



A TIGER INTERNATIONAL COMPANY

**NORTH AMERICAN CAR CORPORATION**

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

14254  
RECORDATION CO. Filed 1425

4-017A160

JAN 17 1984 - 1 10 PM  
INTERSTATE COMMERCE COMMISSION

January 16, 1984

Secretary  
Interstate Commerce Commission  
Washington D.C. 20423

JAN 17 1984  
Date \_\_\_\_\_  
Fee \$ 50.00  
ICC Washington, D.C.

Dear Secretary:

I have enclosed an original and two counterparts of the document described below to be recorded pursuant to section 11303 of title 49 of the U.S. Code.

This document is a Conditional Sale Agreement, a primary document, dated as of December 30, 1983.

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

Vendor: North American Car Corporation  
33 W. Monroe  
Chicago, IL 60603

Vendee: CIS Rail Corporation  
445 Washington St.  
San Francisco, CA 94111

The equipment covered by the document is described in Schedule A thereto.

A fee of \$50 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the messenger delivering this document.

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

Conditional Sale Agreement between North American Car Corporation, 33 W. Monroe, Chicago, IL 60603, Vendor, and CIS Rail Corporation, 445 Washington St., San Francisco, CA 94111, Vendee, dated as of December 30, 1983, and covering the equipment described in Schedule A thereto.

Sincerely,

Edward H. Soderstrom II

Encl.s  
EHS:es

*C. Overly - A. H. Hanson*

FILED  
JAN 17 1984  
FEE OPERATIONS

Interstate Commerce Commission  
Washington, D.C. 20423

1/17/84

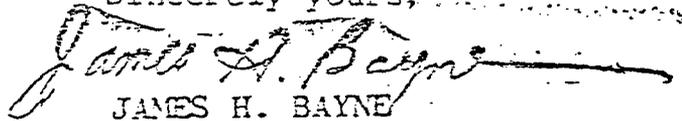
OFFICE OF THE SECRETARY

Edward H. Soderstrom II  
North American Car Corporated  
33 West Monroe  
Chicago, Illinois 60603

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 1/17/84 at 1:10pm and assigned re-  
recording number(s). 14254

Sincerely yours,



JAMES H. BAYNE

Secretary

Enclosure(s)

14254

RECORDATION NO. .... Filed 1425

JAN 17 1984 -1 10 PM

INTERSTATE COMMERCE COMMISSION

CONDITIONAL SALE AGREEMENT

Dated as of December 30, 1983

between

CIS RAIL CORPORATION

and

NORTH AMERICAN CAR CORPORATION

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SCHEDULE A  
EQUIPMENT

SCHEDULES B AND C  
BILLS OF SALE

CONDITIONAL SALE AGREEMENT, dated as of December 30, 1983, between CIS RAIL CORPORATION, a California corporation (hereinafter called Vendee"), and NORTH AMERICAN CAR CORPORATION, a Delaware corporation (hereinafter called "Vendor" or "NAC").

WHEREAS, Vendor is the owner of certain units of railroad equipment, more fully described in Schedule A hereto (hereinafter called "the Equipment"), and the Equipment is currently being leased to the CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY;

WHEREAS, NAC entered into two Conditional Sale Agreements, each dated as of March 31, 1973 (hereinafter referred to as a "CSA" or "the Thrall CSA" or "the Pullman CSA"), the first with THRALL MANUFACTURING COMPANY (hereinafter referred to as "Thrall") and CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY (hereinafter referred to as "the Railroad"), which was filed and recorded with the Interstate Commerce Commission pursuant to Section 20(c) of the Interstate Commerce Act on April 24, 1973, at 3:50 P.M., as Document No. 7001, and the second with PULLMAN INCORPORATED (hereinafter referred to as "Pullman") and the Railroad, which was filed and recorded with the Interstate Commerce

Commission pursuant to said Section 20(c) on April 24, 1973, at 3:50 P.M., as Document No. 7000;

WHEREAS, Thrall and Pullman have each entered into an Agreement and Assignment, dated as of March 31, 1973 (hereinafter referred to as "the Agreement and Assignment"), with FIRST PENNSYLVANIA BANK, N.A. (hereinafter referred to as "the Agent") (formerly The First Pennsylvania Banking and Trust Company) under which Thrall and Pullman each respectively has assigned all its right, title, and interest in and to its CSA to the Agent;

WHEREAS, pursuant to a Lease of Railroad Equipment, dated as of March 31, 1973 (hereinafter referred to as "the Lease"), which was filed and recorded with the Interstate Commerce Commission pursuant to Section 20(c) of the Interstate Commerce Act on April 24, 1973, at 3:50 P.M., as Document No. 7002, NAC has leased the Units of Equipment described therein to the Railroad;

WHEREAS, NAC has assigned the Lease for security purposes to the Agent pursuant to an Assignment of Lease and Agreement, dated as of March 31, 1973 (hereinafter referred to as "the Lease Assignment"), between NAC and the Agent, and the Railroad consented to the Lease Assignment by execution of the Lessee's Consent and Agreement in the form attached to the Lease Assignment;

WHEREAS, in connection with the bankruptcy reorganization of the Railroad, WILLIAM M. GIBBONS, as Trustee of the Property of the Railroad (hereinafter sometimes referred to as "the Lessee"), succeeded to the interests of the Railroad under the Lease;

WHEREAS, pursuant to an Assignment and Assumption of Lease, dated as of March 26, 1980 (hereinafter referred to as "the Assumption Agreement"), between the Lessee and CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY (hereinafter referred to as "the Successor-Lessee"), the Lessee has assigned to the Successor-Lessee all the right, title, and interest of the Lessee under the Lease in and to the Units specified in the Assumption Agreement, which includes the Equipment specified in Schedule A hereto, and the Successor-Lessee has assumed the obligations of the Lessee in respect of such Units as set forth in the Assumption Agreement;

WHEREAS, the Equipment subject to this Agreement is also subject to the Assumption Agreement;

WHEREAS, pursuant to an Agreement to Extend Lease, dated March 26, 1980, between NORTH AMERICAN CAR CORPORATION and the CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, the term of the Lease was extended for a period of eight years commencing July 17, 1988, and terminating July 16, 1996, at rental rates specified therein for such extended term;

