or any unit thereof in pursuance of this Canadian Mortgage and shall designate a point or points (which may, but need not, be upon premises occupied by NAC Canada) for delivery of the Equipment or any unit thereof to the Mortgagee, NAC Canada will at its own expense forthwith cause the Equipment or any such unit thereof to be moved to such point and there be delivered to the Mortgagee; and, at the option of the Mortgagee, the Mortgagee may keep the Equipment or any unit thereof on any lines of railroad or other premises approved by it, at the expense of NAC Canada, until the Mortgagee shall have disposed of the same. The provisions of this Section 4.3 are of the essence of this Canadian Mortgage and, upon application to any court of equity having jurisdiction in the premises, the Mortgagee shall be entitled to a decree against NAC Canada requiring specific performance hereof, and NAC Canada will pay to the Mortgagee upon demand all expenses incurred in locating or taking possession of any Collateral, and all such expenses, with interest thereon at the rate of 18% per annum, shall be included among the Obligations secured by this Canadian Mortgage.

Section 4.4. Mortgagee as Attorney. NAC Canada hereby irrevocably appoints the Mortgagee the true and lawful attorney of NAC Canada (with full power of substitution) in the name, place and stead of, and at the expense of, NAC Canada in connection with the enforcement of the rights and remedies provided for in this Section 4: (i) to give any necessary receipts or acquittances for amounts collected or received under this Canadian Mortgage, (ii) to make all necessary transfers of all or any part of the Collateral in connection with any sale, lease or other disposition made pursuant hereto, and (iii) to execute and deliver for value all necessary or appropriate bills of sale, assignments and other instruments in connection with any such sale, lease or other disposition, NAC Canada hereby ratifying and confirming all that its said attorney (or any substitute) shall lawfully do hereunder and pursuant hereto. Nevertheless, if so requested by the Mortgagee or a purchaser or lessor, NAC Canada shall ratify and confirm any sale, lease or

other disposition by executing and delivering to the Mortgagee or such purchaser or lessor all proper bills of sale, assignments, releases, leases and other instruments as may be designated in any such request.

Section 4.5. Disposition of Proceeds. If, as provided in this Section 4, the Mortgagee shall exercise any of the powers conferred by this Mortgage, all payments made by NAC Canada to the Mortgagee hereunder and the proceeds of any judgment collected from NAC Canada by the Mortgagee hereunder, and the proceeds of every sale, lease or other disposition of any of the Collateral, together with any other sums which may then be held by the Mortgagee under any of the provisions hereof, shall be applied in the following order of priority:

(a) To all proper charges, expenses and costs of taking, transporting, preparing and selling the Collateral (including legal expenses, taxes and payments with respect to liens prior to the lien of this Canadian Mortgage);

(b) To the payment of the Obligations in such order as the Mortgagee shall determine; and

(c) The remainder, if any, shall be remitted to NAC Canada or as a court of competent jurisdiction may otherwise direct.

## Section 5. General.

Section 5.1. Rights Cumulative. Each and every power and remedy hereby specifically given to the Mortgagee 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 simultaneously and as often and in such order as may be deemed expedient by the Mortgagee. 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 Mortgagee 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. No foreclosure of this Canadian Mortgage, pursuant to the terms thereof or as provided by law, shall release NAC Canada until full payment has been made to the Mortgagee, in cash, of all amounts secured hereby. To the extent it lawfully may, NAC Canada hereby waives the right to remove any legal action from the court originally acquiring jurisdiction. Any extension of time for payment hereunder or other indulgence duly granted to NAC Canada shall not otherwise alter or affect the Mortgagee's rights or NAC Canada's Obligations hereunder. The Mortgagee's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect NAC Canada's Obligations or the Mortgagee's rights hereunder with respect to any subsequent payments or default therein.

Section 5.2. Expenses of Collection. NAC Canada will pay all reasonable expenses, including attorneys' fees, incurred by the Mortgagee in enforcing its remedies under the terms of this Canadian Mortgage or preparing to enforce its remedies after a default hereunder. In the event that the Mortgagee shall bring any suit to enforce any rights hereunder and shall be entitled to judgment, then in such suit the Mortgagee may recover reasonable expenses including reasonable attorneys' fees, and the amount thereof shall be included in such judgment.

Section 5.3. Applicable Laws. Any provision of this Canadian Mortgage 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 Canadian Mortgage. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by NAC Canada to the full extent permitted by law, it being the intention of the parties hereto that this Canadian Mortgage shall be deemed to be, inter alia, a security agreement and enforced as such.

