OSTER
Researching Services
12897 Colonial Dr. • Mt. Airy, Md. 21771
301-253-6040

20001

APR 4 - 1996 -10 00 AM

INTERSTATE COMMERCE COMMISSION

APR 4 9 55 AM '96

April 4, 1996

Mr. Vernon Williams
Surface Transportation Board
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

20001-A

APR 4 - 1996 -10 00 AM

INTERSTATE COMMERCE COMMISSION

Dear Mr. Williams:

Enclosed for recording with the Surface Transportation Board is a Chattel Mortgage and Security Agreement dated 3/26/96 between the following parties:

Secured Party: Edmund J. Boyce, Jr.
222 South Central
Clayton, MO 63105

Debtor: St. Louis Car Company
222 South Central
Clayton, MO 63105

The equipment included in this agreement is listed on Schedule 1 attached thereto. Please record this agreement as a primary document.

I have also enclosed a Pledge Agreement dated 3/26/96 between the following parties:

Pledgor: Edmund J. Boyce, Jr.

Assignee: Mark Twain Bank
9321 Olive Blvd.
St. Louis, MO 63131

Please record this agreement as a secondary document to ICC/STB Recordation #20001. The filing fee of $42 is enclosed.

Thank you for your assistance.

Sincerely,

Mary Ann Oster

Mary Ann Oster
Research Consultant

Enclosures

Primary Doc. - Pledge Agr.

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

4/4/96

Mary Ann Oster
Research Consultant
Oster Researching Service
12897 Colonial Drive
Mt. Airy, MD. 21771

Dear Madam:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/4/96 **at** 10:00AM **, and assigned recordation number(s).** 20001 and 20001-A.

Sincerely yours,

Vernon A. Williams

Vernon A. Williams
Secretary

Enclosure(s)

$ 42.00 **The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.**

Signature Janice M Fort

RECORDATION NO. 20001 FILED 1425
APR 4 - 1996 -10 00 AM
INTERSTATE COMMERCE COMMISSION

CHATTEL MORTGAGE AND SECURITY AGREEMENT

by and between

EDMUND J. BOYCE, JR.

and

ST. LOUIS CAR COMPANY

Dated as of March 26, 1996

Covering

Certain Railcars, Locomotives, and other Rolling Stock

Filed and recorded with the Surface Transportation Board pursuant to the ICC TERMINATION ACT, 49 U.S.C. § 11301, on _____, 1996, at _____ __.m., under Recordation No. _____.

KC-143493

CHATTEL MORTGAGE AND SECURITY AGREEMENT

THIS CHATTEL MORTGAGE AND SECURITY AGREEMENT ("Agreement") dated as of March 26, 1996, made by and between ST. LOUIS CAR COMPANY, a Missouri corporation with an office at 222 South Central, Suite 800, Clayton, Missouri 63105 (the "Borrower") and to EDMUND J. BOYCE, JR., with an office at 222 South Central, Suite 800, Clayton, Missouri 63105 ("Boyce").

PRELIMINARY STATEMENT. Boyce, on or about the date hereof, has extended credit to the Borrower pursuant to the terms of a promissory note dated as of the date hereof in the original principal amount of $850,000.00 (as the same may be amended, modified, supplemented or restated from time to time, the "Note"). It is a condition precedent to the making of the loan evidenced by the Note that Borrower shall have granted the security interest contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce Boyce to make the loan evidenced by the Note, the parties hereto hereby agree as follows:

ARTICLE I

SECURITY

Section 1.1. Collateral. The Borrower hereby grants, conveys, pledges, mortgages, assigns, transfers and sets over to Boyce, and does hereby grant Boyce a continuing, first priority security interest in and to, and chattel mortgage lien on, all of the Borrower's right, title and interest in and to the following collateral (the "Collateral"), to have and to hold all and every part of the Collateral unto Boyce, its successors and assigns, for its and their own use and benefit forever:

(a) all of the railcars, locomotives and other rolling stock identified on Schedule 1 attached hereto (collectively the "Railcars");

(b) all improvements, additions, modifications, accessions, equipment, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired, and all substitutions and replacements of the Railcars described above (the Railcars and the equipment described in this subsection (b) herein being hereinafter sometimes collectively called the "Equipment Collateral");

(c) all proceeds, rentals, casualty value payments or proceeds, settlement payments and requisition compensation from the sale, loss or other disposition of the Equipment Collateral;

(d) all rights, claims and causes of action, if any, that the Borrower may have now or in the future against any seller of any of the Railcars under a purchase agreement relating thereto or any manufacturer or re-builder of the Equipment Collateral (or any component thereof) or any other party, by contract or otherwise, in respect of any defect in the Equipment Collateral or any part thereof;

(e) any agreement now or hereafter entered into for leasing, use or hire of the Railcars to any third party, including, without limitation, any lease, and replacements thereof, between Borrower, as lessor, and a third party, as lessee, with respect to any or all of the Railcars (hereinafter a "Lease"), together with all of the Borrower's right, title, interest, claims and demand in, to and under said agreements, including all extensions, renewals and replacements thereof, together with all rights, powers, privileges, options, and other benefits of the Borrower, including, without limitation, the right to receive all notices, give consents, exercise any election or option, declare defaults and demand payments with respect thereto;

(f) all rent, issues, income, profits, damages and other moneys from time to time payable to or receivable by Borrower in respect of the Equipment Collateral;

(g) all proceeds (cash and non-cash) thereof; and

(h) all books and records relating to any of the foregoing.

Section 1.2. Boyce as Agent. The Borrower hereby appoints Boyce, its successors and assigns, the true and lawful attorney of the Borrower, irrevocably and with full power of substitution, in the name of the Borrower or otherwise, (a) to demand, receive, compromise, sue for, and give acquittance for, any and all rents, profits, moneys and claims for money due and to become due with respect to the Collateral or otherwise arising out of this Article I; (b) to endorse any checks or other instruments or orders in connection therewith; and (c) following the occurrence of any condition or event which with the giving of notice or lapse of time or both, would, unless cured or waived, become an Event of Default hereunder (hereinafter, a "Default") or an Event of Default and during the continuance thereof, to make all waivers and agreements and to file any claims or take any actions or institute any proceedings with respect thereto that Boyce may deem reasonably necessary or advisable.

Anything herein contained to the contrary notwithstanding, neither Boyce nor its nominee or assignee shall have any obligation or liability by reason of or arising out of this Article I to make any inquiry as to the nature or sufficiency of, to present or file

any claim with respect to, or to take any action to collect or enforce the payment of, any amount to which it may be entitled at any time or times by virtue of this Article I.

