

40A026
Date AUG 28 1980
File # 51.00
ICC Washington, D.C.

12135
RECORDATION NO. FILED 1425

①
New No
850

AUG 28 1980 - 11 00 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Washington, D.C.

Gentlemen:

Enclosed for recordation under the provisions of 49 USC 11303(a) are the original and five counterparts of a Reconstruction Agreement dated as of August 1, 1980.

A general description of the railroad equipment covered by the enclosed document is set forth in Schedule A attached to this letter and made a part hereof.

The names and addresses of the parties are:

Owner: The Connecticut Bank and Trust Company
One Constitution Plaza
Hartford, Connecticut 06115

Rebuilder: Illinois Central Gulf Railroad Company
Two Illinois Center
233 North Michigan Avenue
Chicago, Illinois 60601

The undersigned is the Owner mentioned in the enclosed document and has knowledge of the matters set forth therein.

Please return the original and four copies of the Reconstruction Agreement to Larry Elkins, Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

Also enclosed is a check in the amount of \$50.00 covering the required recording fee.

Very truly yours,

THE CONNECTICUT BANK AND TRUST
COMPANY, as Trustee

By [Signature]
Its [Signature]

OWNER AS FORESAID

RECEIVED
I.C.C.
OPERATION BR.
26
10 48 AM '80

Enclosures

3
counterparts

SCHEDULE A

DESCRIPTION OF REBUILT EQUIPMENT

<u>No. of Items</u>	<u>Description of Equipment</u>	<u>Debtor Identifying Mark and Numbers</u>
10	GP-11 Locomotives	ICG 8741 through ICG 8750, both inclusive
10	SW-14 Locomotives	ICG 1439 through ICG 1448, both inclusive
13	SD-20 Locomotives	ICG 2012 through ICG 2024, both inclusive

DESCRIPTION OF EQUIPMENT PRIOR TO REBUILDING

<u>No. of Items</u>	<u>Description of Equipment</u>	<u>Debtor Identifying Mark and Numbers</u>
10	GP Locomotives	IC 8967; IC 9200; IC 9206; IC 9214; IC 9312; IC 9314; IC 9331; IC 9380; UP 108; UP 135
10	SW Locomotives	ICG 1203; ICG 1204; ICG 1234; ICG 1235; ICG 480; IC 418; IC 440; IC 405; IC 416; IC 1001
13	SD Locomotives	ICG 6303 through ICG 6305, both inclusive; ICG 6310; ICG 6315; ICG 6316; ICG 6318; ICG 6321; ICG 6324; ICG 6336; ICG 6341; ICG 6342; ICG 6347

Interstate Commerce Commission
Washington, D.C. 20423

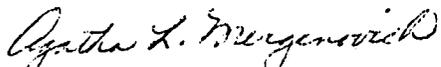
OFFICE OF THE SECRETARY

Larry Elkins
Chapman & Cutler
111 West Monroe Street
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 8/28/80 at 11:00AM, and assigned re-
recordation number(s). 12135, 12136, & 12137

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

12135

REGISTRATION NO. PAGE 1425

AUG 28 1980 - 11 00 AM

INTERSTATE COMMERCE COMMISSION

Matter No. 33459-9

RECONSTRUCTION AGREEMENT

Dated as of August 1, 1980

Between

ILLINOIS CENTRAL GULF RAILROAD COMPANY

REBUILDER

and

THE CONNECTICUT BANK AND TRUST COMPANY,
as Trustee under I.C.G. Trust No. 80-5

OWNER

(I.C.G. Trust No. 80-5)
(33 Rebuilt Locomotives)

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Attachment to Reconstruction Agreement:

Schedule A - Description of Equipment

RECONSTRUCTION AGREEMENT

THIS RECONSTRUCTION AGREEMENT dated as of August 1, 1980 is between ILLINOIS CENTRAL GULF RAILROAD COMPANY, a Delaware corporation (the "Rebuilder") and THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, not individually but solely as Trustee (the "Owner") under a Trust Agreement dated as of August 1, 1980 (the "Trust Agreement") with Xerox Services, Inc. (the "Trustor").

