



**Chicago, Milwaukee, St. Paul
and Pacific Railroad Company**

516 West Jackson Boulevard
Chicago, Illinois 60606
Phone 312/648-3000

June 22, 1984

Honorable James H. Bayne
Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Bayne:

I have enclosed four executed and acknowledged copies 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 April 1, 1984, between Schuler Industries, Inc., as vendor, and Richard B. Ogilvie, Trustee of the property of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor, as vendee.

The names and addresses of the parties to the Conditional Sale Agreement are as follows:

Vendor: Schuler Industries, Inc.
3527 29th Street North
Birmingham, Alabama 35207

Vendee: Richard B. Ogilvie, Trustee of the Property
of Chicago, Milwaukee, St. Paul and Pacific
Railroad Company, Debtor
874 Union Station Building
516 West Jackson Boulevard
Chicago, Illinois 60606

A description of the equipment covered by the document follows:

187 70-ton covered hopper cars bearing identifying marks MILW as set forth in Exhibit A to the Conditional Sale Agreement; a copy of Exhibit A is also being attached hereto and incorporated herein by reference.

4-180A021
No. JUN 28 1984
Date
Fee \$ 50.00
ICC Washington, D. C.

14355
RECORDATION NO. Filed 1425

JUN 27 1984 10 20 AM
INTERSTATE COMMERCE COMMISSION

RECEIVED

JUN 28 10 21 AM '84

FEE OPERATION RR
I.C.C.

Honorable James H. Bayne
June 22, 1984
Page 2

A fee of \$50 is enclosed. Please return at least one original document together with any extra copies not needed by the Commission for recordation to the undersigned at 888 Union Station Building, 516 West Jackson Boulevard, Chicago, IL 60606 with appropriate notations acknowledging that it has been filed pursuant to 49 U.S.C. §11303 and other pertinent recordation information.

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

Conditional Sale Agreement between Schuler Industries, Inc., 3527 29th Street North, Birmingham, Alabama 35207, as vendor, and Richard B. Ogilvie, Trustee of the property of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor, 516 W. Jackson Blvd., 874 Union Station Building, Chicago, Illinois 60606, as vendee, dated as of April 1, 1984 and covering 187 70-ton covered hopper cars bearing various MILW identifying marks.

Thank you for your cooperation.

Very truly yours,

M D Sullivan

Michael D. Sullivan
General Solicitor-Corporate
Chicago, Milwaukee, St. Paul and
Pacific Railroad Company,
Richard B. Ogilvie, Trustee

MDS/mef

Attach.

EXHIBIT A
187 70 TON COVERED HOPPERS CARS
BEARING MILW. RR NOS.

MILW-96760	MILW-96825	MILW-96883	MILW-96942
MILW-96761	MILW-96826	MILW-96884	MILW-96943
MILW-96762	MILW-96829	MILW-96885	MILW-94944
MILW-96763	MILW-96831	MILW-96886	MILW-96945
MILW-96765	MILW-96832	MILW-96887	MILW-96948
MILW-96766	MILW-96833	MILW-96888	MILW-96950
MILW-96767	MILW-96835	MILW-96890	MILW-96951
MILW-96769	MILW-96836	MILW-96892	MILW-96952
MILW-96770	MILW-96837	MILW-96893	MILW-96954
MILW-96772	MILW-96838	MILW-96894	MILW-96955
MILW-96773	MILW-96839	MILW-96895	MILW-96956
MILW-96775	MILW-96840	MILW-96896	MILW-96957
MILW-96776	MILW-96841	MILW-96898	MILW-96959
MILW-96777	MILW-96842	MILW-96899	MILW-96960
MILW-96778	MILW-96843	MILW-96900	MILW-96961
MILW-96779	MILW-96844	MILW-96901	MILW-96962
MILW-96780	MILW-96845	MILW-96903	MILW-96963
MILW-96782	MILW-96846	MILW-96904	MILW-96964
MILW-96783	MILW-96847	MILW-96905	MILW-96965
MILW-96785	MILW-96848	MILW-96906	MILW-96966
MILW-96786	MILW-96849	MILW-96907	MILW-96967
MILW-96787	MILW-96850	MILW-96909	MILW-96968
MILW-96788	MILW-96851	MILW-96911	MILW-96969
MILW-96789	MILW-96852	MILW-96912	MILW-96971
MILW-96790	MILW-96853	MILW-96913	MILW-96972
MILW-96793	MILW-96854	MILW-96914	MILW-96974
MILW-96796	MILW-96855	MILW-96915	MILW-96976
MILW-96797	MILW-96857	MILW-96916	MILW-96977
MILW-96799	MILW-96858	MILW-96917	MILW-96979
MILW-96800	MILW-96859	MILW-96918	MILW-96980
MILW-96802	MILW-96860	MILW-96919	MILW-96981
MILW-96803	MILW-96861	MILW-96920	MILW-96982
MILW-96805	MILW-96863	MILW-96923	MILW-96983
MILW-96806	MILW-96865	MILW-96924	MILW-96984
MILW-96807	MILW-96867	MILW-96925	MILW-96985
MILW-96808	MILW-96868	MILW-96927	MILW-96987
MILW-96810	MILW-96869	MILW-96928	MILW-96988
MILW-96811	MILW-96870	MILW-96929	MILW-96989
MILW-96813	MILW-96871	MILW-96930	MILW-96991
MILW-96814	MILW-96872	MILW-96931	MILW-96992
MILW-96817	MILW-96873	MILW-96932	MILW-96993
MILW-96819	MILW-96874	MILW-96934	MILW-96994
MILW-96820	MILW-96875	MILW-96935	MILW-96995
MILW-96821	MILW-96876	MILW-96937	MILW-96996
MILW-96822	MILW-96878	MILW-96938	MILW-96997
MILW-96823	MILW-96879	MILW-96940	MILW-96999
MILW-96824	MILW-96881	MILW-96941	

Interstate Commerce Commission
Washington, D.C. 20423

6/28/84

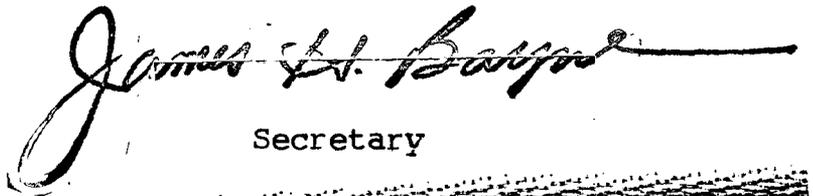
OFFICE OF THE SECRETARY

Michael D. Sullivan
Chicago, Milwaukee, St. Paul & Pac.RR.Co.
516 West Jackson Blvd.
Chicago, Illinois 60606

Dear Sir:

The enclosed document (s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/28/84 at 10:20am and assigned re-
recording number (s). 14355

Sincerely yours,


Secretary

Enclosure(s)

14355
RECORDATION NO. Filed 1425

JUN 28 1984 10 20 AM

INTERSTATE COMMERCE COMMISSION

CONDITIONAL SALE AGREEMENT

Dated as of April 1, 1984

Between

SCHULER INDUSTRIES, INC.

and

**RICHARD B. OGILVIE,
TRUSTEE OF THE PROPERTY OF
CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY,
DEBTOR**

Conditional Sale Indebtedness Due March 31, 1987

CONDITIONAL SALE AGREEMENT

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CONDITIONAL SALE AGREEMENT dated as of April 1, 1984, between **SCHULER INDUSTRIES, INC.**, an Alabama corporation (the "Vendor"), and **RICHARD B. OGILVIE, TRUSTEE OF THE PROPERTY OF CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY, DEBTOR**, a Wisconsin Corporation (the "Trustee" or the "Railroad").