WHEREAS, Vendee desires to purchase the Equipment from Vendor, subject to the Lease, as amended;

WHEREAS, Vendee desires to defer payment of a portion of the purchase price of the Equipment, and in consideration of the assignment referred to below, Vendor agrees to accept a portion of such purchase price in installments as more fully set forth herein;

WHEREAS, Vendor and Vendee acknowledge that the Equipment is subject to an existing security interest in favor of the Agent, to an existing security interest in favor of The Bank of New York and to an existing security interest in favor of The First National Bank of Chicago, as Collateral Agent, each of which is prior to the security interest created herein in favor of Vendor;

WHEREAS, Vendor will retain a security interest in the Equipment until the obligation of Vendee to pay the purchase price thereof shall have been satisfied; and

WHEREAS, Vendee is assigning certain of its rights under the Lease to Vendor, subject to the Lease Assignment, as collateral security for its obligations hereunder pursuant to an Assignment of Lease and Agreement, dated as of the date hereof (hereinafter called "the CIS Lease Assignment");

NOW, THEREFORE, in consideration of the purchase price to be paid and the covenants herein contained, Vendor hereby agrees to sell the Equipment to Vendee, and Vendee

agrees to purchase the Equipment, on the following terms and conditions.

SECTION ONE  
DELIVERY AND ACCEPTANCE

1.1 Acceptance of Equipment. The Equipment is in the possession of the Successor-Lessee. Upon delivery by Vendor to Vendee of a bill of sale with respect to any unit of the Equipment, such unit shall be deemed delivered by Vendor and accepted by Vendee hereunder.

SECTION TWO  
REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Vendee.

Vendee represents and warrants that:

(a) The Vendee is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of California, and has the corporate power and authority to own property for lease and to enter into and perform its obligations under this agreement and the CIS Lease Assignment;

(b) This agreement and the CIS Lease Assignment have been duly authorized, executed, and delivered by Vendee and, assuming due authorization, execution, and delivery by the other parties thereto, respectively, each is a legal, valid, and binding obligation of Vendee, and this agreement is enforceable against the Vendee in accordance with its terms;

(c) The execution and delivery by Vendee of this

agreement and the CIS Lease Assignment are not, and the performance by Vendee of its obligations hereunder and thereunder will not be, inconsistent with Vendee's certificate of incorporation or by-laws, do not and will not contravene any law, governmental rule or regulation, judgment or order applicable to Vendee, and do not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract, or other instrument to which Vendee is a party or by which it is bound;

(d) The consent or approval of, or giving of notice to, registration with, or taking of any action in respect of or by, any federal, state, or local governmental body is not required with respect to the execution, delivery, and performance by Vendee of this agreement or of the CIS Lease Assignment;

(e) There are no actions, suits, or proceedings pending or, to the knowledge of Vendee, threatened against or affecting Vendee in any court or before any governmental body that, if adversely determined, will have a material adverse effect on the ability of Vendee to perform its obligations under this agreement or the CIS Lease Assignment;

(f) Vendee is not in default under any obligation for the payment of borrowed money, the deferred purchase price of property, or rent under any lease of real or personal property, and no event that, with the lapse of time

or the giving of notice or both, would constitute a default under any thereof, has occurred and is continuing; and

(g) Each unit of the Equipment, when delivered to Vendee by Vendor, will be free of liens resulting from claims against Vendee other than liens created or granted by the Thrall CSA and the Pullman CSA, this agreement, the rights of the Lessee under the Lease, and any liens arising by, through, or under Vendor.

## 2.2 Representations and Warranties of Vendor.

Vendor represents and warrants that:

(a) This agreement has been duly authorized, executed, and delivered by Vendor and, assuming due authorization, execution, and delivery by Vendee, this agreement is a legal, valid, and existing agreement binding on Vendor in accordance with its terms;

(b) At the time of execution of this agreement, Vendor had legal title to the Equipment and the right to sell the same and, at the time of delivery of each unit of the Equipment under this agreement, each such unit will be free of all claims, liens, and encumbrances arising from or through Vendor, except the security interest created in favor of vendors thereunder by the Thrall CSA and the Pullman CSA and the assignment thereof to Agent by the Agreement and Assignment, the security interest of The Bank of New York described herein and the security interest of

The First National Bank of Chicago, as Collateral Agent, pursuant to a certain Unencumbered Cars Security Agreement, dated September 8, 1983, as supplemented;

(c) At the time of execution of this agreement, to the best of Vendor's knowledge, an Event of Default, as such term is defined in the Lease, or event that with the passage of time or the giving of notice shall become such an Event of Default, shall not have occurred and be continuing on such date; and

(d) It has not assigned its rights to any payments under the Lease other than pursuant to the Lease Assignment, to The Bank of New York and to The First National Bank of Chicago, as Collateral Agent.

SECTION THREE  
COVENANTS AND AGREEMENTS

3.1 Covenants of Vendee. Vendee hereby covenants and agrees that:

(a) The Equipment shall be, and shall remain, free and clear of all claims, liens, security interests, and encumbrances of any nature arising from, through, or under Vendee, except the security interest of the Agent, the security interest of The Bank of New York described herein, and the security interest of The First National Bank of Chicago, as Collateral Agent, pursuant to a certain Unencumbered Cars Security Agreement, dated September 8, 1983, as supplemented, rights of the Successor-Lessee under the Lease, the security interest of Vendor hereunder, the rights

of permitted transferees hereunder, and except for liens and/or security interests created in favor of Vendee, or any assignee or transferee of Vendee, in connection with a permitted transfer by Vendee of one or more units of the Equipment, and Vendee shall, at its own expense, promptly take such action as may be necessary to discharge any such encumbrances; provided, however, that Vendee shall not be required to discharge any such encumbrances if and so long as it (or the Successor-Lessee) shall in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner that will not endanger the interest of the Successor-Lessee in the Equipment under the Lease or the interest of Vendor in the Equipment hereunder;

(b) Vendee shall pay, or cause to be paid, all taxes and charges, including, without limitation, all taxes imposed on or measured by its net income, but excluding such taxes that the Successor-Lessee is required to pay or indemnify for under the Lease, if the failure to pay such taxes could result in any reduction of the amounts payable to Vendor or the imposition of any lien against the Equipment, the Lease, or any payments made or to be made by the Successor-Lessee in respect thereof; provided, however, that Vendee shall not be required to pay any such taxes or charges if and so long as it shall in good faith and by

appropriate legal proceedings contest the validity thereof in any reasonable manner that will not endanger the interest of the Successor-Lessee in the Equipment under the Lease or the interest of Vendor in the Equipment hereunder; and

(c) Vendee shall not sell, assign, or transfer its rights under this agreement, or in or to the Equipment, except as follows:

(i) A transfer of all of Vendee's interest in said agreement and the Equipment to (a) an entity owned by or affiliated with Vendee or its parent having a net worth at least equal to the net worth of Vendee at the time of such transfer, (b) a bank or financial institution having a combined capital and surplus of not less than \$100,000,000, or (c) any other party reasonably acceptable to Vendor in its sole discretion; or

(ii) A transfer of one or more units of the Equipment to an individual, corporation, or other entity.