Section 1.3. Perfecting Interest in Collateral. The Borrower shall, from time to time and at its sole cost and expense, promptly execute, acknowledge, witness, deliver, file and/or record, or procure the execution, acknowledgement, witnessing, delivery, filing and/or recording of, such documents or instruments, and shall take or cause to be taken such other actions, as Boyce may reasonably request for the perfection against the Borrower and all third parties whomsoever of the security interest created by this Article I, of the rights and powers herein granted to Boyce and for the continuation and protection thereof and promptly give to Boyce evidence satisfactory to Boyce of such delivery and filing and/or recording. Without limiting the generality of the foregoing, the Borrower shall from time to time and at any time execute, acknowledge, witness and deliver such financing and continuation statements, notices and additional security agreements, make such notations on its records and take such other action as Boyce may reasonably request for the purpose of so perfecting, maintaining and protecting such security interest of Boyce, and shall cause this Agreement and each such financing and continuation statement, notice and additional security agreement to be filed or recorded in such manner and in such places as may be required by applicable law and as Boyce may reasonably request for such purpose. The Borrower hereby authorizes Boyce to effect any filing or recording which Boyce has requested pursuant to this Section 1.3 without the signature of the Borrower to the extent permitted by applicable law. The costs and expenses of Boyce with respect to such actions shall be payable by the Borrower on demand with interest thereon at the "Post Maturity Rate" set forth in the Note (herein, the "Default Rate"), from the date incurred until paid in full.

Section 1.4. Disclaimer by Boyce. Boyce makes no representations or warranties with respect to the Collateral or any part thereof. Boyce shall not be chargeable with any obligations or liabilities of the Borrower with respect to the Collateral. Boyce shall have no liability or obligation arising out of any claims, known or unknown, with respect to the Collateral.

Section 1.5. Release of Collateral. Upon the indefeasible payment in full of all sums due under the Note and discharge of all of the Borrower's "Obligations" (as that term is defined below), Boyce shall release, at the Borrower's sole cost and expense, any and all security delivered pursuant to this Agreement, the Note and each other document, instrument and agreement pursuant to which the transactions described herein have been consummated (hereinafter referred to collectively as the "Loan Documents").

ARTICLE II

Section 2.1 Security for Obligations. This Agreement secures the payment and performance of (i) all present and future obligations of Borrower to Boyce under the Note and any replacements, renewals, extensions and other modifications thereof or thereto, and (ii) any other obligations of Borrower to Boyce, whether monetary, nonmonetary, direct, indirect, acquired, joint, several, joint and several, liquidated, unliquidated, contractual, noncontractual, existing, future, contingent or otherwise, and any replacements, renewals, extensions and other modifications of any of the foregoing, together with any interest, fees, expenses and other charges thereon, and any amounts expended by or on behalf of Boyce for the protection and preservation of the security interest granted herein by Borrower to Boyce (all such obligations being the "Obligations").

ARTICLE III

USE AND MAINTENANCE

Section 3.1. Maintenance. During the term hereof:

(a) The Borrower shall use, and cause each lessee and permitted sublessee of any of the Railcars to use, the Railcars in the manner for which they were designed and intended. The Railcars shall not be used in any manner that is in violation of, or more hazardous than permitted by, the insurance maintained under Section 4.1. The Borrower agrees that it will not, and will cause each lessee and permitted sublessee not, to discriminate against any Railcar (as compared to other similar equipment owned or leased by it) with respect to its use, operation or maintenance in contemplation of the expiration or termination of any Lease.

(b) At its own expense, the Borrower shall maintain, service, repair, overhaul and keep, and/or cause each lessee and permitted sublessee of any of the Railcars to maintain, service, repair, overhaul and keep, each of the Railcars and the component parts thereof in good operating condition and repair suitable for the commercial use as originally designed and intended (i) in accordance with prudent Class 1 railroad industry maintenance practices and the maintenance practices used by it, any lessee or any permitted sublessee (as the case may be) of any of the Railcars in respect of equipment owned or leased by it, by any lessee or by any permitted sublessee (as the case may be) similar in nature to the Railcars, (ii) in compliance with all applicable laws, and (iii) eligible for railroad interchange in the hands of the Borrower or any lessee and permitted sublessee of any of the Railcars in accordance with the interchange rules of the United States Department of Transportation, the Federal Railroad Administration, the Surface Transportation Board and the Association of American Railroads, to the extent applicable. The Borrower shall perform, and/or cause each lessee and permitted

sublessee of any of the Railcars to perform, all inspections of the Railcars and maintain all records, logs and other materials required to be maintained in respect of the Railcars by the United States Department of Transportation or any other governmental authority or regulatory body having jurisdiction over it, any lessee or any permitted sublessee (as the case may be) of the Railcars.

(c) The Borrower shall not make, nor permit any lessee or any permitted sublessee of any of the Railcars to take any additions, improvements, modifications or alterations to any Railcar unless consented to in writing by Boyce and the same are readily removable without causing material damage to such Railcar or otherwise adversely affecting the value and/or utility of such Railcar.

Section 3.2. Use and Possession in Railroad Operations. So long as no Default or Event of Default shall have occurred, the Borrower, any lessee or permitted sublessee of any of the Railcars shall be entitled to the possession of the Railcars and to the use thereof upon the lines of railroad owned or operated by it, by any rail carrier, any lessee, by any permitted sublessee or any affiliates thereof, or upon lines of railroad over which it, any rail carrier, such lessee, such permitted sublessee or any affiliate thereof has trackage or other operating rights or over which their railroad equipment is regularly operated pursuant to a written contract or agreement, or upon connecting and other carriers' trackage in the usual interchange of traffic or pursuant to run-through or pooling arrangements, but only upon and subject to all the terms and conditions of this Agreement. Notwithstanding the foregoing or any other provision hereof to the contrary, the Borrower shall neither assign or permit or suffer the assignment of any Railcar to service (including run-through services), nor locate or permit or suffer the location of any Railcar, outside the continental United States of America.

Section 3.3. Marking of Railcars. The Borrower shall, at its sole cost and expense, cause the Railcars to be kept numbered with the identifying road numbers set forth in Schedule 1 attached hereto, and to keep and maintain marked, plainly, distinctly, permanently and conspicuously by a plate or stencil printed in contrasting colors upon each side of each Railcar in letters not less than one inch in height the words "Ownership Subject to a Security Agreement Filed with the Surface Transportation Board" or other appropriate markings approved in writing by Boyce, with appropriate changes thereof and additions thereto as from time to time may be required by applicable law in order to protect Boyce's security interest in the Equipment Collateral, including, but not limited to, the Railcars and its rights under this Agreement. The Borrower shall, at its sole cost and expense, cause any such markings that may be removed, defaced, obliterated or destroyed to be promptly replaced and shall not change, or permit the Railcars to change the numbers of the Railcars unless and until (i) a statement of new number or numbers to be

substituted therefor shall have been filed with Boyce and filed, recorded and deposited by the Borrower in all public offices where this Agreement shall have been filed, recorded and deposited and (ii) the Borrower shall have furnished Boyce an opinion of counsel to the effect that such changes have not impaired Boyce's duly perfected, first priority security interest in, and lien on, the Collateral.