WHEREAS, the Birmingham Trust National Bank, a United States banking corporation, as lessor, and the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, a Wisconsin corporation (the "Milwaukee Road"), as lessee, entered into that certain equipment lease dated as of January 2, 1973 (the "Lease"), under which the lessor leased to the lessee and the lessee leased from the lessor certain railroad cars, including 240 rebuilt 70-ton covered hopper cars bearing road or serial numbers MILW 96760 through 96999, inclusive (the "Hopper Cars"); and

WHEREAS, on December 19, 1977, the Milwaukee Road filed a petition for reorganization under Section 77 of the Federal Bankruptcy Act in the United States District Court for the Northern District of Illinois, Eastern Division (the "Reorganization Court"), which petition was duly approved as properly filed by an order signed on December 20, 1977 by said Court, and the Trustee was thereafter appointed and duly qualified as Trustee of the property of the Milwaukee Road; and

WHEREAS, in December, 1981, the Trustee was notified that the aforesaid lessor had assigned its interest in the Lease to the Vendor; and

WHEREAS, the terms and conditions of that certain Chattel Mortgage Trust Deed, Assignment of Rents and Security Agreement, dated as of January 2, 1973 from Birmingham Trust National Bank, as Mortgagor, to The First Pennsylvania Banking and Trust Company, as Trustee, have been satisfied in full; and

WHEREAS, the term of the Lease has expired, and the Vendor and the Trustee have agreed that the Vendor shall sell to the Trustee, and the Trustee shall purchase from the Vendor under the terms and conditions set forth hereinbelow,

187 of the aforesaid Hopper Cars, which are identified in Exhibit A hereto (being referred to herein as the "Equipment" or, individually, as a "Car"); and

WHEREAS, the purchase of the Equipment by the Trustee is in his capacity as Trustee of the property of the Milwaukee Road in the Reorganization Court, is for the benefit and use of the Milwaukee Road and is not for the benefit and use or in the name of the Trustee individually,

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

ARTICLE I. SALE; EXCEPTION

1.01. SALE. As of April 1, 1984 (the "Closing Date"), the Vendor will conditionally sell and deliver to the Railroad, and the Railroad will purchase from the Vendor and accept delivery of, the Equipment.

1.02. EXCEPTION. It is expressly understood and agreed that the sale referred to in Section 1.01 above pertains only to 187 of the 240 Hopper Cars leased to the Railroad by the Vendor under the Lease, which 187 Hopper Cars to be sold to the Railroad pursuant to this Agreement are identified by road or serial number in Exhibit A hereto. The balance of the Hopper Cars which were subject to the Lease (namely, 53 Hopper Cars) were in some manner rendered permanently unfit for use under Section 11 of the Lease (or otherwise), and the Vendor and/or the Lessor (as may be applicable) have been compensated fully therefor under the Lease (or otherwise).

ARTICLE 2. INSPECTION BY, AND DELIVERY TO, THE RAILROAD

2.01. INSPECTION. All of the units of Equipment to be sold pursuant to this Agreement have been in the possession, custody and/or control of the Railroad since December 31, 1983 as a consequence of the Lease, and the Railroad acknowledges and represents that it has had an opportunity to inspect, and has

inspected, each such unit of Equipment and has found each such unit of Equipment to be in good order and repair and to be eligible for railroad interchange.

2.02. DELIVERY OF UNITS. The Railroad acknowledges and represents that (i) it presently has, and at all times relevant hereto has had, possession, custody and/or control of the Equipment as a consequence of the Lease, (ii) that said possession, custody and/or control constitutes delivery of the Equipment pursuant to this Agreement and (iii) that nothing further shall be required of the Vendor hereunder with respect to delivery of the Equipment.

2.03. FORCE MAJEURE. The Vendor's obligation as to time of any delivery required hereunder, is subject, however, to delays resulting from causes beyond such Vendor's reasonable control, including, but not limited to, acts of God, acts of Government (such as embargoes, priorities and allocations), war or war conditions, riot or civil commotion, sabotage, strikes, accidents, fire, flood or explosion.

2.04. RISK OF LOSS. The Railroad acknowledges and represents (i) that it has had possession, custody and/or control of each unit of Equipment since December 31, 1983 as a consequence of the Lease, (ii) that it has, and has had at all times relevant hereto, sole responsibility for, and risk of, any damage to or the destruction or loss of each such, and (iii) that it shall not be released from its obligations under this Agreement in the event of any damage to or destruction or loss of any such unit of Equipment.

ARTICLE 3. PURCHASE PRICE AND PAYMENT

3.01. PURCHASE PRICE. The purchase price of each unit of Equipment (i.e., each Car) is TWO THOUSAND THREE HUNDRED NINETY-NINE AND 32/100 DOLLARS (\$2,399.32), which includes both principal and interest payments (the "Purchase Price"), or an aggregate purchase price for all 187 units of Equipment of FOUR HUNDRED FORTY-EIGHT THOUSAND SIX HUNDRED SEVENTY-TWO AND 84/100 DOLLARS (\$448,672.84).

3.02. PAYMENT OF PURCHASE PRICE AFTER CLOSING DATE. The Railroad hereby acknowledges that it is indebted to the Vendor in the amount of the Purchase Price, and it hereby promises to pay the same to the Vendor, at such place as the Vendor may designate, in eleven (11) consecutive quarterly installments in arrears, commencing June 30, 1984, and one final installment due March 31, 1987, as hereinafter provided (the "CSA Indebtedness").

3.03. CSA INDEBTEDNESS. The installments of the CSA Indebtedness shall be payable in eleven (11) quarterly installments of level principal and interest, in arrears, of \$116.61 per Car, or an aggregate installment of \$21,806.07, commencing on June 30, 1984, and one final installment of \$1,116.61 per Car, or an aggregate final installment of \$208,806.07 payable on March 31, 1987; provided, however, that any payment pursuant to this Section 3.03 shall be adjusted as may be required in accordance with Section 7.01 of this Agreement.

3.04. PENALTY INTEREST. The Railroad will pay Penalty Interest at the rate of thirteen percent (13%) per annum (the "Penalty Rate") on all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof, calculated on the basis of a 360-day year of twelve 30-day months.

3.05. MANNER OF PAYMENT. All payments provided for in this Agreement shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. If any of the dates for payment of principal or interest is not a business day, such payment shall be payable on the next succeeding business day (which shall be any calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois, or New York, New York, are authorized or obligation to remain closed).