Any such transferee shall obtain its interest in the Equipment subject to the rights of Vendor hereunder and under the CIS Lease Assignment, the prior security interest of the Agent, the prior security interest of The Bank of New York, the prior security interest of The First National Bank of Chicago, as Collateral Agent, and the rights of the Successor-Lessee under the Lease. Any such transferee under clause (i) of the foregoing paragraph shall enter into an

agreement, in a form reasonably satisfactory to Vendor, assuming all of the obligations of Vendee hereunder and under the CIS Lease Assignment, and upon such assumption, Vendee shall be relieved of its obligations hereunder and under said agreements. In the case of a transfer under clause (ii) of the foregoing paragraph, Vendee shall not be relieved of its obligations hereunder and under the CIS Lease Assignment, and any notice required or permitted to be given hereunder or under said agreements shall be effective when given to or by the original Vendee, including, without limitation, any notice of default hereunder.

(d) Vendee shall notify Vendor should Vendee have actual knowledge of an Event of Default by Successor-Lessee under the Lease.

3.2 Covenants of Vendor. Vendor covenants and agrees:

(a) To defend the title to the Equipment against claims and demands arising from, through, or under Vendor originating prior to the sale of Vendor's interest in the Equipment hereby, except the prior security interest in favor of the Agent, the prior security interest in favor of The Bank of New York and the prior security interest of The First National Bank of Chicago, as Collateral Agent; and

(b) To make, execute, and deliver all such further instruments of assignment, transfer, and assurance, and do all such further acts and things as may be necessary

and appropriate to give effect to the provisions hereof and more fully confirm the rights and interests hereby sold to Vendee.

SECTION FOUR  
CONDITIONS

4.1 Conditions Precedent to Commitments. The obligation of Vendee to purchase the Equipment subject to the Lease, the security interest in favor of the Agent, the security interest in favor of The Bank of New York, and the security interest in favor of The First National Bank of Chicago, as Collateral Agent, pursuant to this agreement, and the obligation of Vendor to sell the Equipment to Vendee pursuant to this agreement, are subject to fulfillment on a business day mutually acceptable to the parties hereto not later than January 17, 1984 (the "Closing Date"), of the following conditions:

(a) The representations and warranties of Vendee set forth herein shall be true and correct in all material respects as though made on such date, and an Event of Default, as such term is defined herein, or event that with the passage of time or the giving of notice shall become such an Event of Default, shall not have occurred and be continuing on such date;

(b) The representations and warranties of Vendor set forth herein shall be true and correct in all material respects as though made on such date, and an Event of

Default, as such term is defined in the Lease, or event that with the passage of time or the giving of notice shall become such an Event of Default, shall not have occurred and be continuing on such date;

(c) Vendor shall have received evidence that this agreement shall have been filed and recorded with the Interstate Commerce Commission pursuant to Section 11303 of Title 49 of the United States Code;

(d) Vendor shall have received a favorable opinion of counsel for Vendee, dated such Closing Date, satisfactory in form and substance to it, to the effect set forth in paragraphs (a) through (d) of Section 2.1 hereof;

(e) Vendee shall have received a favorable opinion of counsel for Vendor, dated such Closing Date, satisfactory in form and substance to it, to the effect that (1) this agreement has been duly authorized, executed, and delivered by Vendor and, assuming due authorization, execution, and delivery by Vendee, is a legal, valid, and binding obligation of Vendor, and (2) Vendor has obtained all necessary consents of the Agent, the Successor-Lessee, The Bank of New York, The First National Bank of Chicago, as Collateral Agent, and any other party to the execution and delivery by Vendor to Vendee of this agreement and the consummation of the transactions contemplated by this agreement; and

(f) Vendee shall have received from Vendor and Vendor shall have received from Vendee copies, certified by appropriate state or corporate officials, of such corporate documents and records as shall have been requested and as are customary to support and confirm the matters covered by the foregoing opinions.

Each opinion delivered pursuant to this section may be subject to appropriate qualification as to applicable bankruptcy, insolvency, reorganization, or similar laws affecting creditors' rights generally, and may rely, as to matters relating to the laws of jurisdictions other than the United States of America and the jurisdiction in which such counsel is admitted to practice, on the other opinions of counsel furnished pursuant hereto.

(g) Delivery on or prior to the Payment Date of the documents identified in Section 4.2 hereof.

4.2 Documents to be Delivered on or before Payment Date.

(a) Bills of Sale from Vendor to Vendee in the form attached hereto as Schedule B and Schedule C transferring to Vendee and warranting to Vendee that at the time of delivery of the Equipment, pursuant to this agreement, Vendor had legal title to the Equipment and the right to sell the same, and the Equipment was free of all claims, liens, and encumbrances of any nature arising from or

through the Vendor except only the rights of the Agent under either the Thrall CSA or the Pullman CSA, the rights of The Bank of New York, the rights of The First National Bank of Chicago, as Collateral Agent, the rights of the Successor-Lessee under the Lease, as extended, and the rights of Vendor hereunder;

(b) An invoice from Vendor to Vendee for the Equipment;

(c) Receipt from Vendor for the payment required to be made on the Payment Date by Vendee; and

(d) Vendee shall have received a favorable opinion of counsel for Vendor, dated such Payment Date, satisfactory in form and substance to it, to the effect that the two Bills of Sale identified in subsection 4.2(a) hereof, when executed and delivered by Vendor, will be valid and effective to vest in Vendee all right, title, and interest of Vendor in and to the Equipment, free of all claims, liens, security interests, and other encumbrances arising from, through, or under Vendor, except as specifically stated therein.