R E C I T A L S:

A. The Owner and the Rebuilder, inter alia, have entered into a Participation Agreement dated as of August 1, 1980 (the "Participation Agreement").

B. Pursuant to a Hulk Purchase Agreement dated as of August 1, 1980 (the "Hulk Purchase Agreement") between the Owner and the Rebuilder, the Owner has agreed to purchase certain used locomotives described in Schedule A hereto (collectively the "Hulks" and individually a "Hulk") which are to be reconstructed by the Rebuilder in accordance with the Owner's specifications therefor set forth in Annex I of Schedule A hereto (hereinafter, with such modifications therein as may be approved by the parties hereto, called the "Specifications"), and the Owner proposes to pay for such reconstruction of the Hulks at the price, in the manner and upon the terms and conditions hereinafter provided.

C. Pursuant to an Equipment Lease dated as of August 1, 1980 (the "Lease") the Owner will, upon completion of the reconstruction of a Hulk (such reconstructed Hulk being herein called an "Item of Equipment" and such items collectively herein called the "Equipment"), lease, as lessor, the Item of Equipment to the Rebuilder, as lessee.

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

SECTION 1. RECONSTRUCTION OF THE EQUIPMENT.

The Rebuilder agrees (i) to reconstruct the Hulks, in accordance with the Specifications, for the Owner, (ii) to number and mark each Item of Equipment with the road numbers specified with respect thereto in the Lease, (iii) to cause each Item of Equipment to be plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each Item of Equipment in letters not less than one inch in height with the words "Leased from a Bank or Trust Company, as Trustee, and Subject to a Security Interest Recorded with the I.C.C.", and (iv) to deliver the Equipment to the Owner, as and when so

reconstructed, marked and numbered, all for the Reconstruction Cost provided in Section 5 hereof. The Rebuilder warrants to the Owner that the design, quality and component parts of the Equipment as so reconstructed will conform to all applicable laws, to all United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all standards recommended by the Association of American Railroads reasonably interpreted as being applicable to railroad equipment of the character of the Equipment (as so reconstructed) as of the date of this Agreement, provided, however, that if any such requirements, specifications or standards are promulgated or amended prior to the Closing Date (hereinafter defined), the Reconstruction Cost of the Equipment affected thereby may be appropriately adjusted by written agreement of the Rebuilder and the Owner, subject to the limitations of Section 5 hereof.

SECTION 2. TIME AND PLACE OF DELIVERY.

The Owner will deliver the Hulks, or cause the Hulks to be delivered, to the Rebuilder at the plant of the Rebuilder located at the rebuilding sites identified in Schedule A hereto. The Rebuilder will deliver the reconstructed Equipment to the Owner for acceptance in the manner provided in Section 4 hereof with freight charges, if any, prepaid by the Rebuilder at the delivery point or points mutually agreed upon by the Owner and the Rebuilder from time to time following the execution and delivery of this Agreement, but such delivery and acceptance for each Item of Equipment shall take place prior to the Outside Delivery Date provided in Section 3 hereof. The Rebuilder agrees that it will not accept for reconstruction, nor commence any reconstruction of, any Hulk if (i) the Rebuilder does not reasonably anticipate that such Hulk will be fully reconstructed prior to the Outside Delivery Date provided in Section 3 hereof, (ii) an Event of Default under the Lease, or an event which, with the lapse of time or the giving of notice, or both, would constitute an Event of Default thereunder, shall have occurred, (iii) there shall have been commenced any proceeding or there shall have been filed any petition under the Federal or any local bankruptcy or insolvency laws by or against the Rebuilder or any of its property, (iv) the Owner is no longer obligated under the terms of the Hulk Purchase Agreement to accept delivery of and to pay for any additional Hulks thereunder for any of the reasons therein provided, or (v) the Owner or any Participant (as defined in the Participation Agreement) shall have delivered written notice to the Rebuilder that any of the conditions contained in Sections 4.1 through 4.6 of the Participation Agreement have not been satisfied or waived.

SECTION 3. OUTSIDE DELIVERY DATE.