Section 5.4. Waiver. Except as otherwise expressly provided in Section 4.2, NAC Canada, 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 any or all of the Equipment 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 Mortgagee's rights under this Canadian Mortgage and any and all rights of redemption. In consideration of the transactions contemplated herein, NAC Canada hereby expressly waives and releases all its rights, benefits and protections given it by Sections 23, 24, 25, 26, 27 and 28 of the Chattel Mortgage Act of British Columbia and Sections 19, 20, 21, 22, 23 and 24 of the Sale of Goods on Condition Act of British Columbia or any amending, successor or similar legislation in the Province of British Columbia or elsewhere, where applicable.

Section 5.5. Recording. NAC Canada will, at its own expense, cause this Canadian Mortgage and any amendments or supplements hereto to be filed and recorded with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act and the regulations promulgated thereunder and shall cause this Canadian Mortgage, any amendments or supplements hereto, any bill of sale delivered under Section 2.2(e) of the Marubeni Mortgage and, if appropriate, financing statements relating to this Canadian Mortgage to be filed with any appropriate Canadian national governmental authorities and with any appropriate governmental authorities in the Canadian Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario so as to establish NAC Canada's title to the Collateral as against third parties and to duly perfect the security interest in favor of the Mortgagee contemplated hereby; and NAC Canada will promptly furnish to the Mortgagee opinions of counsel as to, and certificates covering or other evidence of, such filing, registration, depositing and recording. To the

extent permitted by applicable law, NAC Canada hereby authorizes the Mortgagee to execute and file any such documents, instruments or statements without the signature of NAC Canada.

Promptly after the execution and delivery of this Canadian Mortgage and each supplement hereto, NAC Canada will furnish to the Mortgagee an Opinion of Counsel stating that, in the opinion of such counsel, this Canadian Mortgage or such supplement, as the case may be, has been properly recorded and filed in compliance with the preceding paragraphs of this Section 5.5 and reciting the details of such action. NAC Canada shall furnish to the Mortgagee, not later than June 1 in each year, commencing with the year 1983, an Opinion of Counsel stating either that, in the opinion of such counsel, (i) such action has been taken with respect to the recording, filing and registering and rerecording, refiling and reregistering of this Canadian Mortgage and each supplement hereto as is necessary to comply with the preceding paragraphs of this Section 5.5 and reciting the details of such action, or (ii) no such action is necessary for such purpose. In rendering any such opinion, such counsel may conclusively rely upon an Officer's Certificate as to the location of the Equipment or other factual matters relating to the Equipment covered thereby.

Section 5.6. The Mortgagee's Right to Perform for NAC Canada. If NAC Canada fails to make any payment required to be made by it hereunder or fails to perform or comply with any of its agreements contained herein, the Mortgagee may itself make such payment or perform or comply with such agreement (including, without limitation, the agreement of NAC Canada to maintain insurance pursuant to Section 1.6), and the amount of such payment and the amount of the reasonable expenses of the Mortgagee incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, together with interest thereon at the rate of 18% per annum, shall be payable by NAC Canada to the Mortgagee on demand and shall constitute additional indebtedness secured by the lien and security interest of this Canadian Mortgage.

Section 5.7. Further Assurances. NAC Canada shall, at the request of the Mortgagee, promptly correct any defect which may at any time hereafter be discovered in the contents of this Canadian Mortgage or in the execution, acknowledgment or delivery hereof, and execute, acknowledge and deliver to the Mortgagee such further documents and assurances and take such further action as the Mortgagee may from time to time reasonably request in order more effectively to carry out the intent and purpose of this Canadian Mortgage and to establish and protect the rights and remedies created or intended by the parties to be created in favor of the Mortgagee hereunder.

Section 5.8. Indemnification and Expenses. Without limiting its obligations under the Canadian Resale Agreement, NAC Canada does hereby assume liability for, and does hereby agree to indemnify, protect, save and keep harmless the Mortgagee and its successors, assigns, representatives, agents and servants from

and against, any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including legal expenses, of whatsoever kind and nature imposed on, incurred by or asserted the Mortgagee or its successors, assigns, representatives, agents and servants (whether or not also indemnified against by any other person or entity), in any way relating to or arising out of this Canadian Mortgage or the ownership, lease, possession, use, operation, condition, sale or other disposition of any Collateral; provided that NAC Canada shall not be required to indemnify any such Person for the gross negligence or the wilful misconduct of such Person or its successors, assigns, representatives, agents and servants. The Mortgagee agrees to give NAC Canada prompt written notice of any claim or liability hereby indemnified against. The indemnities contained in this Section shall continue in full force and effect notwithstanding the termination of this Canadian Mortgage and shall be enforceable by the Mortgagee and any other entity indemnified hereunder, respectively, with respect to claims arising or liabilities incurred prior to such termination.