SECTION FIVE  
PURCHASE PRICE AND PAYMENT

5.1 Purchase Price. The Purchase Price of each unit of Equipment shall be the price set forth in Schedule A hereto. The total Purchase Price is \$20,107,925.99.

5.2 Payment. The Equipment shall be settled for in one group on a date (hereinafter called "the Payment Date"), as shall be fixed by Vendee by written notice to Vendor; provided that the Payment Date shall be fixed by Vendee to be a date not more than thirty (30) days after either the date that Vendor has notified Vendee that it has obtained the opinion of counsel required by subsection 4.2(d) hereof or the date that Vendee has notified Vendor that the condition of subsection 4.2(d) has been waived by Vendee.

Vendee acknowledges that it is indebted to Vendor in the amount of, and promises to pay to Vendor at such place as Vendor shall designate, the Purchase Price of the Equipment, as follows:

(a) On the Payment Date, an amount equal to \$730,000;

(b) The assumption of the indebtedness outstanding as of December 30, 1983, under the CSA between Thrall and Vendor and the CSA between Pullman and Vendor in the total amount of \$6,076,882.68, subject to the limitation on liability set forth in each such CSA; and

(c) The balance of \$13,301,043.31 as follows:  
(A) \$12,255,401.82 in (i) eighteen (18) equal quarterly installments of principal and interest of \$175,348.43 commencing January 17, 1984, and through and including April 17, 1988, plus (ii) thirty-two (32) equal quarterly install-

ments of principal and interest of \$689,292 commencing July 17, 1988, through and including April 17, 1996, and (B) \$1,045,641.49 in a single payment of principal and interest of \$3,701,266 on July 17, 1996.

The balance of the Purchase Price referred to in subsection 5.2(c) hereof is the present value of the payments described in clauses (A) and (B) of such subsection, discounted at the rate of 10.2% per annum. Notwithstanding anything else to the contrary herein, Vendor acknowledges and agrees that if the Successor-Lessee makes all payments that it is required to make under the terms of the Lease and pursuant to the March 26, 1980 Agreement to Extend Lease ("Agreement to Extend Lease") between Vendor and the Successor-Lessee, whether directly to Vendor or to a third party for the account of Vendor, then the balance of the Purchase Price of \$12,255,401.82 (described in subparagraph 5.2(c)(A) hereof) shall for all purposes be deemed to have been paid in full by Vendee.

5.3 Casualty Losses. In the event that payment shall be or become due under the Lease in respect of any unit of Equipment due to a Casualty Occurrence thereunder, Vendee shall, upon receipt of notice with respect thereto from the Successor-Lessee, or otherwise, immediately notify Vendor of such occurrence. Upon payment by the Successor-Lessee of the appropriate Casualty Value under the Lease, that portion of the indebtedness hereunder described in

subparagraph 5.2(c)(A) hereof attributable to the unit of Equipment suffering a Casualty Occurrence (in an amount equal to the present value of all rentals payable under the Lease and pursuant to the Agreement to Extend Lease by Successor-Lessee (excluding the portion of such rentals to which the Lessee is entitled and the portion of such rentals assigned to First Pennsylvania under the Lease Assignment) with respect to such unit of Equipment as of the date on which the Successor-Lessee is to make a Casualty Value payment pursuant to Section 7 of the Lease, including the rental payment due on such date, discounted at the rate of 10.2% per annum) shall be deemed satisfied on the date established in the Lease for payment in respect of such Casualty Occurrence. For example, if the unit of Equipment bearing road number CNW 715000 were to suffer a Casualty Occurrence on January 1, 1987, upon payment by the Successor-Lessee of the appropriate Casualty Value under the Lease, Vendee would be deemed to have satisfied indebtedness in an amount equal to \$13,965.55 as of January 17, 1987 (which would include the "excess" rental payment due Vendor under the Lease above the amount required to service the indebtedness under the Thrall CSA and the Pullman CSA).

In the event of any such satisfaction of the indebtedness as a result of a Casualty Occurrence, each subsequent installment of the indebtedness described in subparagraph 5.2(c)(A) shall be adjusted to reflect the

reduction in rentals payable by the Successor-Lessee to or for the account of Vendee as Lessor under the Lease resulting from the loss of the unit of Equipment suffering the Casualty Occurrence and the final payment of \$3,701,266 due on July 17, 1996, described in subparagraph 5.2(c)(B) within shall be reduced in an amount equal to the product of (i) an amount equal to \$3,701,266 and (ii) a fraction having as its numerator the Price Per Unit as shown on Schedule A hereto with respect to such unit and having as its denominator the total Purchase Price of the Equipment of \$20,107,925.99.

Vendee shall furnish to Vendor promptly after it learns of each such Casualty Occurrence a schedule showing the respective amounts of principal and interest payable on such subsequent date for such payment.

In any event, Vendor shall be entitled to each and every payment for a Casualty Occurrence made by the Successor-Lessee under the Lease.

5.4 Limitation of Liability. The liability of Vendee for all payments to be made under clause (c) of the second paragraph of Section 5.2 and under Section 5.3 shall not exceed an amount equal to, and shall be payable only out of, the income and proceeds from the Equipment. As used herein, the term "income and proceeds from the Equipment" shall mean:

(a) If an Event of Default (as defined in Section 8.1 hereof) shall have occurred and while it shall be

continuing so much of the following amounts as are indefeasibly received by Vendee (or NAC, as assignee of Vendee under the Lease, or by any assignee of NAC, including The First National Bank of Chicago) at any time after such Event of Default and during the continuance thereof, (i) all rent and any other sums due and to become due under the Lease, and (ii) any and all other payments or proceeds received pursuant to the Lease or for or with respect to the Equipment as the result of the sale, lease, or other disposition thereof, after deducting all costs and expenses of such sale, lease, or other disposition; and

(b) At any other time only that portion of the amounts referred to in the foregoing clause (a) or otherwise payable to Vendee pursuant to the Lease as are indefeasibly received by Vendee (or NAC, as assignee of Vendee under the Lease, or by any assignee of NAC, including The First National Bank of Chicago) and as shall equal the payments specified in clause (c) of the second paragraph of Section 5.2 and in Section 5.3 due and payable by Vendee on the date such amounts so received were required to be paid pursuant to the Lease or as shall equal any other payments (including payments in respect of Casualty Occurrences under the Lease) then due and payable under this agreement.