Section 3.4. Prohibition against Certain Designations. The Borrower will not allow the name of any person or entity other than the Borrower to be placed on any of the Railcars as a designation that might be interpreted as a claim of ownership; provided, however, that the Borrower may permit a lessee or any permitted sublessee of any of the Railcars to cause the Railcars to be lettered with the names or initials or other insignia customarily used by such lessee or permitted sublessee (as the case may be) on railroad equipment used by it of the same or a similar type for convenience of identification of its rights to use the Railcars as permitted the applicable Lease.

Section 3.5. Registration of Equipment Collateral. The Borrower shall, at its sole cost and expense, register or cause to be registered the Railcars and any substitute or replacement equipment in accordance with any and all applicable federal, state, and local registration requirements of the Association of American Railroads, the United States Department of Transportation, and the Surface Transportation Board.

Section 3.6. Rules, Laws and Regulations. The Borrower shall comply, and will use its best efforts to cause each lessee and any permitted sublessee of any of the Equipment Collateral to comply, in all respects (including, without limitation, with respect to the use, maintenance and operation of the Equipment Collateral), with all applicable laws, including all interchange rules of the Association of American Railroads and all rules and regulations of the United States Department of Transportation, the Federal Railroad Administration, and the Surface Transportation Board or any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment Collateral. In case any equipment or appliance is required to be altered, added, replaced or modified on any Railcar in order to comply with such applicable laws, at its own expense, the Borrower agrees to make, or cause any lessee or any permitted sublessee (as the case may be) of the Railcars to make, such alterations, additions, replacements and/or modifications and title thereto shall be immediately vested in the Borrower, free and clear of any liens or encumbrances other than the lien of Boyce; provided, however, that the Borrower, any lessee or any permitted sublessee (as the case may be) may, in good faith, contest the validity or application of any such law in any reasonable manner which does not, in the sole opinion of Boyce, adversely affect any of its rights hereunder or the Collateral.

ARTICLE IV

INSURANCE AND CASUALTY

Section 4.1. Insurance. The Borrower, at its sole cost and expense, will carry and maintain, or shall cause any lessee and/or any permitted sublessee of any of the Railcars, at its own cost and expense, independently or in conjunction with the Borrower, to carry and maintain:

(i) all risks property insurance with respect to each Railcar in an amount equal to the fair market value of such Railcars (hereinafter, its "Casualty Value"), with a deductible not in excess of $2,000 per occurrence;

(ii) commercial general public liability insurance with respect to third party personal, bodily injury including death, property damage, liability (including contractual liability and cross liability), in each case with deductibles not in excess of $25,000 per occurrence and in such amounts of not less than $5,000,000.00 per occurrence; and

(iii) insurance required under the Workers' Compensation Act for employee injury or death or occupational disease, and Workers' Compensation Insurance as required by law.

Each policy of insurance shall:

(a) be issued by one or more recognized, financially sound and responsible insurance companies approved by Boyce, which are qualified or authorized by the applicable laws of the states in which the Borrower does business to assume the risks covered by such policy, and rated "B+" or higher by A.M. Best Company Best's Insurance Guide and Key Ratings;

(b) with respect to the property insurance, have attached thereto standard non-contributing, non-reporting mortgagee clauses in favor of and entitling Boyce without contribution to collect any and all proceeds payable under such insurance;

(c) provide that Boyce shall be given at least thirty (30) days' prior written notice of the effective date of cancellation or material change in coverage;

(d) provide that insurance as to the interest of Boyce shall not be invalidated by any actions, inactions, breaches of warranty or conditions, or negligence of the Borrower, the lessee or any permitted sublessee of any of the Railcars or any other person or entity with respect to each such policy and that any loss otherwise payable thereunder shall be payable notwithstanding any such actions, inactions, breaches or negligence of the Borrower, any lessee or any

permitted sublessee of any of the Railcars or any other person or entity that might, absent such provision, result in a forfeiture of all or a part of such insurance payment, which insurance shall provide the insurer's waiver of its right of subrogation, set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability against the Borrower and provide that there is no recourse against Boyce or any assignee for payment of premium, commissions, direct calls, assessments or advances;

(e) be in amounts not less than and insure against such risks so as to be no less protective than the insurance, if any, maintained by the Borrower, any lessee or any permitted sublessee of any of the Railcars with respect to similar equipment which it owns or leases;

(f) be consistent with prudent railroad industry practice and otherwise be in form and content satisfactory to Boyce; and

(g) insure against such further risks as Boyce may reasonably specify from time to time.

The Borrower shall furnish Boyce with certificates or other evidence satisfactory to it of the maintenance of the insurances so required.

The Borrower shall immediately notify Boyce of any cancellation, alteration or non-renewal of any of such insurance policies. The Borrower shall promptly pay, or cause to be paid, all premiums when due on such insurance and, not less than thirty (30) days prior to the expiration date of each such policy or policies, the Borrower shall deliver, or cause to be delivered, to Boyce a renewal policy or policies marked "premium paid" or accompanied by other evidence of payment satisfactory to Boyce. No policy of insurance shall be written such that the proceeds thereof will produce less than the minimum coverage required by this Section by reason of co-insurance provisions or otherwise. Boyce shall not, because of accepting, rejecting, approving or obtaining insurance, incur any liability for (1) the existence, non-existence, form or legal sufficiency thereof, (2) the solvency of any insurer, or (3) the payment of losses.

If the Borrower fails to maintain the insurance required by this Section 4.1, Boyce may procure such insurance (but is not obligated to do so) and the cost of such insurance shall be deemed an Obligation hereunder secured hereby and will be payable to Boyce on demand with interest at the Default Rate from the date incurred until paid in full. The Borrower agrees that the proceeds of all such insurance, if any loss should occur, shall be applied to the payment of any or all of the Obligations hereby secured or to the cost, in whole or in part, of the repair, restoration and replacement of the property damaged or destroyed (without obligation to see that the

funds are so applied), as Boyce may elect or direct in its sole discretion. Boyce shall have the right, in the Borrower's name, any lessee's or any permitted sublessee's name or in its own name, to file claims under any insurance policies, to receive, receipt and give acquittance for any payments that may be made thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents as may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies.