3.06. PAYMENT AFTER ASSIGNMENT. In the event the Vendor, pursuant to Article 13 hereof, assigns the right to receive the payments herein provided to be made by the Railroad, the assignee thereof may request the Railroad to make and the Railroad shall make such payments to it at such address as shall be supplied to the Railroad by the assignee.

3.07. PREPAYMENT. Nothing contained in this Article 3 shall preclude the Railroad from prepaying the Purchase Price in full at any time after the execution of this Agreement on such terms and conditions as may be mutually acceptable to the Vendor and the Railroad.

ARTICLE 4. TAXES, FEES AND EXPENSES

4.01. TAXES. All payments to be made by the Railroad hereunder will be free of expense to the Vendor for collection or other charges and will be free of expense to the Vendor with respect to (i) the amount of any local, state, Federal or foreign taxes (other than net income, gross receipt [except gross receipts taxes in the nature of or in lieu of sales or use taxes], excess profits and similar taxes) or (ii) license fees, assessments, charges, fines or penalties hereafter levied or imposed upon or in connection with or measured by, this Agreement or (iii) any sale, use, payment, shipment, delivery or transfer of title under the terms hereof (all such expenses, taxes, license fees, assessments, charges, fines and penalties being hereinafter called "Impositions"), all of which Impositions the Railroad assumes and agrees to pay on demand. The Railroad will also pay promptly all Impositions which may be imposed upon the Equipment delivered to it or for the use or operation thereof or upon the earnings arising therefrom or upon the Vendor solely by reason of its interest therein and will keep at all times all and every part of the Equipment free and clear of all Impositions which might in any way affect the security interest of the Vendor or result in a lien upon any part of the Equipment; provided, however, that Railroad shall be under no obligation to pay any Impositions of any kind so long as it is contesting in good faith with written notice to the Vendor and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the reasonable opinion of the Vendor, adversely affect the interest or rights of the Vendor in or to the Equipment or otherwise under this Agreement. If any such Impositions shall have been charged or levied against the Vendor directly and paid by the Vendor, Railroad shall reimburse the Vendor upon presentation of an invoice therefor, and any amounts so paid by the Vendor shall be secured by and under this Agreement; provided, however, that Railroad shall not be obligated to reimburse the Vendor for any Impositions so paid unless the Vendor shall have been legally liable with respect thereto (as evidenced

by an opinion of counsel for the Vendor) or unless the Railroad shall have approved the payment thereof.

4.02. INTEREST AND PENALTIES. Notwithstanding anything to the contrary in Section 4.01 above, the Railroad shall be solely responsible for any and all interest and/or penalties levied or assessed in connection with any Imposition referred to in this Agreement; provided, however, that the Railroad shall not be obligated to pay any interest and/or penalty paid by the Vendor for which the Vendor was not legally liable in connection with the Equipment and/or this Agreement.

ARTICLE 5. SECURITY INTEREST IN EQUIPMENT

5.01. VENDOR TO RETAIN SECURITY INTEREST. The Vendor hereby retains a security interest in the Equipment, and each unit thereof, until the Railroad shall have made all its payments under this Agreement and shall have kept and performed all of its agreements herein contained, notwithstanding the delivery of the Equipment to and the possession and use thereof by the Railroad as provided in this Agreement. Any and all additions to the Equipment, or any unit thereof, and any and all replacements of the Equipment, or any unit thereof, and of parts thereof and additions thereto shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and shall be included in the terms "Equipment", "Car" and "unit of Equipment" as used in this Agreement.

5.02. TRANSFER TO RAILROAD. Except as otherwise specifically provided in Article 7 hereof, when and only when the full CSA Indebtedness, together with all other payments as herein provided, shall have been paid, and all the Railroad's obligations herein contained shall have been performed by the Railroad, absolute right to the possession of, title to and property in the Equipment, and each unit thereof, shall pass to and vest in the Railroad without further transfer or action on the part of the Vendor, except that the Vendor, if so requested by the Railroad at that time, (a) will execute a bill or bills of sale for the Equipment transferring and releasing its interest therein to the Railroad, or upon its order,

free of all claims, liens, security interests and other encumbrances created or retained hereby, and deliver such bill or bills of sale to the Railroad, and (b) will execute and deliver for filing in all necessary public offices such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records such transfer and release of the security interest of the Vendor in the Equipment, or any unit thereof. The Railroad hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeiture or damages for failure of the Vendor to execute and deliver such bill or bills of sale or instrument or instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such proper bill or bills of sale or instrument or instruments or to file such certificate within a reasonable time after written demand by the Railroad.

ARTICLE 6. MARKING OF EQUIPMENT

6.01. OWNERSHIP SUBJECT TO SECURITY AGREEMENT. The Railroad (i) will cause each unit of Equipment to be kept numbered with its identifying number as set forth in Exhibit A hereto or, in the case of Equipment not there listed, such identifying number as shall be set forth in any amendment or supplement hereto extending this Agreement to cover such Equipment, (ii) will, as soon as reasonably practicable, cause each unit of the Equipment to be marked in letters not less than one inch in height, and in a prominent location, the words "Ownership subject to a Security Agreement Filed with the Interstate Commerce Commission" or other appropriate markings approved by the Vendor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Vendor's security interest in the Equipment and its rights under this Agreement, and (iii) will replace promptly any such markings which may be obliterated or destroyed. The Railroad will not change the number of any unit of Equipment except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with the Vendor by the Railroad and filed by the Railroad in all public offices where this Agreement shall have been filed.

6.02. INSIGNIA OF RAILROAD. Except as provided in Section 6.01 hereof, the Railroad will not allow the name of any person, association or corporation to be placed on any unit of Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Railroad may cause the Equipment to be lettered with the names or initials or other insignia of the Railroad, its affiliates, or any other railroad which is an assignee, transferee or successor of the Railroad under Section 13.01 hereof.

ARTICLE 7. CASUALTY OCCURRENCES; INSURANCE

7.01. CASUALTY OCCURRENCES. In the event that any unit of the Equipment shall be worn out, lost, stolen, destroyed, irreparably damaged or otherwise rendered permanently unfit for use from any cause whatsoever in the Railroad's opinion, or taken or requisitioned by condemnation or otherwise (each such occurrence called a "Casualty Occurrence"), the Railroad shall promptly upon obtaining knowledge thereof fully inform the Vendor in regard thereto. When a unit of Equipment shall have suffered a Casualty Occurrence, the Railroad shall on the next succeeding date for payment of an installment of the CSA Indebtedness, pay to the Vendor a sum equal to the installment payment then due plus the Casualty Value of such unit of Equipment as of the date of such payment. The Casualty Value of each such unit of Equipment shall be deemed to be the value of the remaining payments of the CSA Indebtedness owed on such unit of Equipment discounted at thirteen percent (13%) per annum.

Upon payment by the Railroad of the Casualty Value for a unit of Equipment, title to such unit shall automatically be vested in the Railroad, and no further payments with respect to that unit shall be due hereunder. In order to facilitate the sale or other disposition of any Equipment suffering a Casualty Occurrence, the Vendor shall, upon request of the Railroad and after payment by the Railroad of a sum equal to the Casualty Value of such Equipment, execute and deliver to the Railroad or to the Railroad's assignee or nominee, a bill of sale (without warranties) for each such unit of Equipment and such other documents as may be required to release each such unit of Equipment from this Agreement, in such form as may be reasonably requested by the Railroad.