Vendor agrees that if it obtains a judgment against Vendee for an amount in excess of the amounts payable by Vendee pursuant to the limitations set forth in

this section, it will, accordingly, limit its execution of such judgment to such amount and it will not bring suit against Vendee for any sums in addition to the amounts payable by Vendee pursuant to said limitations (or obtain a judgment, order, or decree against Vendee for any relief other than the payment of money) except as may be required by applicable rules of procedure to enforce against the Equipment and the Successor-Lessee (rather than against Vendee personally), by appropriate proceedings against Vendee at law or in equity, or otherwise, the obligation to make the payments due to Vendor under this agreement.

Vendor agrees that it will not file, or otherwise seek to recover, or accept any recovery on any claim in connection with the reorganization of Vendee under Title 11 of the United States Code based on the failure of Vendor to receive any amount of principal or interest on the indebtedness hereunder in excess of the income and proceeds from the Equipment.

Nothing contained herein limiting the liability of Vendee shall derogate from the right of Vendor to proceed against the Equipment and the Successor-Lessee, as provided for herein, for the full unpaid principal amount of the indebtedness hereunder and interest thereon, or to proceed against Vendee for damages and exercise other remedies for breach of the covenants of this agreement (subject to the aforesaid limitations in the case of clause (c) of the second paragraph of Section 5.2 and Section 5.3).

SECTION SIX  
SECURITY

6.1 Security. Vendor shall, and hereby does, retain a security interest in the Equipment, subject to the prior security interest of the Agent, the prior security interest of The Bank of New York, and the prior security interest of The First National Bank of Chicago, as Collateral Agent, and all cash and noncash proceeds therefrom until Vendee shall have made all of the payments required to be made under this agreement and shall have kept and performed all of its agreements herein contained. Such security interest shall attach to each unit of Equipment upon delivery thereof hereunder.

6.2 Recordation. This agreement and any amendments and supplements hereto, or counterparts or copies, or other evidence hereof and thereof may be filed or recorded in any public office as may be necessary or appropriate to protect the interests of Vendor in the Equipment.

6.3 Release. When Vendor shall have been paid the full Purchase Price of the Equipment, together with interest and all other payments as herein provided, absolute right to the possession of, title to, and property in the Equipment shall pass and vest in Vendee without further transfer or action on the part of Vendor. Vendor, if so requested at that time, shall execute and deliver such instruments as shall be appropriate to evidence the release of the interest of Vendor in the Equipment and to make clear

on the public record the title of Vendee to the Equipment.

6.4 Further Assurances. Vendee covenants and agrees from time to time to do all such acts and execute all such instruments of further assurance as shall be reasonably requested by Vendor for the purpose of fully carrying out and effectuating this agreement and the intent hereof.

SECTION SEVEN  
DISCLAIMER OF WARRANTY

7.1 Disclaimer of Warranty. VENDOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, DESIGN, OR CONDITION, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT, OR WORKMANSHIP IN THE EQUIPMENT, AND VENDOR MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE OR AS TO ANY PATENTED FEATURES THEREOF.

SECTION EIGHT  
EVENTS OF DEFAULT; REMEDIES

8.1 Events of Default. If any of the following events (each such event being herein sometimes called an "Event of Default") shall have occurred (whatever the reason for such Event of Default, and whether it shall be voluntary or involuntary, or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree, or order of any court, or any order, rule or regulation of any administrative or governmental body):

(a) Any Event of Default, as such term is defined in the Lease, shall have occurred thereunder;

(b) Any payment of principal of or interest on the indebtedness under this agreement shall not be paid

when due, and such default shall continue for more than ten (10) days thereafter, without regard for any limitation of liability contained herein; or

(c) Vendee shall breach or fail to observe or perform any other covenant, agreement, or warranty on its part made in this agreement without regard for any limitation of liability contained herein, and such breach or failure shall continue for a period of thirty (30) days after notice thereof shall have been given to Vendee by Vendor; or

(d) Vendee or any permitted transferee of Vendee shall assign, convey, or otherwise transfer any of its interest in and to the Equipment in contravention of the terms hereof, or Vendee or any permitted transferee of Vendee shall suffer or permit the imposition upon the Equipment or any part thereof of any claim, lien, security interest, encumbrance, or charge that is prior to or on a parity with the interest of Vendor hereunder other than the security interest of the Agent described herein, the prior security interest of The Bank of New York, and the prior security interest of The First National Bank of Chicago, as Collateral Agent; or

(e) Vendee shall (1) be generally not paying its debts as they become due, (2) file, or consent to the filing against it of a petition for relief under any bankruptcy or insolvency laws, (3) make an assignment for the benefit of

creditors, (4) consent to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator, or other official with similar powers over Vendee or a substantial part of its property, or (5) take corporate action for the purpose of any of the foregoing; or

(f) A court having jurisdiction over Vendee or its property shall enter a decree or order in respect of Vendee or such property in an involuntary case under any bankruptcy or insolvency law, or shall appoint a receiver, liquidator, assignee, custodian, trustee, sequestrator, or official with similar powers over Vendee or a substantial part of such property, or shall order the winding up or liquidation of the affairs of Vendee, and such order or decree shall continue in effect for a period of sixty (60) consecutive days;

then, and in every such case, Vendor may, by notice in writing to Vendee, declare the unpaid principal amount of the indebtedness under this agreement (or in the case of a default by a permitted transferee of Vendee under subsection 8.1(d) above, the portion of such indebtedness attributable to the units of Equipment owned by such transferee) with accrued interest thereon to be due and payable. Thereupon, the entire amount (or applicable portion thereof in the event of such transferee default) of such principal and accrued

interest and the entire amount (or applicable portion thereof in the event of such transferee default) due hereunder shall become due and payable immediately without further demand, together with interest at the Overdue Rate (which shall be 11.2 percent per annum), to the extent legally enforceable, on any portion thereof overdue.

Vendor shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of any amounts due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against Vendee and collect in the manner provided by law out of the Equipment (or the units of Equipment owned by a transferee in the event of a transferee default under subsection 8.1(d) hereof), wherever situated, the moneys adjudged or decreed to be payable (subject to the provisions of Section 5.4 hereof).