The Rebuilder agrees that all Items of Equipment will be reconstructed and delivered prior to December 31, 1980 (the "Outside Delivery Date"). The Rebuilder's obligations to so

reconstruct and deliver shall be absolute and unconditional, regardless of any events which might otherwise be deemed to constitute force majeure. In the event that the Rebuilder fails to perform such obligations, Section 11 hereof shall apply.

SECTION 4. INSPECTION AND ACCEPTANCE.

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

SECTION 5. PAYMENT FOR RECONSTRUCTION OF EQUIPMENT.

The Reconstruction Cost for each Item of Equipment shall be the amount set forth on Schedule A hereto for such Item of Equipment. The Reconstruction Cost for each Item of Equipment shall be set forth in an invoice covering the respective Items furnished by the Rebuilder to the Owner on or prior to the Equipment Closing Date (as defined in the Participation Agreement) on which the Reconstruction Cost thereof is to be paid by the Owner, which invoice shall be accompanied by a statement of the Rebuilder setting forth its opinion to the effect that the Reconstruction Cost of the Items of Equipment covered thereby plus the Purchase Price (as defined in the Hulk Purchase Agreement) of the reconstructed Hulks covered by that invoice does not exceed the fair market value of such Items of Equipment. Subject to the fulfillment of the conditions in the Participation Agreement, payment of the Reconstruction Cost for each Item of Equipment shall be made to the Rebuilder on the Equipment Closing Date therefor under the Participation Agreement by wire transfer of immediately available funds to such bank located in the United States as the Rebuilder shall designate to the Owner in writing.

SECTION 6. RECONSTRUCTION WARRANTY.

The Rebuilder warrants that the Hulks will be reconstructed in accordance with the Specifications and warrants the reconstructed Items of Equipment will be free from defects in material, workmanship and design under normal use and service, the obligation of the Rebuilder under this Section 6 being limited to making good at its plant any part or parts of any reconstructed Item of Equipment, which shall, within one year after the delivery of such reconstructed Item of Equipment to the Owner, be returned to the Rebuilder with transportation charges prepaid, and which upon examination by the Rebuilder, shall be disclosed to its reasonable satisfaction to have been thus defective. This warranty is expressly in lieu of all other warranties (other than warranties

of subcontractors and suppliers which are hereby assigned to the Owner), express or implied, and of all other obligations or liabilities on the part of the Rebuilder except as herein provided, and the Rebuilder neither assumes nor authorizes any person to assume for it any other liability in connection with the reconstruction of the Equipment and delivery of the reconstructed Equipment except as aforesaid. The Rebuilder further agrees with the Owner that the acceptance of any reconstructed Item of Equipment hereunder shall not be deemed a waiver by the Owner of any of its rights under this Section.

SECTION 7. REPRESENTATION AND WARRANTY AS TO TITLE.

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

SECTION 8. REBUILDER'S INDEMNITY.

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

SECTION 9. INSURANCE.

The Rebuilder will at all times while it is in control or possession of such Hulks or engaged in reconstruction of

Hulks under this Agreement and until all such reconstructed Hulks have been delivered to the Owner, at its own expense, cause the Hulks to be insured, both as to public liability and casualty insurance, all in the same manner and to the same extent as if such Hulks were subject to the insurance provisions of Section 11 of the Lease, and evidence thereof shall be furnished as provided in the Lease.

SECTION 10. OWNER'S AND TRUSTOR'S RIGHT OF INSPECTION.

During reconstruction, including, without limitation, all phases of fabrication and assembly, the Hulks and all work thereon shall be subject to inspection and approval by the Owner and the Trustor; provided, however, that any inspection or failure to inspect by the Owner or the Trustor shall not affect any of their respective rights hereunder. The Rebuilder shall grant to the authorized inspectors of the Owner and the Trustor access to all portions of its plant where Hulks are being reconstructed. The authorized inspectors of the Owner may be employees of the Lessee.

SECTION 11. FAILURE TO RECONSTRUCT.