7.02. INSURANCE. The Railroad will at all times prior to the payment in full of the CSA Indebtedness, together with all other payments required hereby, at its own expense, cause to be carried and maintained insurance in respect of the Equipment at the time subject hereto in amounts and against risks comparable to those insured against by the Railroad on similar equipment owned or leased by it, including, but not limited to, bodily injury, personal injury, contractual claims and/or any and all other types of claims related directly or indirectly to the Railroad's possession and/or use of the Equipment. The Railroad shall identify and designate the Vendor as an Additional Named Insured and as a Loss Payee on, or with respect to, each such policy of insurance.

ARTICLE 8. MAINTENANCE; COMPLIANCE WITH APPLICABLE LAWS

8.01. MAINTENANCE. Until such time as the entire CSA Indebtedness and any other payments hereunder have been paid in full, the Railroad at its own expense will at all times cause the Equipment to be maintained in good order and repair and eligible for railroad interchange, and the Railroad hereby represents that, with respect to the Equipment since December 31, 1983, each such unit of Equipment has been, and continues to be, maintained in good order and repair and eligible for railroad interchange.

8.02. APPLICABLE LAWS. During the term of this Agreement, the Railroad will at all times comply in all respects with all laws of the jurisdictions in which its operations involving the Equipment may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the title, operation or use of the Equipment (the "Applicable Law"), and in the event that any Applicable Law requires any alteration, replacement or addition of any part on any unit of the Equipment, the Railroad will conform therewith, at its own expense; provided, however, that the Railroad may, in good faith with written notice to the Vendor, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the opinion of the Vendor,

adversely affect the property or rights of the Vendor under this Agreement. With respect to the period of time between December 31, 1983 and the effective date of this Agreement, the Railroad represents that it has complied, and continues to comply, in all respects with all Applicable Laws, rules and regulations as referred to hereinabove in connection with its possession and use of the Equipment and as may affect Vendor's title to the Equipment.

ARTICLE 9. REPORTS TO, AND INSPECTIONS BY, THE VENDOR

9.01. REPORTS. On or before March 31 of each year, commencing with the calendar year 1985, the Railroad shall furnish to the Vendor an accurate statement signed by an officer of the Railroad (a) setting forth as of the preceding December 31 the amount, description and number of all units of Equipment that have suffered a Casualty Occurrence during the preceding calendar year (or since the date of this Agreement in the case of the first such statement) and such other information regarding the condition and state of repair of the Equipment as the Vendor may reasonably request, and (b) stating that, in the case of all Equipment repaired or repainted during the period covered by such statement, the numbers and markings required by Article 6 hereof have been preserved or replaced.

9.02. INSPECTIONS. The Vendor, by and through its agents or representatives, shall have the right, but no obligation, to inspect the Equipment and the Railroad's records with respect thereto at such reasonable times as the Vendor may request during the term of this Agreement.

ARTICLE 10. POSSESSION AND USE OF THE EQUIPMENT

10.01. POSSESSION AND USE OF THE EQUIPMENT. So long as a default or an event of default shall not have occurred under this Agreement and be continuing, the Railroad shall be entitled to the possession of the Equipment and the use thereof upon the lines of railroad owned or operated by it either alone or jointly with others and whether under lease or otherwise, or upon the lines of any railroad owned or operated by railroad company controlled by or under common control with the Railroad or over which the Railroad has trackage rights, or upon

connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements, from and after delivery of the Equipment by the Vendor to the Railroad, but only upon and subject to all the terms and conditions of this Agreement.

With respect to the period of time between December 31, 1983 and the effective date of this Agreement, the Railroad acknowledges and represents that it has had, and continues to have, possession and use of the Equipment as more fully set forth hereinabove in this Article 10.

ARTICLE 11. PROHIBITION AGAINST LIENS

11.01. DISCHARGE OF LIENS. The Railroad will pay or discharge any and all sums claimed by any party from, through or under the Railroad or its successors or assigns which, if unpaid, might become a lien, charge or security interest on or in any unit of Equipment equal or superior to the Vendor's title and interest herein; provided, however, that the Railroad shall be under no obligation to pay or discharge any such claim so long as it is contesting such claim in good faith with written notice to the Vendor and by appropriate legal proceedings and the nonpayment thereof does not, in the reasonable opinion of the Vendor, adversely affect the title or interests of the Vendor in or to the Equipment or otherwise under this Agreement. Any amounts paid by the Vendor in discharge of liens, charges or security interests upon the Equipment shall be secured by and under this Agreement.

11.02. CERTAIN EXCEPTIONS. The covenant in this Article 11 will not be deemed breached by reason of liens for taxes, assessments, or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens, arising in the ordinary course of business and, in each case, not delinquent. Section 11.01 and the covenant contained therein also shall not be deemed breached by reason of any lien, charge or security interest which cannot be enforced against any unit of Equipment because of Railroad's pending reorganization proceedings or any order of the Reorganization Court or applicable provisions of United States bankruptcy

laws; provided, however, that should any such lien, charge or security interest become so enforceable, then the Railroad shall pay said lien, charge or security interest in accordance with Section 11.01 above.

ARTICLE 12. INDEMNITIES AND TITLE; WARRANTY

12.01. INDEMNITIES. The Railroad agrees to indemnify, protect and hold harmless the Vendor from and against any and all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and any and all expenses in connection therewith, including reasonable counsel fees arising out of the Vendor's security interest in the Equipment and the possession, use and/or operation thereof by the Railroad during the period when said security interest remains in the Vendor. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of all sums due under this Agreement or the satisfaction, discharge or termination of this Agreement in any manner whatsoever.

12.02. RETENTION OF TITLE. In addition to the provisions contained in Section 5.01 above, it is expressly understood and agreed that the Vendor, as between the Vendor and the Railroad, shall, and hereby does, retain full legal title to the Equipment notwithstanding the delivery thereof to, and the possession and use thereof by, the Railroad. Title to the Equipment shall not be transferred to the Railroad except in accordance with Section 5.02 of this Agreement and any other applicable terms and conditions of this Agreement.

12.03. WARRANTY. The Railroad hereby represents and warrants that the 187 road or serial numbers set forth on Exhibit A, which is attached hereto and incorporated herein by reference, are those of the 187 Hopper Cars/187 units of Equipment which are being sold by Vendor to and purchased by the Railroad pursuant to this Agreement.