8.2 Specific Remedies. Upon the occurrence and during the continuance of an Event of Default, Vendor may, subject to the prior rights of Agent under the Lease Assignment and the prior security interest of Agent in the Equipment, and subject to the prior security interest of The Bank of New York and the prior security interest of The First National Bank of Chicago, as Collateral Agent, exercise any or all of the following remedies:

(a) If an Event of Default shall have occurred and be continuing under the Lease, Vendor may exercise any of the remedies available to Vendee as Lessor thereunder, may recover possession of the Equipment, may require the Equipment to be assembled and delivered to the location specified by Vendor, and shall be entitled to a judgment conferring upon Vendor the immediate right to such possession and to a decree of specific performance requiring the delivery of the Equipment as aforesaid.

(b) Vendor may collect and receive any and all rents, revenues, and other cash and noncash proceeds from the Equipment.

(c) Subject to the rights of the Successor-Lessee (if an Event of Default shall not have occurred and be continuing under the Lease), if the unpaid principal amount of the indebtedness under this agreement shall have been accelerated as provided above, Vendor may, with or without taking possession of the Equipment, sell all or any part thereof, free from any and all claims of Vendee, in one lot and as an entirety, or in separate lots, at public or private sale, for cash or upon credit, in its discretion. Upon any such public sale, Vendor itself, or any holder of indebtedness under this agreement, may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as Vendor may specify, or as may be required by law, and without

gathering at the place of sale the Equipment to be sold and, in general, in such commercially reasonable manner as Vendor may determine.

At the request of Vendor, Vendee shall promptly execute and deliver to Vendor such instruments of title and other documents as Vendor shall deem necessary or advisable to enable Vendor to obtain possession of the Equipment or to transfer the title to the Equipment to any purchaser in connection with such sale.

Upon such taking possession or sale of the Equipment, Vendee shall, subject to Section 8.3 hereof, cease to have any rights in respect of the Equipment hereunder, but except as specifically provided herein, all such rights shall be deemed thenceforth to have been waived and surrendered by Vendee, and no payments theretofore made by Vendee in respect of the Equipment or any of it shall give to Vendee any legal or equitable interest or title in or to the Equipment, or any of it, or any cause or right of action at law or in equity in respect of the Equipment against Vendor or the holders of the outstanding indebtedness under this agreement. No such taking possession or sale of the Equipment, or any of it, by Vendor shall be a bar to the recovery by Vendor from Vendee of payments then or thereafter due and payable, and Vendee (subject to the provisions of Section 5.4 hereof) shall be and remain liable for the same until such sums shall have been received by Vendor as, with

the proceeds of the sale of the Equipment, shall be sufficient for the discharge and payment in full of all the obligations of Vendee hereunder (other than interest not then accrued), whether or not they shall have then matured.

Notwithstanding anything to the contrary in this Section 8.2, for an Event of Default by a permitted transferee of Vendee under subsection 8.1(d), the rights of Vendor specified in subsection 8.2(c) hereof shall, if the portion of the indebtedness under this agreement attributable to the units of Equipment owned by such transferee shall have been accelerated, apply only to such units of Equipment.

8.3 Right of Redemption. If, prior to such sale or the making of a contract therefor, or within thirty (30) days after Vendor shall have notified Vendee of its intention

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to take possession or sell the Equipment, Vendee should tender full payment of the total unpaid principal of all the indebtedness under this agreement then outstanding, together with interest thereon accrued and unpaid and all other amounts due under this agreement as well as all proper expenses of Vendor incurred in taking possession of, storing, preparing the Equipment for, and otherwise arranging for, such sale, then, in such event, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in Vendee.

If, prior to such sale or the making of a contract therefor, or within thirty (30) days after Vendor shall have notified Vendee of its intention to take possession or sell the Equipment, Vendee (or any permitted assignee of Vendee) should tender full payment of the total unpaid principal of all the indebtedness under this agreement then outstanding with respect to any unit of Equipment, together with interest thereon accrued and unpaid, and all other amounts due under this agreement with respect to such unit of Equipment, as well as all proper expenses of Vendor incurred in taking possession of, storing, preparing such unit of the Equipment for, and otherwise arranging for, such sale, then, in such event, absolute right to the possession of, title to and property in such unit of Equipment shall pass to and vest in Vendee (or its assignee).

8.4 Application of Proceeds. If an Event of Default shall occur and be continuing and Vendor shall exercise any of the powers conferred upon it by Sections 8.1 and 8.2 hereof, all payments made by Vendee to the Vendor hereunder after such Event of Default (except any payments made pursuant to Section 8.3 hereof), and the proceeds of any judgment collected hereunder from Vendee by Vendor, and the proceeds of every sale by Vendor of any of the Equipment, together with any other amounts which may then be held by Vendor under any of the provisions hereof, shall be applied by Vendor to the payment in the following order of priority:

- (a) of all proper charges, expenses, or advances made or incurred by Vendor in exercise of its remedies hereunder,
- (b) of the interest then due, with interest on overdue interest at the Overdue Rate to the extent legally enforceable,
- and (c) of the principal of all the outstanding indebtedness under this agreement, with interest thereon at the Overdue Rate to the extent legally enforceable from the last date on which interest was due, whether such indebtedness under this agreement shall have then matured by its terms or not.

If, after applying all such sums of money realized by Vendor, as aforesaid, there shall remain any amount due to Vendor under the provisions hereof, Vendee (subject to the provisions of Section 5.4 hereof) agrees to pay the amount of such deficit to Vendor. If, after applying, as aforesaid, the sums of money realized by Vendor, there shall

remain a surplus in the possession of Vendor, such surplus shall be paid to Vendee.

8.5 Rights and Remedies Cumulative; No Waiver.

Each and every right, power and remedy herein specifically given to Vendor under this agreement shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy, whether specifically herein given or otherwise existing, may be exercised from time to time and as often and in such order as may be deemed expedient by Vendor, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by Vendor in the exercise of any right, remedy or power, or in the pursuance of any remedy, shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of Vendee or the Successor-Lessee or to be an acquiescence therein. No waiver in respect of any Event of Default shall extend to any subsequent or other Event of Default.

