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BOX 334

THIS DOCUMENT PREPARED BY AND AFTER RECORDING SHOULD BE RETURNED TO:
KATTEN MICHIM & ZAVIS
525 West Monroe Street, Suite 1600
Chicago, Illinois 60606
Attention: Stuart P. Shulruff, Esq.

D. Concurrently herewith, Lender has agreed to extend a loan in the amount of up to \$23,000,000 to Borrower consisting of a term loan in the amount of \$20,500,000 (the "Term Loan") and a capital expenditure loan in the amount of up to \$2,000,000 (the "Capital Expenditure Loan" and, collectively with the Term Loan and the \$1,500,000 loan by Citibank Canada to ABC Rail Limited hereinafter referred to, the "Loan"). The proceeds of the Term

C. Borrower has executed a Mortgage dated as of August 1, 1989 and recorded in the Office of the Recorder of Cook County, Illinois on August 4, 1989 as Document No. 89-359756. "Subordinating Party's Mortgage" in favor of Subordinating Party encumbering the real property described in Exhibit "A" attached hereto and made a part hereof (the "Property") in order to secure the payment and performance of the "Liabilities" (as defined by Subordinating Party's Loan Agreement):

B. First Chicago Canada has heretofore extended a loan in the amount of up to \$2,500,000 (CAN) to ABC RAIL LIMITED, an Ontario corporation ("ABC Limited") pursuant to the terms and provisions of that certain Loan and Security Agreement dated August 1, 1989 by and between First Chicago Canada and ABC Limited, as amended by Amendment No. 1 thereto dated of even date herewith (said agreement, as amended, is hereinafter referred to as "First Chicago Canada Loan Agreement" and, collectively with First Chicago U.S. Loan Agreement, "Subordinating Party's Loan Agreement"), which loan is evidenced by that certain Revolving Loan Note in the original principal amount of \$2,500,000 (CAN) ("First Chicago Canada Note" and, collectively with First Chicago U.S. Note, "Subordinating Party's Note");

A. First Chicago U.S. has heretofore extended a loan in the amount of up to \$28,000,000 to ABC RAIL CORPORATION, a Delaware corporation (hereinafter referred to as "Borrower") pursuant to the terms and provisions of that certain Second Restated and Amended Loan and Security Agreement dated August 1, 1989 by and between First Chicago U.S. and Borrower, as amended by Amendment No. 1 thereto dated of even date herewith (said agreement, as amended, is hereinafter referred to as "First Chicago U.S. Loan Agreement"), which loan is evidenced by that certain Restated and Amended Revolving Loan Note in the original principal amount of up to \$28,000,000 ("First Chicago U.S. Note") executed by Borrower.

THIS SUBORDINATION AGREEMENT (the "Agreement") is made as of the 15th day of September, 1989, by THE FIRST NATIONAL BANK OF CHICAGO, a national banking association ("First Chicago U.S.") and The First National Bank of Chicago (Canada) ("First Chicago Canada" and collectively with First Chicago U.S., the "Subordinating Party"), having an office at One First National Plaza, Chicago, Illinois 60670, in favor of CITICORP NORTH AMERICA, INC., a Delaware corporation (hereinafter referred to as "Lender"), having an office at 601 Midland Avenue, Rye, New York and also having an office at 560 Sylvan Avenue, Englewood Cliffs, New Jersey 07632, and with reference to the following:

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SUBORDINATION AGREEMENT
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Loan will be disbursed simultaneously with the execution of this Agreement. The proceeds of the Capital Expenditure Loan may be disbursed from time to time for a period of up to two (2) years from and after the date hereof;

E. The Term Loan is evidenced by a Secured Promissory Note in the original principal amount of \$21,000,000 (the "Term Note") and the Capital Expenditure Loan is evidenced by a Secured Promissory Note in the amount of \$2,000,000 (the "Capital Expenditure Note"), each dated of even date herewith and executed and delivered by Borrower to Lender;

F. Payment of "Lender's Notes" (as hereinafter defined) and performance of Borrower's obligations under that certain Loan Agreement of even date herewith by and between Lender and Borrower are secured by, among other things, a Mortgage and Security Agreement ("Lender's Mortgage") of even date herewith in favor of lender encumbering the Property which is to be recorded concurrently with the recordation of this Agreement;

G. Lender's Mortgage also secures the payment of all amounts due under that certain Secured Promissory Note of even date herewith in the original principal amount of \$1,000,000.00 executed by ABC Limited in favor of Citibank Canada (said note and the Term Note and Capital Expenditure Note and any instruments issued in substitution or exchange therefore, as any of the foregoing may be amended, extended, modified or supplemented from time to time hereafter, are hereinafter collectively called "Lender's Notes") and the performance of all obligations under that certain Loan Agreement of even date herewith by and between ABC Limited and Citibank Canada;

H. It is a condition precedent to obtaining the Loan from Lender that, and Lender is willing to make the Loan provided that, subject to the terms and provisions of that certain Intercreditor Agreement of even date herewith by and among Lender, Subordinating Party and Citibank Canada (the "Intercreditor Agreement") Lender's Mortgage shall unconditionally be and remain at all times a lien or charge upon the Property which is prior and superior to the lien or charge of Subordinating Party's Mortgage.