ARTICLE 13. ASSIGNMENTS

13.01. NO ASSIGNMENT BY RAILROAD; EXCEPTIONS. Except as otherwise provided herein, the Railroad will not sell, assign, transfer or otherwise dispose of its rights and/or obligations under this Agreement or, except as provided in Article 10 hereof, transfer the right to possession of any unit of the Equipment without first obtaining the written consent of the Vendor, which consent shall not be unreasonably withheld. Nothing in this Section 13.01 or elsewhere in this Agreement shall be deemed to restrict the right of the Railroad to sell, assign, transfer or otherwise dispose of its interest, rights and/or obligations under this Agreement in the Equipment or possession of the Equipment (i) to any corporation into or with which the Railroad shall have become merged or consolidated or which shall have acquired or leased all or substantially all of the lines of railroad of the Railroad; provided, however, that such assignees, successors or transferees shall have duly assumed the obligations and covenants of the Railroad hereunder and that neither they nor the Railroad will not, upon the effectiveness of such merger or consolidation or acquisition of properties and the assumption of such obligations, be in default under any provision of this Agreement, (ii) to any railroad corporation organized under the laws of the United States or any state thereof which is in existence as of the date of this Agreement and which, at the time such assignment or transfer thereto shall become effective, qualifies as a class I railroad under the rules and regulations of the Interstate Commerce Commission; provided, however, that the right of assignment and transfer set forth in this clause (ii) will not result in a default of the assuming or transferee railroad corporation under any instrument or agreement to which it is a party, and (iii) to any corporation which assumes the Railroad's interests in and obligations under this Agreement pursuant to a plan of reorganization adopted, or a purchase of a line or lines of the Railroad's operating railroad approved, in the Railroad's reorganization proceedings. Any sale, assignment, transfer or other disposition of the Railroad's interest, rights and/or obligations under this Agreement pursuant to clause (iii) hereinabove may be exercised only by the Trustee, or a successor Trustee under the Railroad's reorganization proceedings, and with such Order or Orders of the Reorganization Court as may be required or deemed necessary by the parties thereto and by the Vendor as long as the Railroad's reorganization proceedings remain pending.

13.02. ASSIGNMENT BY VENDOR. All or any of the rights, benefits and advantages of the Vendor under this Agreement, including, but not limited to, the right to receive the payments herein provided to be made by the Railroad, may be assigned by the Vendor and reassigned by any assignee at any time or from time to time. No such assignment shall relieve the Railroad of any of its obligations to the Vendor under Articles 1, 2, 3, 4 and 12 hereof and this Article 13 or of any other obligation which, according to its terms or context, is intended to survive an assignment.

13.03. NOTICE OF ASSIGNMENT. Upon any assignment pursuant to this Article 13, the assignor and the assignee shall give written notice to the Vendor and to the Railroad, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall by virtue of such assignment acquire all the assignor's right, title and interest in and to the Equipment and this Agreement, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Vendor and by the Railroad of the notification of any such assignment, all payments thereafter to be made to the Vendor and/or by the Railroad under this Agreement shall, to the extent so assigned, be made by or to the assignee (as may be applicable) in such manner as may be reasonable under this Agreement.

13.04. REPRESENTATIONS OF RAILROAD. The Railroad expressly represents, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Vendor hereunder and for the purposes of inducing such acquisition, that, in the event of such assignment by the Vendor as hereinbefore provided, the rights of such assignee to the entire unpaid CSA Indebtedness or such part thereof as may be assigned, together with any other rights hereunder which may be so assigned, shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever arising out of any breach of any obligation with respect to the Equipment, or, with respect to any indemnity herein contained, any other indebtedness or liability at any time owing to the Railroad.

13.05. TERM VENDOR TO INCLUDE ASSIGNEES. In the event of any assignment of the Vendor's rights hereunder, the term "Vendor" shall also apply to any assignee as regards any rights so assigned.

13.06. TERM RAILROAD TO INCLUDE AUTHORIZED ASSIGNEES. In the event of a sale, assignment, transfer or other disposition of Railroad's rights under this Agreement, as authorized or permitted under Section 13.01 hereof, the term "Railroad" as used alone in Articles 14 and 15 shall be deemed to apply solely to such successor to the Railroad hereunder.

ARTICLE 14. DEFAULTS

14.01. DEFAULT OR EVENT OF DEFAULT. Subject to the provisions of Section 14.03 hereinbelow with respect to cure, the terms "default" or "event of default" for all purposes of this Agreement shall mean and include any one or more of the following:

(a) the failure of the Railroad to pay in full any installment of the CSA Indebtedness or any other sum payable by the Railroad as provided in this Agreement; or

(b) the failure and/or refusal of the Railroad to comply with any other covenant, agreement, term, condition or provision of this Agreement on its part to be kept or performed or to make provision satisfactory to the Vendor for such compliance after the Vendor shall have given written notice to the Railroad demanding performance thereof;

(c) the filing of a petition for relief under Title 11 of the United States Code (as now or hereafter constituted) by or against any assignee, transferee or successor (authorized under Section 13.01 above) of the Railroad, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue)

and the failure and/or refusal of the Trustees or the Trustees appointed (whether or not subject to ratification) for any such assignee, transferee or successor of the Railroad or for its property in connection with any such proceeding to assume any or all of the obligations of such assignee, transferee or successor of the Railroad under this Agreement in such manner that said obligations shall have the same status as expenses of administration and obligations incurred by such Trustee or Trustees; or

(d) the commencement of any other proceeding by or against any such assignee, transferee or successor of the Railroad for any relief which includes, or might result in, any modification of the obligations of such assignee, transferee or successor of the Railroad hereunder pursuant to any bankruptcy or insolvency law or law relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit readjustment of the indebtedness payable hereunder), unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue) and the failure and/or refusal of the Trustee or the Trustees or the Receiver or Receivers appointed (whether or not subject to ratification) for such assignee, transferee or successor of the Railroad or for its property in connection with any such proceeding to assume any or all of the obligations of such assignee, transferee or successor of the Railroad under this Agreement in writing or pursuant to a court order or decree in such manner that said obligations shall have the same status as expenses of administration and obligations incurred by such Trustee or Trustees or by such Receiver or Receivers; or

(e) any act or omission by which the Railroad shall make or allow any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of any unit of the Equipment; or

(f) the making of any representation or warranty herein or in any report, certificate, financial or other statement furnished in connection with this Agreement, which representation and/or warranty shall prove to be false or misleading in any material respect.

14.02. DECLARATION OF DEFAULT. At any time after the occurrence of any default or event of default which is not cured as permitted under Section 14.03 hereinbelow, the Vendor may, upon written notice to the Railroad and upon compliance with any mandatory legal requirements then in force and applicable to such action by the Vendor, declare (a "Declaration of Default") the entire CSA Indebtedness, together with any Penalty Interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of the CSA Indebtedness shall bear interest from the date of such Declaration of Default at the Penalty Rate. The Vendor shall thereupon be entitled to recover judgment for the entire unpaid balance of the CSA Indebtedness so payable, with Penalty Interest as aforesaid, and to collect such judgment out of any property of the Railroad wherever situated or to recover the Equipment, together with a judgment for any portion of the entire unpaid balance of the CSA Indebtedness as may constitute a deficiency in the Purchase Price after disposition of the Equipment, all as more fully set forth in Article 15 below. The Railroad shall promptly notify the Vendor in writing of any event which comes to its attention and which constitutes, constituted or with notice or lapse of time or both could constitute a default or an event of default under this Agreement.