8.6 Restoration of Rights and Remedies. In case Vendor shall have proceeded to enforce any right, power or remedy under this agreement by foreclosure, entry or otherwise,

and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to Vendor, then and in every such case, Vendee and Vendor shall be restored to their former positions and rights hereunder with respect to the Equipment, and all rights, remedies and powers of Vendor shall continue as if no such proceedings had been taken.

SECTION NINE  
ASSIGNMENTS

9.1 Assignments; Indemnified Parties. This agreement, including all agreements, covenants, indemnities, representations, and warranties, shall be binding upon and inure to the benefit of, and may be enforced by, (a) Vendor and its successors, assigns, agents, employees, and representatives, and (b) Vendee and its successors and, to the extent permitted hereby, assigns and/or transferees.

9.2 Assignment by the Vendor. All or any of the rights and benefits of Vendor under this agreement, including the right to receive the payments herein provided to be made by Vendee, may be assigned by Vendor and, subject to any limitations in such assignment, reassigned by any assignee. No such assignment shall subject any assignee to, or relieve the original Vendor from, any of the obligations of the original Vendor to deliver the Equipment in accordance with Section 1.1 hereof or to respond to its warranties set forth in Section Seven hereof, or relieve Vendee of its

obligations to the original Vendor contained in clause (a) of the second paragraph of Section 5.2, or any other obligation that, according to its terms or context, is intended to survive an assignment.

Upon such assignment, either the assignee or the assignor shall furnish a counterpart or copy of such assignment to Vendee, and such counterpart or copy shall constitute notice thereof. Subject to the Lease Assignment and the prior rights of Agent under the Thrall CSA and the Pullman CSA, and to the rights of The First National Bank of Chicago, as Collateral Agent, after receipt of such notice:

(a) Vendee shall make all payments assigned by such assignment to the assignee thereunder or its successor;

(b) All rights of Vendor hereunder shall be exercisable by such assignee and its successor assignees;

(c) The rights of such assignee and such successors shall not be subject to any defense, counterclaim, or set-off that Vendee may have or assert against the original Vendor;

(d) Such assignee and any successor assignees shall not be or become liable for any obligation of the original Vendor or otherwise;

(e) All requirements for notice and reports shall be deemed satisfied if given to such assignee; and

(f) All consents and approvals required hereunder

to be given by Vendor (if given) may be given by such assignee, but not the assignor.

SECTION TEN  
MISCELLANEOUS

10.1 Mailing of Notice. All communications and notices provided for herein shall be in writing and shall become effective when delivered or three (3) days after being deposited in the United States mail, first class postage prepaid, addressed as follows:

(a) If to Vendee:

445 Washington Street  
San Francisco, California 94111

Attention: President

(b) If to Vendor:

33 West Monroe Street  
Chicago, Illinois 60603

Attention: President

or such other address that any party shall designate by notice to the other parties hereto.

10.2 Indemnities to Survive. Any indemnities, representations, and warranties contained in this agreement or any document, agreement, or certificate delivered in connection herewith shall survive the discharge of the indebtedness hereunder.

10.3 Confirmation of the Rights of the Lessee. Vendor hereby confirms, for the benefit of the Successor-Lessee, that the rights retained hereby in the Equipment

are, subject to the prior security interest of the Agent, the prior security interest of The Bank of New York, and the prior security interest of The First National Bank of Chicago, as Collateral Agent, limited by and to the rights of Vendee and, in exercise of Vendee's rights under the Lease, shall be bound by and comply with the agreements and obligations of Vendee thereunder.

10.4  Holders of Indebtedness under this Agreement.

All representations, warranties, covenants, and agreements contained herein shall be binding on, and shall inure to the benefit of, any permitted assignee hereunder. Any request, notice, direction, consent, waiver, or other instrument or action by any such assignee shall bind the successors and assigns of such assignee.

10.5  Amendments and Waivers. The terms of this agreement shall not be waived, altered, modified, amended, supplemented, or terminated in any manner whatsoever except by written instrument signed by Vendee and Vendor.

10.6  Entire Agreement. This agreement and the other agreements and documents referred to herein constitute the final and entire expression of the agreement of the parties with respect to the matters contemplated hereby.

10.7  Law Governing. This agreement has been delivered in and shall be governed by the law of the State of California.

10.8 Recourse. This agreement is solely a corporate obligation and no recourse shall be had in respect of any obligation, covenant, or agreement of this agreement, or referred to herein, against any stockholder, incorporator, director, or officer, as such, past, present, and future, of the parties hereto by the enforcement of any assessment or by any legal or equitable proceedings, by virtue of statute or otherwise.

10.9 Invalidity of Provisions. Any provision of this agreement which may be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10 Counterparts. This agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, all of which together shall constitute a single agreement.

10.11 Effectiveness. Although this agreement is dated as of the date first above written for convenience, the actual dates of execution hereof by the parties hereto are respectively the dates set forth in the acknowledgements annexed hereto. This agreement shall be effective as of the

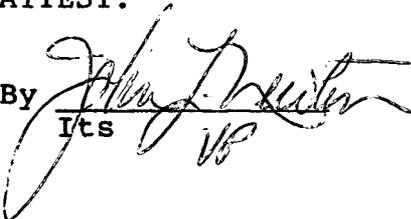
date first above written.

IN WITNESS WHEREOF, the parties hereto have each caused this agreement to be duly executed by their respective officers thereunto duly authorized.

CIS RAIL CORPORATION

By   
President

ATTEST:

By   
Its VP

NORTH AMERICAN CAR CORPORATION

By   
VICE PRESIDENT

ATTEST:

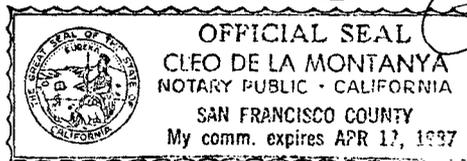
By   
Its Asst. Secy

State of California )  
 ) ss.  
County of San Francisco )

On this 9th day of January, 1984, before me, personally appeared Stephen C. Bieneman, to me personally known, who, by me being duly sworn, says that he is President of CIS Rail Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said 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.

  
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(Notarial Seal)



State of Illinois )  
 ) ss.  
County of Cook )

On this 13th day of January, 1984, before me, personally appeared Michael A. Feder, to me personally known, who, by me being duly sworn, says that he is Vice President of North American Car Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said 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.