Section 4.2. Duty of Borrower to Notify Boyce of a Casualty Occurrence, Modification Termination or Abatement. In the event (i) of the loss or theft of any Railcar, (ii) of the actual or constructive total loss of any Railcar, (iii) of the destruction of any Railcar or damage thereto to such extent as shall make repair thereof uneconomical or shall render the Railcar permanently unfit for normal use for any reason whatsoever, (iv) any Railcar shall be worn out, (v) title to or use of any Railcar shall be requisitioned or taken by any governmental authority under the power of eminent domain or otherwise, (vi) any Railcar shall have been returned permanently to the Borrower pursuant to a material breach of a warranty of the Borrower, or (vii) the use of any Railcar in the normal course of interstate rail transportation shall have been prohibited as a result of any rule, regulation, order or other action by a United States governmental authority or regulatory body for a continuous period (any such occurrence being hereinafter called a "Casualty Occurrence"), the Borrower shall promptly, and in any event within thirty (30) days after the occurrence thereof, notify Boyce of such Casualty Occurrence and shall pay to Boyce, in accordance with the terms of Section 4.3 hereof, the Casualty Value thereof.

Section 4.3. Sum Payable As a Result of a Casualty Occurrence. The Borrower shall pay to Boyce, on the "Payment Date" (as that term is defined below), a sum equal to the Casualty Value of such Railcar(s) sustaining a Casualty Occurrence.

For purposes hereof, the term "Payment Date" means with respect to a Casualty Occurrence, the next scheduled installment payment date under the Note following the happening of such event.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Boyce as follows:

Section 5.1. Organization and Qualification. Borrower is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction indicated at the beginning of this Agreement. Borrower has duly qualified and is authorized to do

business and is in good standing as a foreign corporation in all other states and jurisdictions where the character of its properties or the nature of its activities make such qualification necessary or in which the failure of Borrower to be so qualified would have a material adverse effect on the financial condition, business or properties of Borrower.

Section 5.2. Corporate Names. During the preceding seven (7) years, Borrower has not been known as or used any corporate, fictitious or trade names. Borrower has not, during the preceding seven (7) years, been the surviving corporation of a merger or consolidation or acquired all or substantially all of the assets of any person or entity.

Section 5.3. Corporate Power and Authority. Borrower has the full right and corporate power and is duly authorized and empowered to enter into, execute, deliver and perform this Agreement and the Note. The execution, delivery and performance of this Agreement and the Note have been duly authorized by all necessary corporate action and do not and will not (i) require any consent or approval of the shareholders of Borrower; (ii) contravene Borrower's charter, articles of incorporation or bylaws; (iii) violate, or cause Borrower to be in default under, any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award in effect having applicability to Borrower; (iv) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which Borrower is a party or by which it or its properties may be bound or affected; or (v) result in, or require, the creation or imposition of any lien (other than those created hereunder in favor of Boyce) upon or with respect to any of the properties now owned or hereafter acquired by Borrower.

Section 5.4. Legally Enforceable Agreement. This Agreement and the Note are the legal, valid and binding obligations of Borrower enforceable against it in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally or by principles of equity pertaining to the availability of equitable remedies.

Section 5.5. Regulatory Approvals. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the grant by Borrower of the security interest granted hereby or for the execution, delivery or performance of this Agreement and the Note by Borrower or (ii) for the perfection of or the exercise by Boyce of its rights and remedies hereunder.

Section 5.6. Security Interest. This Agreement creates a valid and perfected first priority security interest in the Collateral,

securing the payment of the Obligations, and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken.

ARTICLE VI

AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that so long as any of the Obligations remains outstanding, the Borrower shall:

Section 6.1. Valid Existence. Maintain at all times its valid corporate existence in the State of Missouri and shall qualify or register to do business as a foreign corporation in each other jurisdiction in which the character of the property owned by it or in which the transaction of its business makes such qualification necessary.

Section 6.2. Payment Taxes and Claims. Pay or discharge when due, or use its best efforts to cause each lessee and any permitted sublessee of any of the Railcars to pay or discharge when due, all taxes, assessments and all claims which might become a lien on the Collateral as the same become due prior to the date on which the Borrower, such lessee or such permitted sublessee (as the case may be) is contesting in good faith, by appropriate and diligent legal proceedings and with respect to which the Borrower, such lessee or such permitted sublessee (as the case may be) has established adequate reserves in accordance with generally accepted accounting principles, consistently applied.

Section 6.3. Visits and Inspections. Permit, and use its best efforts to cause each lessee and any permitted sublessee of any of the Railcars to permit, representatives (whether or not officers or employees) of Boyce, from time to time, as often as may be reasonably requested to (a) visit and inspect the Collateral wherever the same may be located from such books, logs and records related thereto, (b) make extracts from such books, logs and records, and (c) discuss with its principal officers and its independent agents any questions that Boyce may have with respect to the same.

Section 6.4. Encumbrances. Immediately pay or discharge any and all sums claimed by any party from, through or under the Borrower which, if unpaid, might become a lien on or with respect to the Collateral or any unit thereof, and will promptly discharge any such lien or other lien which arises, attaches to, or affects the Collateral, except for any such claims or liens which Borrower is contesting in good faith by appropriate legal proceedings so long as the Borrower's participation in such proceedings shall operate to prevent the collection of such claim or enforcement of such lien or any material risk thereof or of any seizure, forfeiture or other loss

of possession or rights in any of the Collateral and Borrower has given Boyce such additional collateral as Boyce reasonably demands as security for the Obligations, taking into account the circumstances affecting the Collateral that is subject to such claim or lien. Borrower shall also cause any lessee or any permitted sublessee (as the case may be) of any Railcar to do the same.

Section 6.5. Repossession of Railcars. Immediately upon the request of Boyce, exercise any rights it may have to repossess the Railcars covered by any Lease, pursuant to the Section 1168 of Title 11 of the United States Code or any successor statute, if applicable.

Section 6.6. Compliance with AAR Regulations, etc. Comply, and use its best efforts to cause each lessee and any permitted sublessee of any of the Railcars to comply, with the rules and regulations of the Association of American Railroads and successor organization thereof, the United States Department of Transportation, the Federal Railroad Administration and the Surface Transportation Board, as they relate to or affect the Equipment Collateral.

Section 6.7. Preservation of Licenses. Preserve and maintain all of its other franchises, licenses, rights and privileges, the absence of which would have a materially adverse effect on the financial condition or business operations of the Borrower or on the value of the use of the Borrower's assets.

Section 6.8. Books and Records. (a) keep and maintain accurate books and records in accordance with generally accepted accounting principles, consistently applied, (b) unless Boyce shall otherwise consent in writing, keep and maintain all such books and records only at the address of the Borrower listed above and only in appropriate containers in safe places, and (c) so long as Boyce has given the Borrower twenty-four (24) hours advance notice thereof, permit any person or entity designated by Boyce to enter its premises and examine, audit and inspect the books and records at any reasonable time and from time to time without notice.