14.03. CURE OF DEFAULT OR EVENT OF DEFAULT. The Railroad or any assignee, transferee or successor (authorized under Section 13.01 hereof) of the Railroad or any Trustee or Trustees or any Receiver or Receivers appointed for any such assignee, transferee or successor of the Railroad, or any one or more of them, may cure any one or more of the defaults or events of default described in Section 14.01 above as follows:

(a) With respect to the default or event of default described in Section 14.01(a), by payment in full of the installment or other payment due within fifteen (15) days after said installment or other payment is due; or

(b) With respect to the default or event of default described in Section 14.01 (b), by complying or making adequate provision for complying with any such covenant, agreement, term or provision of this Agreement within thirty (30) days after receipt of notice of non-compliance in accordance with Section 14.01 (b); or

(c) With respect to the default or event of default described in Sections 14.01 (c) and 14.01 (d), by assuming or making adequate provision for assuming fully and without reservation any and all obligations under this Agreement within sixty (60) days after the filing of a petition for relief under Title 11 of the United States Code (as now or hereafter constituted) or the commencement of any other proceeding which affords or may afford the same or similar relief and otherwise in accordance with the provisions of 11 U.S.C. §1168 (or any successor provision, as the same may hereafter be amended); or

(d) With respect to the default or event of default described in Sections 14.01 (e) and 14.01 (f), by the completion of any and all acts necessary (i) to revoke or rescind any unauthorized assignment or transfer and (ii) to make any such representation or warranty not false or misleading in any material respect.

Notwithstanding the provisions of this Section 14.03, no cure of any default or event of default shall extend to or affect any other default or event of default or impair any rights and remedies consequent thereon.

14.04. VENDOR MAY WAIVE DEFAULT OR EVENT OF DEFAULT. The Vendor may, at its election, waive any such default or event of default and its consequences and may rescind and annul any Declaration of Default by notice to the Railroad in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such default or event of default had occurred and no Declaration of Default had been made. Notwithstanding the provisions of this Section 14.04, no such waiver, rescission or annulment on the part

of the Vendor shall extend to, or affect, any other or subsequent default or event of default or impair any rights or remedies consequent thereon.

ARTICLE 15. REMEDIES

15.01. VENDOR MAY TAKE POSSESSION OF EQUIPMENT. At any time during the continuance of a Declaration of Default, the Vendor may, subject to compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Vendor, take or cause to be taken by its agent or agents immediate possession of one or more of the units of Equipment without liability to return to the Railroad any sums theretofore paid and free from all claims whatsoever, except as expressly provided in Section 15.06 hereof, and may remove the same from possession and use of the Railroad or any other person and for such purpose may enter upon any premises where the Equipment may be located and may reasonably use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Railroad.

15.02. DELIVERY OF EQUIPMENT. In case the Vendor shall demand possession of the Equipment pursuant to this Agreement, the Railroad shall cease using the Equipment as soon as practicable and shall, at its own expense, forthwith and in the usual manner (including without limitation giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any part of the Equipment have been interchanged to return the Equipment so interchanged), and, at the election of the Vendor, (a) cause the Equipment to be moved to such point or points on the Railroad's lines as shall be reasonably designated by the Vendor and there deliver the Equipment or cause it to be delivered to the Vendor, and/or (b) cause the Equipment to be moved to such interchange point or points of the Railroad as shall be designated by the Vendor upon any sale, lease or other disposition of all or any part of the Equipment by the Vendor. At the option of the Vendor, the Vendor may keep the Equipment on any of the lines or premises of the Railroad for a period not to exceed one hundred eighty (180) days after the date upon which the Vendor demands possession of the Equipment, and for such purpose the Railroad agrees to furnish, without charge for

rent or storage, the necessary facilities at any point or points selected by the Vendor reasonably convenient to the Railroad and, at the Vendor's risk, to permit inspection of the Equipment by the Vendor, the Vendor's representatives and prospective purchasers and users. This agreement to deliver the Equipment and to furnish facilities as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court of equity having competent jurisdiction, the Vendor shall be entitled to a decree against the Railroad requiring specific performance thereof. The Railroad hereby expressly waives any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the Equipment in any reasonable manner.

15.03. DISPOSITION OF EQUIPMENT. At any time during the continuance of a Declaration of Default, the Vendor (after retaking possession of the Equipment as hereinbefore in this Article 15 provided) may, at its election and upon such notice as is hereinafter set forth, retain the Equipment in satisfaction of the entire unpaid CSA Indebtedness and make such disposition thereof as the Vendor shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Railroad by telegram or registered mail, addressed as provided in Article 18 hereof, and to any other persons to whom the law may require notice, within thirty (30) days after such election by the Vendor. In the event that the Vendor should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the second proviso below, all of the Railroad's rights in the Equipment shall thereupon terminate, and all payments made to the Vendor by the Railroad may be retained by the Vendor as compensation for the use of the Equipment by the Railroad; provided, however, that if the Railroad, before the expiration of the 30-day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the CSA Indebtedness, together with all other payments due under this Agreement as well as expenses of the Vendor in retaking possession of, removing and storing the Equipment and the Vendor's reasonable counsel fees, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Railroad; provided, further, however, that if the Railroad or any other persons notified under the terms of this Section 15.03 object in writing to the

Vendor within thirty (30) days from the receipt of notice of the Vendor's election to retain the Equipment, and said objection or objections shall be upheld by the Reorganization Court or any other court of competent jurisdiction in which the Vendor may challenge said objection or objections, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. If the Vendor shall have given no notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of Section 15.04 hereof.

15.04. SALE OF EQUIPMENT. At any time during the continuance of a Declaration of Default, the Vendor, with or without retaking possession thereof, at its election and upon reasonable notice to the Railroad and to any other persons to whom the law may require notice of the time and place, may sell any unit of Equipment, free from any and all claims of the Railroad or any other party claiming from, through or under the Railroad, at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; provided, however, that if, prior to such sale and prior to the making of a contract for such sale, the Railroad shall tender full payment of the total unpaid balance of the CSA Indebtedness, together with all other payments due under this Agreement as well as expenses of the Vendor in retaking possession of, removing, storing, holding and preparing the Equipment for and otherwise arranging for the sale and the Vendor's reasonable counsel fees, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Railroad. The proceeds of such sale, less the counsel fees and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding, preparing for sale and selling the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement.

Any sale under this Section 15.04 may be held or conducted at such place or places and at such time or times as the Vendor may specify, in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor

may determine. The Vendor or the Railroad may bid for and become the purchaser of any unit of Equipment so offered for sale. The Railroad shall be given written notice of such sale not less than ten (10) days prior thereto by telegram or registered mail addressed to the Railroad as provided in Article 18 hereof. If such sale shall be a private sale (which shall be deemed to mean only a sale where an advertisement for bids has not been published in a newspaper of general circulation or a sale where less than 10 offerees have been solicited in writing to submit bids), it shall be subject to the right of the Railroad to purchase or provide a purchaser within ten (10) days after notice of the proposed sale price at the same price offered by the intending purchaser or at a better price. In the event that the Vendor shall be the purchaser of the Equipment, it shall not be accountable to the Railroad (except to the extent of surplus money received as provided in Section 15.06 hereof), and, in payment of the purchase price therefor, the Vendor shall be entitled to have credited on account thereof all or any part of the sums due to the Vendor from the Railroad hereunder. From and after the date of any such sale, the Railroad shall pay to the Vendor the per diem interchange for each unit of Equipment which shall not have been assembled, as hereinabove provided, by the date of such sale for each day from the date of such sale to the date of delivery to the purchaser at such sale.