In the event that, following delivery and payment for the Hulks, no Hulk shall be reconstructed and accepted pursuant to this Reconstruction Agreement and the Lease, then the Rebuilder agrees to pay (or to reimburse the Trustor to the extent that the Trustor has paid) all expenses relating to this Agreement and the transaction contemplated hereby and by the Participation Agreement. If and to the extent that any Hulks are not reconstructed and accepted pursuant to this Reconstruction Agreement and the Lease on or before December 31, 1980 (the "Non-completed Hulks"), the Rebuilder agrees, as agent for the Owner, to sell the Non-completed Hulks to a party other than the Rebuilder or any affiliate of the Rebuilder, on or before February 1, 1981, at the highest cash price obtainable. On February 1, 1981, the Rebuilder will pay to the Owner the net proceeds from such sale and, if such net proceeds are less than the Purchase Price of the Non-completed Hulks plus interest on the Purchase Price of the Non-completed Hulks at the rate of 13% per annum for the period from and including the date of purchase of such Non-completed Hulks to but not including February 1, 1981, the Rebuilder will, as liquidated damages for failure to complete the reconstruction of the Non-completed Hulks as provided in this Reconstruction Agreement, pay to the Owner on February 1, 1981, an amount equal to the difference; provided that all rights of both the Rebuilder and the Owner in and to the Non-completed Hulks and the proceeds thereof shall be subject and subordinate to the prior right, title and interest therein of the Security Trustee under the Security Agreement. The Owner agrees to furnish to the Rebuilder all such bills of sale, without recourse or warranty, as shall be reasonably required to enable the Rebuilder to effect the sale of the Non-completed Hulks for the account of the Owner as aforesaid.

SECTION 12. LIMITATIONS ON LIABILITY.

Anything herein to the contrary notwithstanding, the Owner shall have no obligation to pay for the reconstruction of the Equipment unless funds sufficient for such purposes have been advanced by the Trustor and the Security Trustee. Each and all of the representations, warranties, undertakings and agreements herein made on the part of the Owner are made and intended not as personal representations, warranties, undertakings and agreements by The Connecticut Bank and Trust Company for the purpose or with the intention of binding it personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement and this Reconstruction Agreement is executed and delivered by the said bank not in its own right but solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and except in the case of wilful misconduct or gross negligence by said bank or the Trustor, as the case may be, no personal liability or personal responsibility is assumed hereunder by or shall at any time be enforceable against the said bank or the Trustor, as the case may be, on account of any representation, warranty, undertaking or agreement hereunder of the Owner or the Trustor, as the case may be, either express or implied, all such personal liability (except as aforesaid), if any, being expressly waived by the Rebuilder and by all persons claiming by, through or under the Rebuilder; provided, however, that the Rebuilder or any person claiming by, through or under it, making claim hereunder, may look to said Trust Estate for satisfaction of the same.

SECTION 13. NOTICES.

Any notice to be given by either party hereto to the other shall be in writing and shall be deemed to have been duly given when delivered personally or otherwise actually received at the following addresses:

If to the Rebuilder: Illinois Central Gulf Railroad
Company
Two Illinois Center
233 North Michigan Avenue
Chicago, Illinois 60601
Attention: Treasurer

If to the Owner: The Connecticut Bank and Trust
Company
One Constitution Plaza
Hartford, Connecticut 06115
Attention: Corporate Trust
Department

(With copies to the Trustor at its
address specified in the
Participation Agreement)

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

SECTION 14. SUCCESSORS AND ASSIGNS.

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

SECTION 15. LAW GOVERNING.

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

SECTION 16. EXECUTION IN COUNTERPARTS.

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

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

ILLINOIS CENTRAL GULF RAILROAD
COMPANY

By

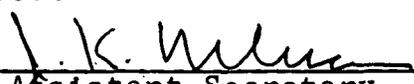


Its Vice President

REBUILDER

(Seal)

Attest:



Assistant Secretary

THE CONNECTICUT BANK AND TRUST
COMPANY, as Trustee under
I.C.G. Trust No. 80-5

By

Its Authorized Owner

OWNER

STATE OF CONNECTICUT)
) SS
COUNTY OF HARTFORD)

On this ____ day of August, 1980, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My commission expires:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 25TH day of August, 1980, before me personally appeared D. N. MELIN, to me personally known, who being by me duly sworn, says that he is a Vice President of ILLINOIS CENTRAL GULF RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Robert H. Hughes
Notary Public

[NOTARIAL SEAL]

