RECORDATION NO. 25534 FILED

APR 0 5 '05 11-31 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

April 5, 2005

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Railroad Equipment Security Agreement, dated April 4, 2005, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Secured Party:	Wachovia Capital Finance Corporation (Central), f/k/a/ Congress Financial Corporation (Central) as Agent 150 South Wacker Drive Chicago, Illinois 60606
Debtor:	Electro-Motive International Corporation c/o Electro-Motive Diesel, Inc. 9310 West 55th Street LaGrange, Illinois 60525-3211

A description of the railroad equipment covered by the enclosed document is:

All now owned and hereafter acquired locomotives and other rolling stock of the Debtor.

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

Railroad Equipment Security Agreement.

Also enclosed is a check in the amount of $32.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/anm
Enclosures

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SURFACE TRANSPORTATION BOARD

[Execution]

RAILROAD EQUIPMENT SECURITY AGREEMENT

THIS RAILROAD EQUIPMENT SECURITY AGREEMENT ("Security Agreement"), dated April 4, 2005, is by and between ELECTRO-MOTIVE INTERNATIONAL CORPORATION, a Delaware corporation ("Debtor"), and WACHOVIA CAPITAL FINANCE CORPORATION (CENTRAL) formerly known as CONGRESS FINANCIAL CORPORATION (CENTRAL), an Illinois corporation, in its capacity as agent (in such capacity, together with its successors and assigns, "Secured Party"), pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the parties thereto as lenders (each individually, a "Lender" and collectively, "Lenders").

WITNESSETH:

WHEREAS, Debtor manufactures, produces and assembles locomotives and sells and distributes such locomotives and related parts and accessories;

WHEREAS, Debtor, certain affiliates of Debtor, Secured Party and Lenders have entered into or are about to enter into financing arrangements pursuant to which Secured Party and Lenders may make loans and advances and provide other financial accommodations to Debtor and certain of its affiliates as set forth in the Loan and Security Agreement, dated of even date herewith, by and among Debtor, certain affiliates of Debtor, Secured Party and Lenders (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and the other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, this Security Agreement (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"); and

WHEREAS, in order to induce Secured Party and Lenders to enter into the Loan Agreement and the other Financing Agreements and to make loans and advances and provide other financial accommodations to Debtor and certain of its affiliates pursuant thereto, Debtor has agreed to grant to Secured Party certain collateral security as set forth herein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby agrees as follows:

1. Grant Of Security Interest.

(a) As collateral security for the prompt performance, observance and indefeasible payment in full of all of the Obligations (as hereinafter defined), Debtor hereby grants to Secured Party a continuing security interest in and a general lien upon, and a collateral assignment of, the following (collectively, the "Collateral"):

(i) all now owned and hereafter existing or acquired locomotives and other rolling stock and railway equipment of Debtor and related accessories, including superstructures and racks (in each case whether constituting equipment or inventory as such terms are defined in the applicable Uniform Commercial Code), and including but not limited to: (A) locomotives, engines, motors, alternators, generators, assembled underframes, fuel tanks, electrical cabinets or lockers, cabs, traction motors, hoods, longhoods, car body structures, equipment racks, railing, lights, horns, cabin interiors, doors, windows, cores, axles, wheels, trucks, bogies, gears, turbochargers, kitting, power assemblies, electronic control systems and service parts for locomotives, and (B) the locomotive and engine models described on Exhibit A hereto;

(ii) all products and proceeds of the foregoing, in any form, including insurance proceeds and all claims against third parties for loss or damage to or destruction of or other involuntary conversion of any kind or nature of any or all of the other Collateral;

(iii)all leases or similar arrangements with respect to any of the locomotives described herein or any of the other Collateral.

(b) As contemplated in 49 CFR 1177.3, included in the property covered by this Security Agreement are locomotives and other rolling stock as described above intended for use related to interstate commerce, or interests therein, owned by Debtor at the date of this Security Agreement or hereafter acquired by it or its successors as owners of such assets.

2. Nothing contained herein shall be construed to limit the grant by Debtor of a security interest in or lien upon any of its assets in any of the other Financing Agreements and all representations, warranties and covenants with respect to the Collateral subject to this Security Agreement in the other Financing Agreements shall apply thereto and not be limited or otherwise affected by the terms hereof.