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

or to affect the Railroad's obligations or the Vendor's rights hereunder with respect to any subsequent payments or default or event of default therein.

15.06. DEFICIENCY OR SURPLUS. If, after applying all sums of money realized by the Vendor under the remedies herein provided, or otherwise available to the Vendor, there shall remain any amount due to the Vendor under the provisions of this Agreement, the Railroad shall pay the amount of such deficiency to the Vendor upon demand, together with interest from the date of such demand to the date of payment by the Railroad at the Penalty Rate. If the Railroad shall fail to pay such deficiency, the Vendor may bring suit therefor against the Railroad. If, after applying as aforesaid all sums realized by the Vendor, there shall remain a surplus in the possession of the Vendor, such surplus shall be paid to the Railroad.

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

Notwithstanding anything contained in this Agreement to the contrary, if the Vendor is required or elects to pursue any remedies and/or deficiency under this Agreement in the Reorganization Court, then any monies claimed and recovered by the Vendor shall be treated as follows, unless otherwise agreed to by the parties:

(a) any monies due in connection with the Railroad's possession and use of the Equipment, whether said monies are for installments due, expenses incurred, and/or counsel fees under this Agreement, shall be considered as expenses of administration; and,

(b) any monies constituting any unpaid balance of the CSA Indebtedness, whether principal, interest, Penalty Interest, expenses

and/or counsel fees under this Agreement, shall be treated as a secured claim.

It is the express understanding and agreement of the Railroad and the Vendor (i) that the payments, expenses and/or fees referred to in this Agreement are actual and necessary costs and expenses of preserving the Railroad's estate and (ii) that any portion of any monies due to the Vendor under this Agreement which may not be an expense of administration will be a secured claim and allowed as such.

The foregoing provisions of this Article 15 are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

ARTICLE 16. APPLICABLE STATE LAWS

16.01. APPLICABLE STATE LAWS. Any provision of this Agreement prohibited by any applicable law of any jurisdiction (which is not overridden by applicable Federal law) shall be ineffective as to such jurisdiction without modifying the remaining provisions of this Agreement and without affecting this Agreement in any other jurisdiction. Where, however, the conflicting provisions of any such applicable law may be waived (except any order of the Reorganization Court or provisions of the United States bankruptcy laws applicable to the Railroad), they are hereby waived by the Railroad to the full extent permitted by law, it being the intention of the parties hereto that this Agreement shall be deemed to be a conditional sale and enforced as such.

ARTICLE 17. FILING

17.01. FILING. The Railroad (i) will cause this Agreement, any assignment hereof and any amendments or supplements hereto or thereto to be filed with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303, (ii) will from time to time perform any other act and will execute, deliver and file (and will refile when necessary) any and all further instruments required by law or reasonably requested by the Vendor for the purpose of proper protection (to the

satisfaction of counsel for the Vendor) of its interest in the Equipment and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement, and (iii) will promptly furnish to the Vendor certificates or other evidence of such filing satisfactory to the Vendor.

17.02. FILING FEES AND EXPENSES. All fees and expenses incurred in connection with the filing or filings referred to in Section 17.01 above shall be paid by the Railroad either directly or by means of reimbursement to the Vendor.

ARTICLE 18. NOTICES

18.01. NOTICES. Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to said party at its chief place of business at the following specified addresses:

(a) To the Railroad, at 874 Union Station Building, 516 West Jackson Boulevard, Chicago, Illinois 60606, attention of Vice President-Finance;

(b) To the Vendor, at 3527 29th Street North, Birmingham, Alabama 35207; and

(c) To any assignee of the Vendor or of the Railroad, at such address as may have been furnished in writing to each of the other parties hereto by such assignee,

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

ARTICLE 19. OPINION OF COUNSEL

19.01. OPINION OF RAILROAD'S COUNSEL. Concurrently with the execution of this Agreement by the Railroad, the Trustee will deliver to the Vendor five (5) counterparts of the written opinion of counsel for the Railroad addressed to

the Vendor and to the assignee, transferee or successor of the Vendor in scope and substance satisfactory to the Vendor to the effect that:

(a) the Trustee has the power or authority to own its property and to carry on its business as now being conducted;

(b) this Agreement has been duly authorized, executed and delivered by, or on behalf of, the Railroad and constitutes the valid, legal and binding agreements of the Railroad enforceable in accordance with their respective terms;

(c) this Agreement has been, or will be, filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. §11303, and no other filing, recording or depositing is necessary to protect the Vendor's security interest in and title to the Equipment, although the Vendor, under the terms of the Agreement may request other filings, recordings and/or deposits;

(d) no approval, consent or withholding of objection is required from any public regulatory body with respect to the Railroad entering into or performing the terms and conditions of this Agreement; or, in the alternative, if any such approval, consent or withholding of objection is required from any public regulatory body, the Railroad has obtained, or within ten (10) days of the date upon which the Railroad signs this Agreement will obtain, the necessary approval, consent or withholding of objection;

(e) the execution and delivery of this Agreement by the Railroad do not violate any provision of any law, any order of the Reorganization Court or any other court or any other governmental agency, or any indenture, agreement or other instrument which is valid and enforceable against the Railroad;

(f) the Railroad has obtained the approval of the Reorganization Court, after notice and an opportunity to be heard, to enter into this Agreement; and

(g) as to any other matters which the Vendor shall reasonably request.

19.02. OPINION OF VENDOR'S COUNSEL. Concurrently with the signing of this Agreement by, or on behalf of, the Vendor, the Vendor will deliver to the Railroad five (5) counterparts of the written opinion of counsel for the Vendor addressed to the Railroad and to any assignee, transferee or successor of the Railroad under Article 13 of the Agreement of which the Vendor has notice, in scope and substance satisfactory to the Railroad, to the effect that

(a) the Vendor is a corporation legally incorporated and validly existing, in good standing, under the laws of the State of Alabama;

(b) the Vendor has the corporate or other power and authority to own its property and to carry on its business as now being conducted and is duly qualified to do business as a foreign corporation in all states in which such qualification is necessary to carry out the terms of the Agreement;

(c) the Agreement has been duly authorized, executed and delivered by the Vendor and constitutes the valid, legal and binding agreements of the Vendor enforceable in accordance with their respective terms;

(d) no approval, consent or withholding of objection is required from any public regulatory body with respect to the Vendor entering into or performing the terms and conditions of this Agreement; or, in the alternative, if any such approval, consent or withholding of objection is required from any public regulatory body, the Vendor has obtained, or within ten (10) days of the date upon which the Vendor

signs this Agreement will obtain, the necessary approval, consent or withholding of objection;

(e) the execution and delivery of this Agreement by the Vendor do not violate any provision of any law, any order of any court or other governmental agency, the Charter or By-laws of the Vendor, or any indenture (including, but not limited to, that certain Chattel Mortgage, Trust Deed, Assignment of Rents and Security Agreement dated as of January 2, 1973 pertaining to, among other things, the Equipment), agreement or other instrument which is valid and enforceable by its terms to which the Vendor is a party or by which it, or any of its property is bound and will not be in conflict with, result in the breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture (including, but not limited to, that certain Chattel Mortgage, Trust Deed, Assignment of Rents and Security Agreement dated as of January 2, 1973 pertaining to, among other things, the Equipment), agreement, or other instrument which is valid and enforceable by its terms, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Vendor, except as may be contemplated and permitted hereby; and

(f) as to any other matters which the Railroad shall reasonably request.