Section 5.9. Defense of Litigation. If the rights of the Mortgagee in the Collateral or any part thereof or the lien of this instrument thereon shall be in danger, or shall be attacked directly or indirectly, or if any legal proceedings are instituted against NAC Canada or the Mortgagee with respect thereto, NAC Canada will promptly give written notice thereof (to the extent known to it) to the Mortgagee and at its own cost and expense will exert itself diligently to cure any defect that may have developed or be claimed to exist and will take all necessary and proper steps for the protection and defense thereof and take such action as is reasonably appropriate to the defense of any such legal proceedings.

Section 5.10. Amendments, etc. No variation or modification of this Canadian Mortgage and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of NAC Canada and the Mortgagee. All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Canadian Mortgage.

Section 5.11. Notices. All notices hereunder to any of the parties designated below shall be deemed to be properly served if delivered, mailed or dispatched by telex with confirmed answerback to the respective addresses set forth below (or to such other address of which the party receiving notice shall have notified the party giving notice):

- (a) To NAC Canada: North American Car  
(Canada) Limited  
33 West Monroe Street  
Chicago, Illinois 60603  
U.S.A.

Attention: President  
Telex No.: 255222  
Answerback: NORAMCAR CGO A

(b) To the Mortgagee: North American Car Corporation  
33 West Monroe Street  
Chicago, Illinois 60603

Attention: Vice President -  
Finance  
Telex: 255222  
Answerback: NORAMCAR CGO A

in each case with a copy to:

Marubeni Corporation,  
as Representative Seller  
4-2, Ohtemachi 1-chome  
Chiyoda-ku, Tokyo 100, Japan

Attention: General Manager  
Transport Equipment  
Department  
Telex: J22326  
Answerback: MARUBENI

Section 5.12. Governing Law. This Canadian Mortgage shall be governed by and construed in accordance with the law of the State of Illinois, and the rights and remedies of the parties hereunder shall be determined in accordance with such law, except to the extent that the law of some other jurisdiction within the United States of America may be mandatorily applicable to proceedings taken for the enforcement of the rights of the Mortgagee; provided, however, that any remedies herein provided which are valid under the laws of jurisdictions where proceedings for the enforcement hereof are taken shall not be affected by any invalidity thereof under the laws of Illinois.

Section 5.13. Counterparts. This Canadian Mortgage may be executed in several counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement; provided, however, that for purposes of Article 9 of the Illinois Uniform Commercial Code, the counterpart hereof marked "Chattel Paper Original" (of which there shall be only one) shall be deemed the only original counterpart hereof.

Section 5.14. Successors and Assigns. This Canadian Mortgage shall be binding upon NAC Canada and inure to the benefit of the Mortgagee and its successors and assigns. NAC Canada may not assign or transfer its rights hereunder without the prior written consent of the Mortgagee. Without limiting the foregoing, the Mortgagee may assign its right, title and interest

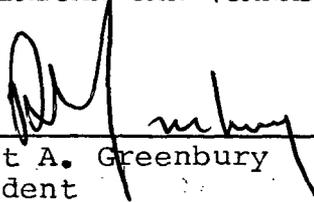
in and to all or any portion of this Canadian Mortgage (including the Collateral subject hereto), and all or any portion of its rights hereunder, together with all or any portion of its right, title and interest in and to, and its rights under, the Canadian Resale Agreement, the Canadian Note, any Supplemental Resale Agreement and any Supplemental Note. It is expressly understood and agreed that no express reference in this Canadian Mortgage to any assignee of the Mortgagee shall be deemed to limit or affect in any manner whatsoever the foregoing provisions of this Section 5.14.

Section 5.15. Termination. Unless otherwise provided herein, this Canadian Mortgage and the lien and security interest granted by this Canadian Mortgage shall terminate when all obligations of NAC Canada under the Canadian Resale Agreement and the Canadian Note and under this Canadian Mortgage shall be fully paid and performed or upon the release from the NAC Mortgage and this Canadian Mortgage of all of the Equipment and the substitution therefor of NAC Equipment and/or Letters of Credit under the NAC Mortgage as provided in Section 2 of the NAC Mortgage. Upon termination of this Canadian Mortgage, as aforesaid, the Mortgagee shall execute and deliver to NAC Canada, at NAC Canada's expense, and without any recourse, representation or warranty, such instruments of release and termination as shall be appropriate in the premises.