My commission expires: NOV 23 1980

DESCRIPTION OF EQUIPMENT

Reconstruction Specifications: See Annex A hereto

Outside Delivery Date: December 31, 1980

Location of Rebuilder's Plant: Paducah, Kentucky

<u>Number of Items</u>	<u>Description of Hulk</u>	<u>Description of Rebuilt Units</u>	<u>Reconstruction Cost per Item</u>	<u>Aggregate Reconstruction Cost</u>
10	GP locomotives marked and numbered as follows: IC 8967, IC 9200, IC 9206, IC 9214, IC 9312, IC 9314, IC 9331, IC 9380, UP 108 and UP 135	ICG 8741 through 8750, both inclusive	\$410,000	\$4,100,000
10	SW locomotives marked and numbered as follows: ICG 1203, ICG 1204, IC 418, IC 440, ICG 480, IC 1001, IC 405, IC 416, ICG 1234 and ICG 1235	ICG 1439 through 1448, both inclusive	358,000	3,580,000
13	SD locomotives marked and numbered as follows: ICG 6303, ICG 6304, ICG 6305, ICG 6310, ICG 6315, ICG 6316, ICG 6318, ICG 6321, ICG 6324, ICG 6336, ICG 6341, ICG 6342 and ICG 6347	ICG 2012 through 2024, both inclusive	492,000	<u>6,396,000</u>

\$14,076,000

ANNEX A
TO DESCRIPTION OF EQUIPMENT

Specifications for Reconstruction

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

	<u>SW 14</u>	<u>GP 11</u>	<u>SD 20</u>
Horsepower (minimum)	1,200	1,850	2000
Engine (minimum)	12-567BC	567(C)	16-645D
Generator (Main)	D15C	D12L-D14	D32E1-D14
Traction Motors	D27, 37	037	D47
Generator (auxiliary)	10KW	14KW	18KW
Air Brakes	26NL	26L Porto Pack	26-L Uni-Rack
Fuel Capacity (gallons)	600	1,750	2500 (Approx.)
Gear Ratio	62:15	62:15	62:15
Electric Cab Heat		Prime	

REGISTRATION 12135 FILE 1173

AUG 28 1980-11 06 AM

INTERSTATE COMMERCE COMMISSION

Matter No. 33459-9

RECONSTRUCTION AGREEMENT

Dated as of August 1, 1980

Between

ILLINOIS CENTRAL GULF RAILROAD COMPANY

REBUILDER

and

THE CONNECTICUT BANK AND TRUST COMPANY,
as Trustee under I.C.G. Trust No. 80-5

OWNER

(I.C.G. Trust No. 80-5)
(33 Rebuilt Locomotives)

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Attachment to Reconstruction Agreement:

Schedule A - Description of Equipment

RECONSTRUCTION AGREEMENT

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R E C I T A L S:

A. The Owner and the Rebuilder, inter alia, have entered into a Participation Agreement dated as of August 1, 1980 (the "Participation Agreement").

B. Pursuant to a Hulk Purchase Agreement dated as of August 1, 1980 (the "Hulk Purchase Agreement") between the Owner and the Rebuilder, the Owner has agreed to purchase certain used locomotives described in Schedule A hereto (collectively the "Hulks" and individually a "Hulk") which are to be reconstructed by the Rebuilder in accordance with the Owner's specifications therefor set forth in Annex I of Schedule A hereto (hereinafter, with such modifications therein as may be approved by the parties hereto, called the "Specifications"), and the Owner proposes to pay for such reconstruction of the Hulks at the price, in the manner and upon the terms and conditions hereinafter provided.

C. Pursuant to an Equipment Lease dated as of August 1, 1980 (the "Lease") the Owner will, upon completion of the reconstruction of a Hulk (such reconstructed Hulk being herein called an "Item of Equipment" and such items collectively herein called the "Equipment"), lease, as lessor, the Item of Equipment to the Rebuilder, as lessee.