ARTICLE 20. GOVERNING LAW

20.01. GOVERNING LAW. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Illinois, except as such state laws are modified by applicable Federal laws or orders of the Reorganization Court; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303 and such additional rights arising out of any filing of this Agreement and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof may be filed.

**ARTICLE 21. HEADINGS; EFFECT AND
MODIFICATION OF AGREEMENT**

21.01. HEADINGS. All Article and Section headings have been provided for convenience only and shall not affect any interpretation of this Agreement.

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

ARTICLE 22. EXECUTION

22.01. EXECUTION. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument. Although for convenience this Agreement is dated as of the date first set forth above, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgements hereto. This Agreement is binding upon Richard B. Ogilvie, not as an individual but solely in his capacity as Trustee of the property of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first set forth above.

SCHULER INDUSTRIES, INC.

By Jerry D. Hunt
Its Executive Vice President

[Corporate Seal]

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MODIFICATION OF AGREEMENT**

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first set forth above.

SCHULER INDUSTRIES, INC.

By 
Its Executive Vice President

[Corporate Seal]

Attest:

Joseph T. Mahan
Its Secretary

**RICHARD B. OGILVIE, TRUSTEE OF
THE PROPERTY OF THE CHICAGO,
MILWAUKEE, ST. PAUL AND PACIFIC
RAILROAD COMPANY, DEBTOR**

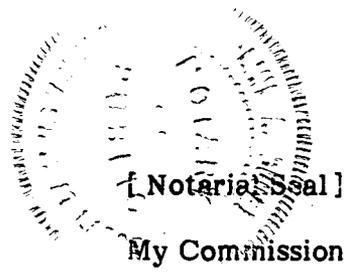
Richard B. Ogilvie

Witness:

M D Sullivan

STATE OF ALABAMA)
) SS
COUNTY OF JEFFERSON)

On this 1st day of June, 1984, before me personally appeared Jerry D. Hart, to me personally known, who, being by me duly sworn, says that he is the Executive Vice President of SCHULER INDUSTRIES, INC., an Alabama corporation, that the seal affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and that he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation for the uses and purposes therein set forth.



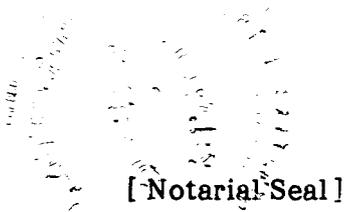
Arlene A. Bodley
Notary Public

My Commission expires: 2-3-87

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 22 day of June, 1984, before me personally appeared Richard B. Ogilvie, to me personally known, who, being by me duly sworn, says that he is Trustee of the property of the CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY, DEBTOR, that the foregoing instrument was signed by him as Trustee and that he acknowledged that the execution of the foregoing instrument was his free act and deed for the uses and purposes therein set forth.

Mary E. Atlanta
Notary Public



[Notarial Seal]

My Commission expires: Jul. 25, 1987

CONDITIONAL SALE AGREEMENT
DATED AS OF APRIL 1, 1984

EXHIBIT A
187 70 TON COVERED HOPPERS CARS
BEARING MILW. RR NOS.

MILW-96760	MILW-96825	MILW-96883	MILW-96942
MILW-96761	MILW-96826	MILW-96884	MILW-96943
MILW-96762	MILW-96829	MILW-96885	MILW-94944
MILW-96763	MILW-96831	MILW-96886	MILW-96945
MILW-96765	MILW-96832	MILW-96887	MILW-96948
MILW-96766	MILW-96833	MILW-96888	MILW-96950
MILW-96767	MILW-96835	MILW-96890	MILW-96951
MILW-96769	MILW-96836	MILW-96892	MILW-96952
MILW-96770	MILW-96837	MILW-96893	MILW-96954
MILW-96772	MILW-96838	MILW-96894	MILW-96955
MILW-96773	MILW-96839	MILW-96895	MILW-96956
MILW-96775	MILW-96840	MILW-96896	MILW-96957
MILW-96776	MILW-96841	MILW-96898	MILW-96959
MILW-96777	MILW-96842	MILW-96899	MILW-96960
MILW-96778	MILW-96843	MILW-96900	MILW-96961
MILW-96779	MILW-96844	MILW-96901	MILW-96962
MILW-96780	MILW-96845	MILW-96903	MILW-96963
MILW-96782	MILW-96846	MILW-96904	MILW-96964
MILW-96783	MILW-96847	MILW-96905	MILW-96965
MILW-96785	MILW-96848	MILW-96906	MILW-96966
MILW-96786	MILW-96849	MILW-96907	MILW-96967
MILW-96787	MILW-96850	MILW-96909	MILW-96968
MILW-96788	MILW-96851	MILW-96911	MILW-96969
MILW-96789	MILW-96852	MILW-96912	MILW-96971
MILW-96790	MILW-96853	MILW-96913	MILW-96972
MILW-96793	MILW-96854	MILW-96914	MILW-96974
MILW-96796	MILW-96855	MILW-96915	MILW-96976
MILW-96797	MILW-96857	MILW-96916	MILW-96977
MILW-96799	MILW-96858	MILW-96917	MILW-96979
MILW-96800	MILW-96859	MILW-96918	MILW-96980
MILW-96802	MILW-96860	MILW-96919	MILW-96981
MILW-96803	MILW-96861	MILW-96920	MILW-96982
MILW-96805	MILW-96863	MILW-96923	MILW-96983
MILW-96806	MILW-96865	MILW-96924	MILW-96984
MILW-96807	MILW-96867	MILW-96925	MILW-96985
MILW-96808	MILW-96868	MILW-96927	MILW-96987
MILW-96810	MILW-96869	MILW-96928	MILW-96988
MILW-96811	MILW-96870	MILW-96929	MILW-96989
MILW-96813	MILW-96871	MILW-96930	MILW-96991
MILW-96814	MILW-96872	MILW-96931	MILW-96992
MILW-96817	MILW-96873	MILW-96932	MILW-96993
MILW-96819	MILW-96874	MILW-96934	MILW-96994
MILW-96820	MILW-96875	MILW-96935	MILW-96995
MILW-96821	MILW-96876	MILW-96937	MILW-96996
MILW-96822	MILW-96878	MILW-96938	MILW-96997
MILW-96823	MILW-96879	MILW-96940	MILW-96999
MILW-96824	MILW-96881	MILW-96941	