IN WITNESS WHEREOF, the undersigned have caused this Mortgage to be executed by their respective duly authorized representatives as of the day and year first set forth above.

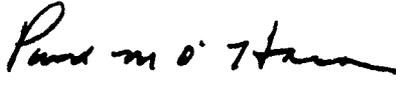
NORTH AMERICAN CAR (CANADA) LIMITED

By

  
 Robert A. Greenbury  
 President

NORTH AMERICAN CAR CORPORATION

By

  
 Paul M. O'Hara  
 Vice President-Finance



Schedule A  
to  
Canadian Equipment Mortgage  
and Assignment of Leases

DESCRIPTION OF CANADIAN EQUIPMENT

<u>Quantity</u>	<u>Serial Numbers</u>	<u>Description</u>
97	456100 - 456108, 456110 - 456114, 456116 - 456160, 456162 - 456199	Class LO, 100 ton, 4750 cubic foot Hopper Cars

SCHEDULE B  
to  
Canadian Equipment Mortgage  
and Assignment of Leases

SUPPLEMENT TO CANADIAN EQUIPMENT MORTGAGE  
AND ASSIGNMENT OF LEASES

THIS SUPPLEMENT TO CANADIAN EQUIPMENT MORTGAGE AND ASSIGNMENT OF LEASES (this "Supplement") dated as of \_\_\_\_\_, 19\_\_, from North American Car (Canada) Limited, a \_\_\_\_\_ corporation, having its principal office at 750 11th Street, S.W., Suite 300, Calgary, Alberta, Canada (hereinafter called "NAC Canada"), as mortgagor to North American Car Corporation, a Delaware corporation ("Mortgagee").

WHEREAS, NAC Canada has heretofore executed and delivered to the Mortgagee a Canadian Equipment Mortgage and Assignment of Leases dated as of August \_\_, 1982 (hereinafter, as at any time supplemented or amended, called the "Original Mortgage"), covering certain railroad cars of NAC Canada to secure all obligations of NAC Canada under a Canadian Resale Agreement (the "Canadian Resale Agreement"), dated as of August 30, 1982 between NAC Canada and the Mortgagee, any Supplemental Resale Agreement (as defined in the Original Mortgage) between NAC and the Mortgagee, the Canadian Note (the "Canadian Note") dated as of August \_\_, 1982 from NAC Canada to the Mortgagee and any Supplemental Note (as defined in the Original Mortgage) from NAC to the Mortgagee; and

WHEREAS, the Original Mortgage has been duly recorded pursuant to the Interstate Commerce Act, as amended, on \_\_\_\_\_, 1982 at \_\_\_\_\_, M. with Recordation No. \_\_\_\_\_ of the Interstate Commerce Commission;

NOW, THEREFORE, THIS INSTRUMENT WITNESSETH that Schedule A to the Original Mortgage, as heretofore amended, is hereby amended and restated to be and read in its entirety as set forth in Annex I hereto, and that, to secure the payment of all amounts payable by NAC Canada under the Canadian Resale Agreement, the Canadian Note and the Original Mortgage and the performance of the covenants therein contained and for the purpose of specifically subjecting the railroad cars listed in said Annex I to, and of confirming, the lien of the Original Mortgage, NAC Canada does hereby grant, bargain, sell, transfer, convey and mortgage unto the Mortgagee and its assigns and give to the Mortgagee and its assigns a security interest in, and confirm the existing security interest of the Mortgagee and its assigns in, all of its right, title and interest in and to the

property described in said Annex I together with all parts, attachments, appurtenances, accessories and accessions now or hereafter attached to or placed upon the aforesaid property, and all substitutions, replacements and renewals of any and all such parts, attachments, appurtenances, accessories and accessions, which property, parts, attachments, appurtenances, accessories, accessions, substitutions, replacements and renewals shall constitute the entirety of the Equipment under the Original Mortgage.

TO HAVE AND TO HOLD all and singular the property aforesaid unto the Mortgagee and its assigns as security as aforesaid and for the uses and purposes and subject to the covenants, agreements, provisions and conditions set forth in the Original Mortgage.

Except as amended hereby, the Original Mortgage is hereby ratified, approved and confirmed and shall continue in full force and effect, and the terms thereof are hereby incorporated herein by reference, and this Supplement shall form a part thereof.