3. Obligations Secured. The security interest, lien and other interests granted to Secured Party pursuant to this Agreement shall secure the prompt performance, observance and payment in full of any and all obligations, liabilities and indebtedness of every kind, nature and description owing by Debtor to Secured Party, any Lender or their respective affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under this Agreement, the Loan Agreement or the other Financing Agreements, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Loan Agreement or after the commencement of any case with respect to Debtor under the United States Bankruptcy Code or any similar statute (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the commencement of such case whether or not such amounts are allowed or allowable in whole or in part in such case and including loans, interest, fees, charges and expenses related thereto and all other obligations of Debtor to Secured Party or any Lender arising after the commencement of such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by Secured Party or any Lender (all of the foregoing being collectively referred to herein as the "Obligations").

4. Representations, Warranties And Covenants. Debtor hereby represents, warrants and covenants with and to Secured Party and Lenders the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding):

(a) Debtor shall use and maintain the Collateral in compliance with all laws, government regulations and standards of the Association of American Railroads and any other national organization applicable to the use, maintenance and interchange of the Collateral, and shall at its own expense make such alterations to the Collateral as may be required from time to time to maintain such compliance.

(b) Debtor shall, at Debtor's expense, promptly perform all acts and execute all documents requested in writing at any time by Secured Party in good faith to evidence, perfect, maintain, record or enforce the security interest in and collateral assignment of the Collateral granted hereunder or to otherwise further the provisions of this Security Agreement. Debtor hereby authorizes Secured Party to execute and file one or more financing statements (or similar documents) and to file or record appropriate evidence of this Security Agreement, any assignments hereof and amendments hereto pursuant to Section 11301 of Tile 49 of the United States Code as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all rules, regulations and interpretations thereunder or related thereto and of any agreements of Debtor with any third party that relates to the Collateral.

(c) As of the date hereof, Debtor does not have any Collateral in the possession of any third party.

(d) All replacement parts installed in maintaining any of the Collateral or improvements or modifications thereto, will be considered accessions and will, upon installation, automatically be subject to the security interest of Secured Party.

(e) Secured Party may, in its discretion, pay any amount or do any act which Debtor fails to pay or do as required in order to make any filing required under Section 11301 of Tile 49 of the United States Code as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all rules, regulations and interpretations thereunder or related thereto, or to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral or the security interest and collateral assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, attorneys' fees and legal expenses. Debtor shall be liable to Secured Party for any such payment, which payment shall be deemed an advance by Secured Party to Debtor, shall be payable on demand together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

(f) As of the date hereof no reporting marks have been assigned to Debtor by the Association of American Railroads or are being used by Debtor. In the event that such reporting marks are assigned to Debtor or are being used by Debtor, Debtor shall promptly advise Secured Party. To the extent that any Collateral is to be operated by Debtor or leased or otherwise allowed to be used by any other person, Debtor shall use the reporting marks and identification numbers for the applicable units as are disclosed to Secured Party and such other markings as

from time to time may be required by law or deemed necessary by Secured Party to protect the interests of Secured Party in the Collateral.

(g) Debtor shall notify Secured Party immediately if it knows or has reason to know of any reason why any filing, registration, or recording with respect to the Collateral may become abandoned, canceled, invalidated, avoided or avoidable.

(h) Debtor assumes all responsibility and liability arising from the use of the Collateral by any party other than Secured Party and Debtor hereby indemnifies and holds Secured Party and Lenders harmless from and against any claim, suit, loss, damage, or expense (including attorneys' fees and legal expenses) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Patent or out of the manufacture, promotion, labelling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof). The foregoing indemnity shall survive the payment of the Obligations, the termination of this Security Agreement and the termination or non-renewal of the Loan Agreement.

(i) Debtor shall promptly pay Secured Party for any and all expenditures made by Secured Party or any Lender pursuant to the provisions of this Security Agreement or for the defense, protection or enforcement of the Obligations, the Collateral, or the security interests and collateral assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and attorneys' fees and legal expenses. Such expenditures shall be payable on demand, together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

5. Rights And Remedies. At any time an Event of Default exists or has occurred and is continuing, in addition to all other rights and remedies of Secured Party or any Lender, whether provided under this Agreement, the Loan Agreement, the other Financing Agreements, applicable law or otherwise, Secured Party shall have the rights and remedies set forth in the other Financing Agreements. Nothing contained herein shall be construed as requiring Secured Party or any Lender to take any such action at any time. All of Secured Party's and Lenders' rights and remedies, whether provided under, this Agreement, the other Financing Agreements, applicable law or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