Section 6.9. Taxes. Pay all taxes and assessments in connection with the issuance, sale or delivery of the Note and the execution and delivery of this Agreement and the other Loan Documents and the transactions contemplated thereby and will save Boyce harmless, without limitation as to time, against any and all liabilities with respect to all such amounts. The Borrower will also pay all other taxes and assessments that may be levied on the Note or interest thereon, except any income tax imposed under the laws of the United States of America or other governmental authority or regulatory body, and will save Boyce harmless, without respect to all such amounts. The obligations of the Borrower under this Section 6.9 shall survive the payment or prepayment of the Note and the other Obligations.

Section 6.10. Notices. Promptly deliver to Boyce all reports, notices, documents and other information provided to it by any lessee under any Lease or by any permitted sublessee (as the case may be) and any default under a Lease.

Section 6.11. Additional Materials. From time to time and promptly upon request of Boyce, deliver to Boyce such data, certificates, reports, statements, documents or further information regarding this Agreement, the Collateral of any of the other Loan Documents, any Lease, any lessee under a Lease or any permitted sublessee or the Guarantors (as hereinafter defined), in each case in form and substance and certified in a manner satisfactory to Boyce.

Section 6.12. Duty of Borrower to Furnish Information. On or before the last day of March, 1997, and on or before the last day of each March thereafter, the Borrower will furnish, or will cause any lessee or permitted sublessee (as the case may be) to furnish, to Boyce an accurate statement, as of the preceding December 31 (a) showing the location of each Railcar (to the extent such information is available from any lessee or any permitted sublessee); (b) whether such Railcar is under lease and sublease and if so, to whom; (c) the amount, description or numbers of all Railcars that may have suffered a Casualty Occurrence during the twelve (12) months ending on such December 31 or are then undergoing repairs (other than running repairs) or are then withdrawn from use pending such repairs; and such other information regarding the condition and state of repair of the Railcars as Boyce may reasonably request; and (d) stating that, in the case of all Railcars repainted or repaired during the period covered by such statement, the numbers and markings required by Section 3.3 shall have been preserved or replaced. Boyce shall have the right, by its respective agents, to inspect the Railcars and the Borrower's and, if applicable, any lessee's records with respect thereto, at such reasonable times as Boyce may request during the term hereof.

Section 6.13. Governmental Regulation Generally. The Borrower shall promptly notify Boyce in the event that the Borrower receives any notice, claim or demand from any governmental authority or regulatory body which alleges that the Borrower is in violation of any of the terms of, or has failed to comply with, any applicable order issued pursuant to any applicable law, rule or regulation which might in any way affect the Borrower's title to, or use and operation of, the Collateral or any of Boyce's rights hereunder or under any of the other Loan Documents or which might otherwise affect in any material way the operation of the Borrower's business.

Section 6.14. Notice of Name Change. Borrower agrees that it will not change its name without first giving Boyce not less than fifteen (15) days prior written notice of such change.

Section 6.15. Financial Statements. Borrower shall furnish to Boyce financial statements of Borrower (including, without limitation, balance sheets and income statements (on a year-to-date basis) and an account receivable aging report) at such times as Boyce may request but in any event within 30 days after the end of each fiscal quarter of Borrower, and certified by Borrower's chief financial officer.

ARTICLE VII

NEGATIVE COVENANTS

The Borrower shall not, without the prior written consent of Boyce, directly or indirectly:

Section 7.1. Sale of Collateral. Sell, lease (other than to a lessee under a Lease), sublease, or otherwise transfer or dispose of any of the Collateral. Any consent of Boyce to the disposition of the Collateral may be conditioned on a specified use of the proceeds of disposition.

Section 7.2. Lease Assignment. Assign any of its rights under any Lease to any person or entity other than Boyce or permit any lessee (other than as provided by the terms of the applicable Lease) or any permitted sublessee (as applicable) to assign its obligations to any other person or entity, it being understood that any lessee or any permitted sublessee (as applicable) may engage in inter-line sharing of Railcars to the extent customary in the railroad industry.

Section 7.3. Merger or Acquisition. Alter or amend its capital structure, dissolve, merge or consolidate with or into any other person or entity, or acquire any interest in, or a substantial portion of, the assets or obligations of any other person or entity.

Section 7.4. Line of Business. Enter into any lines or areas of business substantially different from the business activities in which it is presently engaged.

ARTICLE VIII

DEFAULT

Each of the following shall constitute an event of default (an "Event of Default") hereunder, whatever the reason for such event and whether it shall be voluntary or involuntary, or within or without the control of the Borrower or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or non-governmental authority:

Section 8.1. Failure to Pay. The Borrower shall fail to pay when due (whether at maturity, by acceleration or otherwise) any of the Obligations, including, but not limited to, the principal of or interest on, the Note.

Section 8.2. Breach of Representations and Warranties. Any representation or warranty made herein or in any report, certificate, opinion (including any opinion of counsel for the Borrower), financial statement or other instrument furnished in connection with the Obligations or with the execution and delivery of this Agreement or the Note, shall prove to have been false or misleading in any material respect when made or shall omit any fact necessary not to make any such report, certificate, opinion, financial statement or other instrument not materially misleading.

Section 8.3. Failure to Comply with Covenants. The Borrower shall fail to duly observe and perform any term, covenant, condition or agreement contained in this Agreement or the Note.

Section 8.4. Bankruptcy.

(a) The Borrower shall (1) commence a voluntary case under the federal bankruptcy laws (as now or hereafter in effect), (2) file a petition seeking to take advantage of any other laws, reorganization, winding up or composition or adjustment of debts, (3) consent to or fail to contest in a timely and appropriate manner any petition filed against it in any involuntary case under such bankruptcy laws or other laws, (4) apply for, or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of a substantial part of its assets, domestic or foreign, (5) admit in writing its inability to pay, or not be paying, its debts (other than those that are the subject of a bona fide dispute) as they become due, (6) make a general assignment for the benefit of creditors, or (7) take any corporate action for the purpose of effecting any of the foregoing; or

(b) A case or other proceeding shall be commenced against the Borrower and shall continue for a period of more than thirty (30) days in any court of competent jurisdiction seeking (1) relief under the federal bankruptcy laws (as now or hereafter in effect) or under any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or adjustment of debts, or (2) the appointment of a trustee, receiver, custodian, liquidator or the like of the Borrower or of all or any substantial part of the assets, domestic or foreign, of the Borrower, or (3) an order granting the relief requested in such case or proceeding against the Borrower (including, but not limited to, an order for relief under such federal bankruptcy laws) shall be entered.

Section 8.5. Judgment; Attachment. A judgment is entered or an attachment is levied against the Collateral.

Section 8.6. Mechanics Liens. A lien for the performance of work or the supply of materials is filed against any of the Collateral.