  
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(Notarial Seal)

My Commission Expires July 21, 1988

SCHEDULE A  
EQUIPMENT

<u>Car Serial Numbers</u>	<u>Cars In Group</u>	<u>Description</u>	<u>Price Per Unit</u>
62501-62849	335	50-foot, 70-ton, Type XM wide door box-cars with 4 belt rails, DF2 loaders, waffle side and cushioned underframe construction, built by Pullman Standard, Inc., 1973	\$16,284
132250-132749	441	4,750 cubic foot capacity, Type LO covered hopper cars, trough hatch construction, built by Pullman Standard, Inc., 1973	\$18,975
34500-34599	93	60-foot, 100-ton, Type XL boxcars equipped with heavy-duty bulkhead loaders and cushioned underframe construction, built by Pullman Standard, Inc., 1973	\$27,135
36300-36399	92	50-foot, 70-ton, Type XL boxcars equipped with Evans "Airpac" loaders and cushioned underframe construction, built by Pullman Standard, Inc., 1973	\$22,877
180000-180099	100	52-foot, 100-ton, 2,244 cubic foot capacity, Type GB gondola cars with 8-foot waffle side construction, built by Thrall Car Manufacturing Company, 1973	\$16,562

SCHEDULE A  
EQUIPMENT

SCHEDULE B

BILL OF SALE

FOR VALUE RECEIVED, the undersigned does hereby sell, transfer, set over, and assign to CIS Rail Corporation, subject to the security interest retained under the Conditional Sale Agreement, dated as of March 31, 1973, among Pullman Incorporated, the undersigned, and Chicago, Rock Island and Pacific Railroad Company, which was filed and recorded with the Interstate Commerce Commission pursuant to Section 20(c) of the Interstate Commerce Act on April 24, 1973, at 3:50 P.M., as Document No. 7000, and which was amended by the Amendment Of Conditional Sale Agreements, Dated May 31, 1980, Between First Pennsylvania Bank, N.A., As Agent, And North American Car Corporation, the security interest of The Bank of New York under the Equipment Mortgage and the Collateral Assignment which were filed and recorded with the Interstate Commerce Commission on August 4, 1978, at 11:00 A.M., as Document Nos. 9621 and 9622, the security interest of The First National Bank of Chicago, as Collateral Agent, pursuant to a certain Unencumbered Cars Security Agreement, dated as of September 8, 1983, and the security interest retained by the undersigned under the Conditional Sale Agreement, dated as of December 30, 1983, between the undersigned and CIS Rail Corporation,

SCHEDULE B

all of the right, title, and interest of the undersigned in and to the equipment hereinafter described without any warranty or covenant, express or implied, as to merchantability or fitness for a particular purpose.

<u>Quantity</u>	<u>Description</u>	<u>Numbers</u>
335	50-foot, 70-ton, Type XM wide door box-cars with 4 belt rails, DF2 loaders, waffle side and cushioned underframe construction, built by Pullman Standard, Inc., 1973	62501-62849
441	4,750 cubic foot capacity, Type LO covered hopper cars, trough hatch construction, built by Pullman Standard, Inc., 1973	132250-132749
93	60-foot, 100-ton, Type XL boxcars equipped with heavy-duty bulkhead loaders and cushioned underframe construction, built by Pullman Standard, Inc., 1973	34500-34599
92	50-foot, 70-ton, Type XL boxcars equipped with Evans "Airpac" loaders and cushioned underframe construction, built by Pullman Standard, Inc., 1973	36300-36399

The undersigned hereby warrants to CIS Rail Corporation that at the time of delivery hereof, the undersigned had legal title to such equipment and the right to sell the same, and such equipment was at the time of such delivery free of all claims, liens, security interests, and other encumbrances of any nature arising from or through

the undersigned, except as specifically described above, and the undersigned covenants to defend the title to such equipment against the demands of all persons whomsoever based on claims originating prior to the delivery of this instrument and arising from or through the undersigned.

NORTH AMERICAN CAR CORPORATION

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

ATTEST:

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

SCHEDULE C

BILL OF SALE

FOR VALUE RECEIVED, the undersigned does hereby sell, transfer, set over, and assign to CIS Rail Corporation, subject to the security interest retained under the Conditional Sale Agreement, dated as of March 31, 1973, among Thrall Car Manufacturing Company, the undersigned, and Chicago, Rock Island and Pacific Railroad Company, which was filed and recorded with the Interstate Commerce Commission pursuant to Section 20(c) of the Interstate Commerce Act on April 24, 1973, at 3:50 P.M., as Document No. 7001, and which was amended by the Amendment Of Conditional Sale Agreements, Dated May 31, 1980, Between First Pennsylvania Bank, N.A., As Agent, And North American Car Corporation, the security interest of The Bank of New York under the Equipment Mortgage and the Collateral Assignment which were filed and recorded with the Interstate Commerce Commission on August 4, 1978, at 11:00 A.M., as Document Nos. 9621 and 9622, the security interest of The First National Bank of Chicago, as Collateral Agent, pursuant to a certain Unencumbered Cars Security Agreement, dated as of September 8, 1983, and the security interest retained by the undersigned under the Conditional Sale Agreement, dated as of December 30, 1983, between the undersigned and CIS Rail

SCHEDULE C

Corporation, all of the right, title, and interest of the undersigned in and to the equipment hereinafter described without any warranty or covenant, express or implied, as to merchantability or fitness for a particular purpose.

<u>Quantity</u>	<u>Description</u>	<u>Numbers</u>
100	52-foot, 100-ton, 2,244 cubic foot capacity, Type GB gondola cars with 8-foot waffle side construction, built by Thrall Car Manufacturing Company, 1973	180000-180099

The undersigned hereby warrants to CIS Rail Corporation that at the time of delivery hereof, the undersigned had legal title to such equipment and the right to sell the same, and such equipment was at the time of such delivery free of all claims, liens, security interests, and other encumbrances of any nature arising from or through the undersigned, except as specifically described above, and the undersigned covenants to defend the title to such equipment against the demands of all persons whomsoever based on claims originating prior to the delivery of this instrument and arising from or through the undersigned.

NORTH AMERICAN CAR CORPORATION

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

ATTEST:

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