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

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names by duly authorized officers as of the day, month, and year first above written.

NORTH AMERICAN CAR (CANADA) LIMITED

By \_\_\_\_\_  
Name:  
Title:

NORTH AMERICAN CAR CORPORATION

By \_\_\_\_\_  
Name:  
Title:

Consented to:

MARUBENI CORPORATION  
as Representative Seller and Assignee of Mortgagee

By \_\_\_\_\_  
Name:  
Title:

STATE OF ILLINOIS    )  
                              :    ss.:  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_ day of \_\_\_\_\_, 1982, before me personally came \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that he is \_\_\_\_\_ of North American Car (Canada) Limited, and 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.

\_\_\_\_\_  
Notary Public

On this \_\_\_ day of \_\_\_\_\_, 1982, before me personally came \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that he is \_\_\_\_\_ of North American Car Corporation and 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.

\_\_\_\_\_  
Notary Public

ANNEX I  
to  
Supplement to  
Canadian Equipment Mortgage  
and Assignment of Leases

AMENDED AND RESTATED  
DESCRIPTION OF EQUIPMENT

Quantity

Serial Numbers

Description

SCHEDULE C  
to  
Canadian Equipment Mortgage  
and Assignment of Leases

PROMISSORY NOTE

U.S.\$ \_\_\_\_\_

Chicago, Illinois  
\_\_\_\_\_, 19\_\_

FOR VALUE RECEIVED the undersigned, NORTH AMERICAN CAR (CANADA) LIMITED, a \_\_\_\_\_ corporation (the "Payor"), hereby promises to pay to the order of NORTH AMERICAN CAR CORPORATION, a Delaware corporation (the "Payee"), at the office of \_\_\_\_\_ at \_\_\_\_\_ (or at such other office of such other financial institution as the Payee may specify for such purpose by notice to the Payor), referencing the Payee's account, the principal sum of \_\_\_\_\_ United States Dollars (U.S.\$ \_\_\_\_\_) on such lesser amount as may be equal to the unpaid principal amount hereof as indicated on the schedule annexed hereto, in lawful money of the United States of America and in immediately available funds, together with interest on the unpaid amount thereof at the rate of \_\_\_\_% per annum, in like money and funds, at said office for said account, payable at any time or from time to time in whole or in part upon demand of the Payee; and if any principal hereof or any interest hereon shall not be paid in full when due the undersigned hereby promises to pay interest on such unpaid amount (to the extent permitted by applicable law) at said place, in like money and funds, from the due date thereof until the same is paid in full, at the rate of \_\_\_\_% per annum, payable from time to time on demand of the Payee. Interest on this promissory note shall be computed on the basis of a year of 360 days and actual days elapsed. The yearly rate of interest to which each of the rates of interest specified in this promissory note and calculated as provided herein is equivalent is the said rate multiplied by the actual number of days in the year.

This promissory note is one of the Supplemental Notes referred to in the Canadian Equipment Mortgage and Assignment of Leases dated as of August 30, 1982 between the Payor and the Payee and is entitled to the benefits thereof and of the (\*\*specify relevant Supplemental Resale Agreement\*\*) (the "Agreement") dated as of \_\_\_\_\_, 19\_\_ between the Payor and the Payee. As specified in the Agreement, this note may be prepaid in the manner, upon the conditions and with the effect provided in the Agreement. As specified in the Agreement, upon the occurrence of an Event of Default set forth in Section 6 of the Master Sales Agreement dated as of August 30, 1982 among Aviquipo N.V., the Sellers named therein and Marubeni Corporation

as Representative Seller, the principal of and interest on this promissory note may become or be declared to be forthwith due and payable, in the manner, upon the conditions and with the effect provided in the Agreement.

This promissory note shall be governed by, and construed in accordance with, the law of the State of Illinois, United States of America.

The Payor agrees to pay, in lawful money of the United States of America, costs of collection and reasonable attorneys' fees in case default occurs in the payment of this promissory note.

NORTH AMERICAN CAR (CANADA) LIMITED

By \_\_\_\_\_  
Name:  
Title:

PAY TO THE ORDER OF MARUBENI CORPORATION,  
as Representative Seller

NORTH AMERICAN CAR CORPORATION

By \_\_\_\_\_  
Name:  
Title:

SCHEDULE

<u>Date of Payment or Repayment</u>	<u>Amount of Payment or Repayment</u>	<u>Unpaid Principal Amount</u>	<u>Notation Made By</u>
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