Section 8.7. Prospects for Payment Impaired. Boyce shall determine in good faith that its prospects for payment of the Note or any of the other Obligations are impaired for any reason.

ARTICLE IX

REMEDIES

Section 9.1. Acceleration. Upon the occurrence of an Event of Default (whether or not declared to be such by Boyce), and in every such event and at any time thereafter, Boyce may declare the Obligations to be immediately due and payable, both as to principal and interest, without presentment, demand, protest, or any notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any of the other Loan Documents to the contrary notwithstanding.

Section 9.2. Additional Rights and Remedies. Upon the occurrence of an event of Default (whether or not declared to be such by Boyce), and in every such event and at any time thereafter, Boyce shall have all of the rights and remedies of a secured party at law or equity, including but not limited to those rights and remedies under 49 U.S.C. § 11303 and, to the extent applicable, the UCC as in effect from time to time and may at the Borrower's sole cost and expense, in addition to all other rights and remedies provided hereunder or under the other Loan Documents or as shall exist at law or in equity from time to time, without notice to the Borrower:

(a) institute legal proceedings to recover judgment for all amounts then due and owing hereunder or under the Note, and to collect the same; and/or

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

(c) institute legal proceedings for the appointment of a receiver or receivers pending foreclosure and sale of the Collateral under the order of a court of competent jurisdiction or under other legal process; and/or

(d) personally, or by agents or attorneys, enter into and upon any premises wherein the Collateral or any part thereof, may

then be located, and take possession of all or any part thereof with or without process of law and without being responsible for loss or damage, or render it unusable, and, without being responsible for loss or damage, hold, store and keep idle, or operate, lease or otherwise use or permit the use of the same or any part thereof for such time and upon such terms as Boyce may determine, in a commercially reasonable manner; and/or

(e) personally, or by agents or attorneys, sell or dispose of all or any part of the same, free from any and all claims of the Borrower or of any other party claiming by, through or under the Borrower at law, in equity or otherwise, at one or more public or private sales, in such place or places, at such time or times and upon such terms as Boyce may determine, in a commercially reasonable manner with or without any previous demand on or notice to the Borrower or advertisement of any such sale or other disposal, except that Boyce shall provide the Borrower with the notice required by Section 9.4; and for the aforesaid purposes, all other notices of sale, advertisement and demand and any right or equity of redemption otherwise required by, or available to the Borrower under, applicable law are hereby waived by the Borrower to the fullest extent permitted by applicable law; the power of sale hereunder shall not be exhausted by one or more sales, and Boyce may from time to time adjourn any sale to be made hereunder; and/or

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

(g) if and to the extent the Event of Default results from a breach by the Borrower of any representation, warranty or covenant of the Borrower contained herein, institute legal proceedings against the Borrower to enforce performance of the applicable covenant of the Borrower or to recover damages for the breach of any such representation, warranty or covenant; and/or

(h) remove from the Borrower's places of business all books, records, ledger sheets, correspondence, invoices and documents, relating to or evidencing any of the Collateral; and/or

(i) make such use of the Borrower's places of business as may be reasonably necessary to administer, control and collect the Collateral; and/or

(j) require the Borrower to assemble the Collateral and make it available to Boyce, at a place designated by Boyce; and/or

(k) offset and apply to all or any part of the Obligations all monies, securities and other funds on deposit with Boyce or constituting proceeds of the Collateral, both now or at any time hereafter in the procession of, in transit to or from, under the control or custody of, Boyce.

Section 9.3. Power of Attorney. The Borrower hereby appoints Boyce as its attorney-in-fact to accomplish any of the rights and remedies set forth in Section 9.2, in the name of the Borrower, Boyce, or Boyce's designees as Boyce may from time to time elect, said appointment being coupled with an interest and being irrevocable. The Borrower hereby ratifies and approves all acts of Boyce as its attorney-in-fact and will not hold Boyce liable for any acts of commission or omission (other than for Boyce's own gross negligence or willful misconduct) nor for any error of judgment or mistake of fact or law.

Section 9.4. Sale Notice, Expenses and Proceeds. Any written notice of the sale, disposition or other intended action by Boyce with respect to the Collateral that is sent by regular mail, postage prepaid, to the Borrower at the address set forth in Article XIII, or such other address of the Borrower that may from time to time be shown on Boyce's records, at least five (5) days' prior to such sale, disposition or other action, shall constitute reasonable notice to the Borrower. The Borrower shall pay on demand all costs and expenses, including, without limitation, attorneys' fees and expenses, incurred by or on behalf of Boyce in preparing for sale or other disposition, selling, managing, collecting or otherwise disposing of, the Collateral. All of such costs and expenses (the "Liquidation Costs") together with interest thereon from the date incurred until paid in full at the Default Rate, shall be paid by the Borrower to Boyce on demand and shall constitute and become a part of the Obligations. Any proceeds of sale or other disposition of the Collateral will be applied by Boyce to the payment of the Liquidation Costs, and any balance of such proceeds will be applied by Boyce to the payment of the balance of the Obligations in such order and manner of application as Boyce may from time to time in its sole discretion determine. After such application of the proceeds, any surplus shall be paid to the Borrower or to any other party entitled thereto, and the Borrower shall be and remain liable to Boyce in the event any deficiency remains.

Section 9.5. Right to Purchase Collateral. At any sale pursuant to this Article, Boyce or its agent may, to the extent permitted by applicable law, bid for and, if Boyce is the highest bidder, purchase the Collateral offered for sale, may credit the unpaid balance of the Obligations against the purchase price and, upon compliance in full with the terms of such sale, may hold, retain and dispose of such property without further accountability therefor to the Borrower or any other party.

Section 9.6. Waiver by Borrower. To the fullest extent that it may lawfully so agree, the Borrower shall not at any time insist upon, claim, plead, or take any benefit or advantage of, any appraisal, valuation, stay, extension, moratorium, redemption or any similar law now or hereafter in force in order to prevent, delay or hinder the enforcement of this Agreement or the absolute sale of any part or all of the Collateral or the possession thereof by any purchaser at any sale pursuant to this Article. The Borrower, for itself and all who may claim by, through or under it, as far as it or they now or hereafter lawfully may so do, hereby waives the benefit of all such laws and all right to have the Collateral marshalled upon any foreclosure hereof, and agrees that any court having jurisdiction to foreclose under this Agreement may order the sale of the Collateral as any entirety or in lots.

Section 9.7. Disclosures. Boyce may disclose to, and exchange and discuss with, any other person or entity (Boyce and each such other person or entity being hereby irrevocably authorized to do so) any information concerning the Borrower (whether received by Boyce or such person or entity in connection with or pursuant to this Agreement or otherwise) for the purpose of protecting, preserving, exercising or enforcing any rights hereunder or under any of the other Loan Documents, or consulting with respect to any such rights or any rights of the Borrower, and Boyce may disclose to any person or entity any such information as may be required by applicable law or in accordance with Boyce's normal procedures.