6. Jury Trial Waiver; Other Waivers And Consents; Governing Law.

(a) The validity, interpretation and enforcement of this Agreement and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York, but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

(b) Debtor and Secured Party irrevocably consent and submit to the non-exclusive jurisdiction of the Supreme Court of New York County, New York and the United States District Court for the Southern District of New York, whichever Secured Part may elect, and waive any objection based on venue or forum non conveniens with respect to any action instituted therein

arising under this Agreement or in any way connected or related or incidental to the dealings of Debtor and Secured Party or any Lender in respect of this Agreement or the transactions related hereto, in each case whether now existing or thereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Secured Party shall have the right to bring any action or proceeding against Debtor or its property in the courts of any other jurisdiction which Secured Party deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Debtor or its property).

(c) Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Secured Party's option, by service upon Debtor in any other manner provided under the rules of any such courts. Within forty-five (45) days after such service, Debtor shall appear in answer to such process, failing which Debtor shall be deemed in default and judgment may be entered by Secured Party against Debtor for the amount of the claim and other relief requested.

(d) DEBTOR AND SECURED PARTY EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF DEBTOR AND SECURED PARTY OR ANY LENDER IN RESPECT OF THIS AGREEMENT OR THE TRANSACTIONS RELATED HERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTOR AND SECURED PARTY EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT DEBTOR OR SECURED PARTY MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF DEBTOR AND SECURED PARTY TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Secured Party and Lenders shall not have any liability to Debtor (whether in tort, contract, equity or otherwise) for losses suffered by Debtor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Secured Party or such Lender that the losses were the result of acts or omissions constituting gross negligence or willful misconduct.

7. MISCELLANEOUS.

(a) All notices, requests and demands hereunder shall be in writing and deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day,

one (1) business day after sending; and if by certified mail, return receipt requested, five (5) days after mailing. All notices, requests and demands upon the parties are to be given to the following addresses (or to such other address as any party may designate by notice in accordance with this Section):

If to Debtor:	Electro-Motive International Corporation c/o Electro-Motive Diesel, Inc. 9301 W. 55th Street La Grange, Illinois 60525-3211 Attention: General Counsel Telephone No.: 708-387-6208 Telecopy No.: 708-387-6501
with a copy to:	Ropes & Gray LLP One International Place Boston, Massachusetts 02110-2624 Attention: Philip J. Smith, Esq. Telephone No.: (617) 951-7000 Telecopy No.: (617) 951-7050
If to Secured Party:	Wachovia Capital Finance Corporation (Central), as Agent 150 South Wacker Driver, Suite 2200 Chicago, Illinois 60606-4202 Attention: Portfolio Manager Telephone No.: 312-332-0420 Telecopy No.: 312-332-0424

(b) All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Debtor, Secured Party and any Lender pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof," "herein," "hereunder," "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with the Loan Agreement. All references to the term "Person" or "person" herein shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock company, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof. Unless otherwise defined herein, capitalized terms used herein and not defined herein shall have the meaning given to such term in the Loan Agreement.

(c) This Security Agreement and any other document referred to herein shall be binding upon Debtor and its successors and assigns and inure to the benefit of and be enforceable by Secured Party and Lenders and their respective successors and assigns.

(d) If any provision of this Security Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

(e) Neither this Security Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Secured Party. Secured Party and Lenders shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Secured Party. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Secured Party or any Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Secured Party or such Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

(f) This Security Agreement (i) may be executed in separate counterparts, each of which taken together shall constitute one and the same instrument and (ii) may be executed and delivered by telecopier with the same force and effect as if it were as a manually executed and delivered counterpart.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Debtor and Secured Party have executed this Security Agreement as of the day and year first above written.

ELECTRO-MOTIVE INTERNATIONAL CORPORATION

By: _____

Title: _____

WACHOVIA CAPITAL FINANCE CORPORATION (CENTRAL) formerly known as CONGRESS FINANCIAL CORPORATION (CENTRAL), as Agent

By: _____

Title: _____

IN WITNESS WHEREOF, Debtor and Secured Party have executed this Security Agreement as of the day and year first above written.