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reconstructed, marked and numbered, all for the Reconstruction Cost provided in Section 5 hereof. The Rebuilder warrants to the Owner that the design, quality and component parts of the Equipment as so reconstructed will conform to all applicable laws, to all United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all standards recommended by the Association of American Railroads reasonably interpreted as being applicable to railroad equipment of the character of the Equipment (as so reconstructed) as of the date of this Agreement, provided, however, that if any such requirements, specifications or standards are promulgated or amended prior to the Closing Date (hereinafter defined), the Reconstruction Cost of the Equipment affected thereby may be appropriately adjusted by written agreement of the Rebuilder and the Owner, subject to the limitations of Section 5 hereof.

SECTION 2. TIME AND PLACE OF DELIVERY.

The Owner will deliver the Hulks, or cause the Hulks to be delivered, to the Rebuilder at the plant of the Rebuilder located at the rebuilding sites identified in Schedule A hereto. The Rebuilder will deliver the reconstructed Equipment to the Owner for acceptance in the manner provided in Section 4 hereof with freight charges, if any, prepaid by the Rebuilder at the delivery point or points mutually agreed upon by the Owner and the Rebuilder from time to time following the execution and delivery of this Agreement, but such delivery and acceptance for each Item of Equipment shall take place prior to the Outside Delivery Date provided in Section 3 hereof. The Rebuilder agrees that it will not accept for reconstruction, nor commence any reconstruction of, any Hulk if (i) the Rebuilder does not reasonably anticipate that such Hulk will be fully reconstructed prior to the Outside Delivery Date provided in Section 3 hereof, (ii) an Event of Default under the Lease, or an event which, with the lapse of time or the giving of notice, or both, would constitute an Event of Default thereunder, shall have occurred, (iii) there shall have been commenced any proceeding or there shall have been filed any petition under the Federal or any local bankruptcy or insolvency laws by or against the Rebuilder or any of its property, (iv) the Owner is no longer obligated under the terms of the Hulk Purchase Agreement to accept delivery of and to pay for any additional Hulks thereunder for any of the reasons therein provided, or (v) the Owner or any Participant (as defined in the Participation Agreement) shall have delivered written notice to the Rebuilder that any of the conditions contained in Sections 4.1 through 4.6 of the Participation Agreement have not been satisfied or waived.

SECTION 3. OUTSIDE DELIVERY DATE.

The Rebuilder agrees that all Items of Equipment will be reconstructed and delivered prior to December 31, 1980 (the "Outside Delivery Date"). The Rebuilder's obligations to so

reconstruct and deliver shall be absolute and unconditional, regardless of any events which might otherwise be deemed to constitute force majeure. In the event that the Rebuilder fails to perform such obligations, Section 11 hereof shall apply.

SECTION 4. INSPECTION AND ACCEPTANCE.

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

SECTION 5. PAYMENT FOR RECONSTRUCTION OF EQUIPMENT.

The Reconstruction Cost for each Item of Equipment shall be the amount set forth on Schedule A hereto for such Item of Equipment. The Reconstruction Cost for each Item of Equipment shall be set forth in an invoice covering the respective Items furnished by the Rebuilder to the Owner on or prior to the Equipment Closing Date (as defined in the Participation Agreement) on which the Reconstruction Cost thereof is to be paid by the Owner, which invoice shall be accompanied by a statement of the Rebuilder setting forth its opinion to the effect that the Reconstruction Cost of the Items of Equipment covered thereby plus the Purchase Price (as defined in the Hulk Purchase Agreement) of the reconstructed Hulks covered by that invoice does not exceed the fair market value of such Items of Equipment. Subject to the fulfillment of the conditions in the Participation Agreement, payment of the Reconstruction Cost for each Item of Equipment shall be made to the Rebuilder on the Equipment Closing Date therefor under the Participation Agreement by wire transfer of immediately available funds to such bank located in the United States as the Rebuilder shall designate to the Owner in writing.

SECTION 6. RECONSTRUCTION WARRANTY.