Section 9.8. Cumulative Rights. Each right, power and remedy herein specifically granted to Boyce or otherwise available to it shall be cumulative, and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or otherwise. Each right, power and remedy, whether specifically granted herein or otherwise existing, may be exercised, at any time and from time to time, as often and in such order as may be deemed expedient by Boyce in its sole and complete discretion. The exercise or commencement of exercise of any right, power or remedy shall not be construed as a waiver of the right to exercise, at the same time or thereafter, the same or any other right, power or remedy. No delay or omission by Boyce in exercising any such right or power, or in pursuing any such remedy, shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Borrower or an acquiescence therein. No waiver by Boyce of any breach or default of or by the Borrower under this Agreement shall be deemed to be a waiver of any other or similar, previous or subsequent breach or default.

ARTICLE X

RETURN OF RAILCARS UPON DEFAULT

Section 10.1. Borrower's Duty to Return. If, following the occurrence of an Event of Default, Boyce requests the Borrower to assemble and return all Railcars to it, the Borrower shall forthwith deliver, or cause any lessee or any permitted sublessee (as the case may be) to deliver, possession of the Railcars to Boyce. For the purpose of delivering possession of the Railcars to Boyce as above required, the Borrower shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Railcar or Railcars have been interchanged to return the Railcar or Railcars so interchanged) place such Railcars upon such storage tracks in the continental United States of America as Boyce reasonably may designate, or, in the absence of such designation, as the Borrower may select;

(b) permit Boyce to store such Railcars on such tracks at the risk of the Borrower until such Railcars have been sold, leased or otherwise disposed of by Boyce (but in no event shall the Borrower have any obligation to store the Railcars on tracks owned by it (as opposed to tracks owned by others over which it has trackage or other operating rights) for longer than 180 days) and during such period of storage, the Borrower shall continue to maintain all insurance required by Section 4.1 and shall otherwise satisfy its obligations under Article I hereof; provided, further, that the Borrower shall be and continue to remain liable for the costs of storing and insuring the Railcars, notwithstanding the removal thereof from the Borrower's storage tracks at the end of said 180-day period, until such Railcars are disposed of by Boyce; and

(c) cause any or all of the Railcars to be moved to such interchange point or points in the continental United States of America as shall be designated by Boyce upon any sale, lease or other disposal of such Railcars.

Section 10.2. Specific Performance. The assembling, delivery, storage and transporting of the Railcars as hereinbefore provided shall be at the expense and risk of the Borrower and are of the essence of this Agreement, and upon application to any court of equity having jurisdiction in the premises Boyce shall be entitled to a decree against the Borrower requiring specific performance of the covenants of the Borrower so to assemble, deliver, store and transport the Railcars. During any storage period, the Borrower will permit Boyce or any person or entity designated by it, including the authorized representative or representatives of any prospective

purchaser of any such Railcar, to inspect the same; provided, however, that the Borrower shall not be liable, except in the case of negligence of the Borrower or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of Boyce or any prospective purchaser, the rights of inspection granted under this sentence.

Section 10.3. Boyce Appointed Borrower's Agent. Without in any way limiting the obligation of the Borrower under the foregoing provisions of this Article, the Borrower hereby irrevocably appoints Boyce as the agent and attorney of the Borrower, with full power and authority (which power is coupled with an interest), at any time while the Borrower is obligated to deliver possession of any Railcar to Boyce, to demand and take possession of such Railcar in the name and on behalf of the Borrower from whosoever shall be at the time in possession of such Railcar.

ARTICLE XI

OTHER RIGHTS AND OBLIGATIONS

Section 11.1. Borrower Remains Liable. Anything herein to the contrary notwithstanding, (a) Borrower shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by Boyce of any of the rights hereunder shall not release Borrower from any of its duties or obligations under the contracts and agreements included in the Collateral, and (c) Boyce shall not have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement, nor shall Boyce be obligated to perform any of the obligations or duties of Borrower thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

Section 11.2. Boyce May Perform. If Borrower fails to perform (i) any agreement contained herein or in any Lease or (ii) any obligation Borrower may perform for a lessee under a Lease, Boyce may itself perform, or cause performance thereof (but Boyce shall have no obligation to perform or cause performance thereof), and the expenses of Boyce incurred in connection therewith shall be payable by Borrower under Section 13.5.

Section 11.3. Boyce's Duties. The power conferred on Boyce hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, Boyce shall have no duty as to any Collateral or as to the taking of any

necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

ARTICLE XII

CONTINUING SECURITY INTEREST; TRANSFER OF NOTE

Section 12.1. Continuing Security Interest; Transfer of Note. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full in cash of the Obligations, (ii) be binding upon Borrower, its successors and assigns and (iii) inure to the benefit of Boyce and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), Boyce may assign or otherwise transfer the Note held by it to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to Boyce herein or otherwise. Upon the payment in full of the Obligations, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to Borrower. Upon any such termination, Boyce will, at Borrower's expense, execute and deliver to Borrower such documents as Borrower shall reasonably request to evidence such termination.

ARTICLE XIII

MISCELLANEOUS

Section 13.1. Indemnity for Misrepresentations or Breaches of Covenants. The Borrower hereby further covenants and agrees with Boyce that in any suit, proceeding or action brought or taken by Boyce under any Loan Document, the Borrower will save, indemnify and keep Boyce harmless from and against all losses, damages, liabilities and expenses (including legal fees and expenses) suffered by Boyce as a result of any misrepresentation or any breach by the Borrower of any of its obligations hereunder.

Section 13.2. Liability of Boyce. The Borrower hereby agrees that Boyce shall not be chargeable for any negligence, mistake, act or omission of any accountant, examiner, agency or attorney contracted for by Boyce in making examinations or investigations, or otherwise in perfecting, maintaining, protecting or realizing upon any security for the Obligations; provided, however, Boyce shall be liable for such negligence, mistake, act or omission if Boyce was grossly negligent in engaging such accountant, examiner, agency or attorney on its behalf and relating to the Borrower.