ELECTRO-MOTIVE INTERNATIONAL CORPORATION

By:_____

Title: _____

WACHOVIA CAPITAL FINANCE CORPORATION (CENTRAL) formerly known as CONGRESS FINANCIAL CORPORATION (CENTRAL), as Agent

By:_____

Title: Director

STATE OF ILLINOIS)
) ss.:
COUNTY OF COOK)

On the 4th day of April, 2005, before me personally came Thomas W. Rissmann, to me personally known, who being by me duly sworn, did depose, acknowledge and say that (s)he is the Vice President of ELECTRO-MOTIVE INTERNATIONAL CORPORATION, the corporation which executed the foregoing instrument, 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 (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Brenda D. Wilson
Notary Public

My commission expires: 01/19/2005

"OFFICIAL SEAL"
Brenda D. Wilson
Notary Public, State of Illinois
My Commission Exp. 01/19/2009

STATE OF Illinois)
) ss.:
COUNTY OF Cook)

On the 4th day of April, 2005, before me personally came Richard A. Dickard, to me personally known, who being by me duly sworn, did depose, acknowledge and say that (s)he is the Director of WACHOVIA CAPITAL FINANCE CORPORATION (CENTRAL), the corporation which executed the foregoing instrument, 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 (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

OFFICIAL SEAL
MARK B DUNNE
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES:04/04/05

Mark B Dunne
Notary Public

My commission expires: 4/4/06

EXHIBIT A
TO
RAILROAD EQUIPMENT SECURITY AGREEMENT

Locomotive Engine Family	Engine Models	Locomotive Models
1. 5GMXG0710ES1 (New Engine)	16-710G3B-T2	SD70ACe SD70M-2
	16-710G3C-T2	SD70ACe SD70M-2
2. 5GMXK0645EAL (Remanufacturing Kit)	8-645E	SW1000 SW1001
	12-645E	SW1500 MP15 MP15DC MP15AC GP15-1 GP15-2
	16-645E	GP38-2 SD38-2
3. 5GMXK0645EBL (Remanufacturing Kit)	8-645E	SW1000 SW1001
	12-645E	SW1500 MP15 MP15DC MP15AC GP15-1 GP15-2
	16-645E	GP38-2 SD38-2
4. 5GMXK0645EFT (Remanufacturing Kit)	8-645E3C	GP15T MP15T
	12-645E3	GP39-2
	12-645E3B	GP39-2
	12-645E3C	GP39-2
	16-645E3	GP40-2

		GP40P-2 SD40-2 SD40T-2 SD40F SDP40F
	16-645E3A	F40C F40PH
	16-645E3B	GP40-2 SD40-2 F40PH-2 F40PHM-2
	16-645E3C	GP40-2 SD40-2 F40PH-2
	16-645F3	GP40X SD40X
	16-645F3B	GP50 SD50
	20-645E3	SD45-2 SD45T-2
5. 5GMXK0645ESW (Remanufacturing Kit)	8-645E	SW1000 SW1001
	12-645E	SW1500 MP15 MP15DC MP15AC GP15-1 GP15-2
	16-645E	GP38-2 SD38-2

6. 5GMXK0710EJ0 (Remanufacturing Kit)	16-710G3B-EC	SD70 SD70I SD70M SD70IAC SD70MAC
	16-710G3C-EC	SD70 SD70I SD70MAC SD75I SD75M
7. 5GMXK0710ES1 (Remanufacturing Kit)	16-710G3B-ES	SD70MAC SD70IAC
	16-710G3C-ES	SD70MAC SD70IAC
8. 5GMXK0710ES2 (Remanufacturing Kit)	16-710G3C-ES	SD90MAC/43
	20-710G3B-ES	SD80MAC
9. 5GMXK0710MJ0 (Remanufacturing Kit)	16-710G3A	GP60 SD60I
	16-710G3B	SD70M SD70MAC
10. 5GMXK0710MJA (Remanufacturing Kit)	12-710G3A	GP59
	16-710G3A	SD60M GP60M SD60 GP60 GP60B SD60I
11. 5GMXK16.5ES2 (Remanufacturing Kit)	GM16V265H	SD90MAC

12. 5GMXM06459E2 (Marine Diesel Engine Family)	L/R8-645E L/R12-645 L/R16-645 L/R20-645 L/R8-645F L/R12-645 L/R16-645 L/R20-645 L/R8-710G L/R12-710 L/R16-710 L/R20-710	N/A
13. 5GMXM06459E3 (Marine Diesel Engine Family)	L/R8-645E L/R12-645 L/R16-645 L/R20-645 L/R8-645F L/R12-645 L/R16-645 L/R20-645 L/R8-710G L/R12-710 L/R16-710 L/R20-710	N/A

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 4/5/05

Robert W. Alvord