The Rebuilder warrants that the Hulks will be reconstructed in accordance with the Specifications and warrants the reconstructed Items of Equipment will be free from defects in material, workmanship and design under normal use and service, the obligation of the Rebuilder under this Section 6 being limited to making good at its plant any part or parts of any reconstructed Item of Equipment, which shall, within one year after the delivery of such reconstructed Item of Equipment to the Owner, be returned to the Rebuilder with transportation charges prepaid, and which upon examination by the Rebuilder, shall be disclosed to its reasonable satisfaction to have been thus defective. This warranty is expressly in lieu of all other warranties (other than warranties

of subcontractors and suppliers which are hereby assigned to the Owner), express or implied, and of all other obligations or liabilities on the part of the Rebuilder except as herein provided, and the Rebuilder neither assumes nor authorizes any person to assume for it any other liability in connection with the reconstruction of the Equipment and delivery of the reconstructed Equipment except as aforesaid. The Rebuilder further agrees with the Owner that the acceptance of any reconstructed Item of Equipment hereunder shall not be deemed a waiver by the Owner of any of its rights under this Section.

SECTION 7. REPRESENTATION AND WARRANTY AS TO TITLE.

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

SECTION 8. REBUILDER'S INDEMNITY.

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

SECTION 9. INSURANCE.

The Rebuilder will at all times while it is in control or possession of such Hulks or engaged in reconstruction of

Hulks under this Agreement and until all such reconstructed Hulks have been delivered to the Owner, at its own expense, cause the Hulks to be insured, both as to public liability and casualty insurance, all in the same manner and to the same extent as if such Hulks were subject to the insurance provisions of Section 11 of the Lease, and evidence thereof shall be furnished as provided in the Lease.

SECTION 10. OWNER'S AND TRUSTOR'S RIGHT OF INSPECTION.

During reconstruction, including, without limitation, all phases of fabrication and assembly, the Hulks and all work thereon shall be subject to inspection and approval by the Owner and the Trustor; provided, however, that any inspection or failure to inspect by the Owner or the Trustor shall not affect any of their respective rights hereunder. The Rebuilder shall grant to the authorized inspectors of the Owner and the Trustor access to all portions of its plant where Hulks are being reconstructed. The authorized inspectors of the Owner may be employees of the Lessee.

SECTION 11. FAILURE TO RECONSTRUCT.

In the event that, following delivery and payment for the Hulks, no Hulk shall be reconstructed and accepted pursuant to this Reconstruction Agreement and the Lease, then the Rebuilder agrees to pay (or to reimburse the Trustor to the extent that the Trustor has paid) all expenses relating to this Agreement and the transaction contemplated hereby and by the Participation Agreement. If and to the extent that any Hulks are not reconstructed and accepted pursuant to this Reconstruction Agreement and the Lease on or before December 31, 1980 (the "Non-completed Hulks"), the Rebuilder agrees, as agent for the Owner, to sell the Non-completed Hulks to a party other than the Rebuilder or any affiliate of the Rebuilder, on or before February 1, 1981, at the highest cash price obtainable. On February 1, 1981, the Rebuilder will pay to the Owner the net proceeds from such sale and, if such net proceeds are less than the Purchase Price of the Non-completed Hulks plus interest on the Purchase Price of the Non-completed Hulks at the rate of 13% per annum for the period from and including the date of purchase of such Non-completed Hulks to but not including February 1, 1981, the Rebuilder will, as liquidated damages for failure to complete the reconstruction of the Non-completed Hulks as provided in this Reconstruction Agreement, pay to the Owner on February 1, 1981, an amount equal to the difference; provided that all rights of both the Rebuilder and the Owner in and to the Non-completed Hulks and the proceeds thereof shall be subject and subordinate to the prior right, title and interest therein of the Security Trustee under the Security Agreement. The Owner agrees to furnish to the Rebuilder all such bills of sale, without recourse or warranty, as shall be reasonably required to enable the Rebuilder to effect the sale of the Non-completed Hulks for the account of the Owner as aforesaid.

SECTION 12. LIMITATIONS ON LIABILITY.

Anything herein to the contrary notwithstanding, the Owner shall have no obligation to pay for the reconstruction of the Equipment unless funds sufficient for such purposes have been advanced by the Trustor and the Security Trustee. Each and all of the representations, warranties, undertakings and agreements herein made on the part of the Owner are made and intended not as personal representations, warranties, undertakings and agreements by The Connecticut Bank and Trust Company for the purpose or with the intention of binding it personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement and this Reconstruction Agreement is executed and delivered by the said bank not in its own right but solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and except in the case of wilful misconduct or gross negligence by said bank or the Trustor, as the case may be, no personal liability or personal responsibility is assumed hereunder by or shall at any time be enforceable against the said bank or the Trustor, as the case may be, on account of any representation, warranty, undertaking or agreement hereunder of the Owner or the Trustor, as the case may be, either express or implied, all such personal liability (except as aforesaid), if any, being expressly waived by the Rebuilder and by all persons claiming by, through or under the Rebuilder; provided, however, that the Rebuilder or any person claiming by, through or under it, making claim hereunder, may look to said Trust Estate for satisfaction of the same.