Section 13.3. Notices. All notices and other communications under this Agreement and the other Loan Documents, shall (a) be in

writing (which shall include communications by facsimile), (b) be (i) sent by certified mail, postage prepaid, return-receipt requested, (ii) sent by prepaid facsimile, or (iii) delivered by hand, and (c) be given at the following respective addresses and/or facsimile numbers:

(i) if to the Borrower, at:

St. Louis Car Company
222 South Central, Suite 800
Clayton, Missouri 63105

(ii) if to Boyce, at:

Edmund J. Boyce, Jr.
222 South Central, Suite 800
Clayton, Missouri 63105

or at such other address, or facsimile number as Boyce or the Borrower may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address". Such notices and communications shall be effective or deemed delivered or furnished (i) if given by mail, on the third (3rd) Business Day after such communication is deposited in the U.S. mail, addressed as above provided, (ii) if given by facsimile, when such communication is transmitted to the appropriate number and the appropriate answer-back is received or receipt is otherwise acknowledged, and (iii) if give by hand delivery, when left at the address of the addressee addressed as above provided.

Section 13.4. Expenses. The Borrower will, on demand:

(a) pay or reimburse Boyce for all reasonable out-of-pocket costs and expenses, including legal fees and disbursements and fees and disbursements of other experts, incurred by Boyce in connection with (i) the preparation, execution and delivery of this Agreement, the Note, and any amendment, modification or waiver hereof or thereof hereunder, (ii) the protection, preservation, exercise or enforcement of any of its rights hereunder, under the other Loan Documents, or any other document issued pursuant thereto or in connection therewith, and (iii) the defense of any claim referred to in clause (b)(i) below; and

(b) pay, and indemnify and hold Boyce harmless from and against (i) any losses in connection with any claim in any way arising out of, related to or connected with, this Agreement, the Note, any other Loan Documents, or any Lease, including, without limitation, any losses suffered by reason of any defense, setoff, counterclaim or recoupment by any lessee or its successors under any Lease (except, in the case of any claim brought by the Borrower or a lessee, to the extent such claim results in a final judgment in favor

of the Borrower or such lessee that Boyce had acted in bad faith) and (ii) all transfer, documentary stamp and similar taxes, and recording and filing fees, payable in respect to this Agreement and the other Loan Documents. The Borrower's obligations under this Section shall survive the repayment in full of the Obligations.

Section 13.5. Waivers; Amendments. Any term, covenant, agreement or condition of this Agreement or any of the other Loan Documents may be amended or waived, and any departure therefrom may be consented to, if, but only if, such amendment, wavier or consent is in writing and is signed by Boyce and, in the case of each amendment, is signed by the Borrower. Unless otherwise specified in such waiver or consent, a waiver or consent given hereunder shall be effective only in the specific instance and for the specific purpose for which given.

Section 13.6. Binding Agreement; Assignment. All the provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successor and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement, and no such assignment or transfer of any such obligation shall relieve the Borrower thereof unless Boyce shall have consented to such release in a writing specifically referring to the obligation from which the Borrower is to be released.

Section 13.7. Severability of Provisions. Any provision of this Agreement or any of the other Loan Documents which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction. To the extent permitted by applicable law, the Borrower hereby waives any provision of law which renders any provision hereof or thereof prohibited or unenforceable in any respect.

Section 13.8. Number; Gender. Whenever used herein, the singular number shall include the plural, the plural shall include the singular, and the use of the masculine, feminine or neuter gender shall include all genders.

Section 13.9. Headings. The headings in this Agreement are for convenience only and shall not limit or otherwise affect any of the terms hereof.

Section 13.10. Counterparts. This Agreement and each of the other Loan Documents may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and shall be binding upon all parties, their successors and assigns.

Section 13.11. Survival of Agreement. All covenants, agreements, representations and warranties made by the Borrower herein and in the other Loan Documents and in any other certificates, instruments or documents delivered pursuant hereto shall survive the making by Boyce of the loans evidenced by the Note and the execution and delivery of the Note, and shall continue in full force and effect so long as any of the Obligations are outstanding and unpaid.

Section 13.12. Entire Agreement. This Agreement and the other Loan Documents embody the entire agreement between the parties hereto and supersede all prior agreements, representations and understandings, if any, relating to the subject matter hereof.

Section 13.13. Governing Law; Terms. This Agreement shall be governed by and construed in accordance with the internal substantive laws of the State of Missouri.

IN WITNESS WHEREOF, Borrower and Boyce have caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WITNESS:

ST. LOUIS CAR COMPANY

By: _____ (SEAL)
Name: Edmund J. Boyce Jr
Title: Chairman

WITNESS:

Edmund J. Boyce, Jr.

KC-143493

STATE OF Missouri)
) SS:
COUNTY OF St Louis)

On this 28 day of March, 1996, before me, a Notary Public of the County and State aforesaid, personally appeared Edmund J. Boyce, to me personally known, who being by me duly sworn, says that he is the Chairman of ST. LOUIS CAR COMPANY, a Missouri 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal

Kay M. Baker
Notary Public

My commission expires: 11/2/98

KAY M. BAKER
Notary Public – Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: Nov. 2, 1998

STATE OF Missouri)
) SS:
COUNTY OF St. Louis)

On this 28 day of March, 1996, before me, a Notary Public of the County and State aforesaid, personally appeared EDMUND J. BOYCE, JR., to me personally known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

AS WITNESS my hand and notarial seal

Kay M. Baker
Notary Public

My commission expires: 11/2/98

KAY M. BAKER
Notary Public – Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: Nov. 2, 1998

KC-143493

Schedule 1

70 Foot Baggage Car with Floor Plan 75 5814 Lot 4896, Union Pacific 5715 ACF 1957, Amtrak Car #800391, named Charrette Creek;

85 Foot Pullman Standard 44 Seat Coach Car, Floor Plan 7617 Lot 6844, Union Pacific 5428, DOM 1950 AKA Alaska Railroad Car 5428, #800152, named Cuivre River;

Ex-ARR #5013, St. Louis Car Company Built 1959, Lot 1806 as 8 Seat Lunch Counter, 24 Seat Diner, 16 Seat Lounge, #800610, named SLCC Osage River;

Alaska Coach #5403, Ex-U.P. Coach 5403, Pullman Built 1950, to be named Missouri River;

1954 Ex-Union Pacific Dome Coach, 7004/7008, Make; American Car and Foundry, #800200 named Mark Twain Lake.

EMD (General Motors) SW8 Switcher United States Army #2024, four axle, 800 horsepower diesel, to be numbered SLCC 2;

EMD (General Motors) F7A Road Passenger Locomotive formerly MARC Unit #81, Ex Baltimore & Ohio #937, 2500 horsepower, remanufactured by Morrisson-Knutsen 1980-1981, Original Build Dates 1/52 S#15909, to be renumbered SLCC #102;

EMD (General Motors) F7A Road Passenger Locomotive formerly MARC Unit #85, Ex Baltimore & Ohio #947. 2500 horsepower, remanufactured by Morrisson-Knutsen 1980-1981. Original build dates 8/52 S#16642 to be renumbered SLCC #101;

Amtrak #1630. Baggage-Dorm built 1950's by St. Louis Car Co. To be named Current River.