SECTION 13. NOTICES.

Any notice to be given by either party hereto to the other shall be in writing and shall be deemed to have been duly given when delivered personally or otherwise actually received at the following addresses:

If to the Rebuilder: Illinois Central Gulf Railroad
Company
Two Illinois Center
233 North Michigan Avenue
Chicago, Illinois 60601
Attention: Treasurer

If to the Owner: The Connecticut Bank and Trust
Company
One Constitution Plaza
Hartford, Connecticut 06115
Attention: Corporate Trust
Department

(With copies to the Trustor at its
address specified in the
Participation Agreement)

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

SECTION 14. SUCCESSORS AND ASSIGNS.

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

SECTION 15. LAW GOVERNING.

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

SECTION 16. EXECUTION IN COUNTERPARTS.

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

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

ILLINOIS CENTRAL GULF RAILROAD
COMPANY

By _____
Its Vice President

REBUILDER

(Seal)

Attest:

Assistant Secretary

THE CONNECTICUT BANK AND TRUST
COMPANY, as Trustee under
I.C.G. Trust No. 80-5

By 
Its Authoritized Owner

OWNER

STATE OF CONNECTICUT)
) SS
COUNTY OF HARTFORD)

On this 25th day of August, 1980, before me personally appeared F. W. KAWAN, to me personally known, who being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Barbara S. Kacich
Notary Public

[NOTARIAL SEAL]

My commission expires:

BARBARA S. KACICH
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1982

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this ____ day of August, 1980, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is a Vice President of ILLINOIS CENTRAL GULF RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My commission expires:

DESCRIPTION OF EQUIPMENT

Reconstruction Specifications: See Annex A hereto

Outside Delivery Date: December 31, 1980

Location of Rebuilder's Plant: Paducah, Kentucky

<u>Number of Items</u>	<u>Description of Hulk</u>	<u>Description of Rebuilt Units</u>	<u>Reconstruction Cost per Item</u>	<u>Aggregate Reconstruction Cost</u>
10	GP locomotives marked and numbered as follows: IC 8967, IC 9200, IC 9206, IC 9214, IC 9312, IC 9314, IC 9331, IC 9380, UP 108 and UP 135	ICG 8741 through 8750, both inclusive	\$410,000	\$4,100,000
10	SW locomotives marked and numbered as follows: ICG 1203, ICG 1204, IC 418, IC 440, ICG 480, IC 1001, IC 405, IC 416, ICG 1234 and ICG 1235	ICG 1439 through 1448, both inclusive	358,000	3,580,000
13	SD locomotives marked and numbered as follows: ICG 6303, ICG 6304, ICG 6305, ICG 6310, ICG 6315, ICG 6316, ICG 6318, ICG 6321, ICG 6324, ICG 6336, ICG 6341, ICG 6342 and ICG 6347	ICG 2012 through 2024, both inclusive	492,000	<u>6,396,000</u>

\$14,076,000

ANNEX A
TO DESCRIPTION OF EQUIPMENT

Specifications for Reconstruction

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

	<u>SW 14</u>	<u>GP 11</u>	<u>SD 20</u>
Horsepower (minimum)	1,200	1,850	2000
Engine (minimum)	12-567BC	567(C)	16-645D
Generator (Main)	D15C	D12L-D14	D32E1-D14
Traction Motors	D27, 37	037	D47
Generator (auxiliary)	10KW	14KW	18KW
Air Brakes	26NL	26L Porto Pack	26-L Uni-Rack
Fuel Capacity (gallons)	600	1,750	2500 (Approx.)
Gear Ratio	62:15	62:15	62:15
Electric Cab Heat		Prime	