NOW, THEREFORE, in consideration of Lender's making the Loan, and in consideration of the mutual promises and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce Lender to make the Loan to Borrower, the parties to this Agreement do hereby agree as follows:

1. Subject to the terms and conditions of the Intercreditor Agreement, Lender's Mortgage and any and all renewals or extensions thereof, and any and all disbursements made by Lender to or for the account or benefit of Borrower the repayment of which is secured thereunder, shall unconditionally be and remain at all times a lien or charge against the Property that is prior and superior to the lien or charge of Subordinating Party's Mortgage, to the same extent and purpose as though Subordinating Party's Mortgage had been executed and recorded subsequent to the recording of Lender's Mortgage and the making of each disbursement or advance made by Lender to Borrower the repayment of which is secured by Lender's Mortgage, regardless of whether Borrower, at the time of any such disbursement or advance, may have been in default under the Loan Agreement, Lender's Note,

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Lender's Mortgage, or any of the other documents and instruments evidencing, securing, or pertaining to the Loan (collectively, the "Loan Documents").

2. Subject to the terms and provisions of the Intercreditor Agreement, if Lender or any other person or entity acquires title to all or any portions of the Property by foreclosure proceedings under, or, if applicable, exercise of the power of sale in, Lender's Mortgage, Subordinating Party's Mortgage shall, unless Lender otherwise elects in writing, be null and void and shall not constitute in any manner whatsoever a lien against the Property.

3. Lender's release of any security for the Loan, including without limitation the reconveyance of any portion(s) of the Property from the lien of Lender's Mortgage, shall not constitute a waiver or relinquishment of Subordinating Party's unconditional subordination of the lien or charge of Subordinating Party's Mortgage against the Property to the lien or charge of Lender's Mortgage and to the lien or charge of said mortgage or deed of trust.

4. Lender would not make the Loan to Borrower absent the execution of this Agreement by Subordinating Party.

5. If Lender makes additional loans to Borrower or increases the amount of the Loan, in each instance in accordance with the terms and conditions of the Intercreditor Agreement, Subordinating Party, upon the request of Lender, shall execute a new subordination agreement in recordable form, confirming Subordinating Party's subordination of the lien or charge of Subordinating Party's Mortgage against the Property to the lien or charge of Lender's Mortgage or to the lien or charge of any additional mortgages or deeds of trust covering the Property hereafter executed by Borrower for the benefit of Lender to secure such additional loans or increase in the Loan made in accordance with the terms and conditions set forth in the Intercreditor Agreement. Lender shall have the right to bring an action or actions for specific performance to require Subordinating Party to execute each such new subordination agreement. The execution of such new subordination agreement, however, shall not be a condition to the effectiveness of the subordination of the lien or charge of Subordinating Party's Mortgage against the Property to the lien or charge of Lender's Mortgage or to the lien or charge of the mortgages or deeds of trust securing said additional loans and/or additional financial accommodations as aforesaid, which subordination shall be automatic.

6. Except for the Intercreditor Agreement, this Agreement shall be the whole and only agreement with respect to the subordination of the lien or charge of Subordinating Party's Mortgage to the lien or charge of Lender's Mortgage and the lien or charge of any mortgage or deed of trust covering all or any portions of the Property hereafter executed by Borrower pursuant to Paragraph 5 hereof, and all disbursements and advances made thereunder, and shall supersede and cancel any prior agreements as to such subordination, including, without limitation, any provisions contained in Subordinating Party's Mortgage that provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

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7. It is understood by the parties to this Agreement that in no event shall the granting by Lender of its consent to the lien or charge of Subordinating Party's Mortgage against the Property be construed as a waiver of Lender's right to prohibit the creation of any further liens or charges against the Property, nor shall the granting of such consent be construed as a waiver of Borrower's obligation to obtain Lender's consent as a condition to creating any additional liens or charges against the Property in the future.

8. This Agreement shall be governed by the laws of the State of Illinois and shall be binding upon, and shall inure to the benefit of, the parties to this Agreement and their respective successors and assigns.

THE FIRST NATIONAL BANK OF
CHICAGO, a national banking
association

By: [Signature]
Name: JOHN H. [unclear]
Title: VICE PRESIDENT

Attest: [Signature]
Name: DAVID [unclear]
Title: VP

THE FIRST NATIONAL BANK OF
CHICAGO (CANADA)

By: _____
Name: _____
Title: _____

Attest: _____
Name: _____
Title: _____

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STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

I, Leticia Hernandez, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Joe Verna personally known to me to be the Vice President of First National Bank of Chicago, a national banking association, and David Wanders and personally known to me to be the Assistant Secretary of said bank, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Assistant Secretary, they signed and delivered the said instrument, pursuant to authority given by the Board of Directors of said bank, as their free and voluntary act, and as the free and voluntary act of said bank, for the uses and purposes there in set forth.

GIVEN under my hand and notarial seal this 15th day of September, 1989.

[Signature]
Notary Public

My Commission expires:

11/1/89

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

I, _____, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____ personally known to me to be the _____ President of First National Bank of Chicago (Canada), and _____ and personally known to me to be the _____ Secretary of said bank, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such _____ President and _____ Secretary, they signed and delivered the said instrument, pursuant to authority given by the Board of Directors of said bank, as their free and voluntary act, and as the free and voluntary act of said bank, for the uses and purposes there in set forth.

GIVEN under my hand and notarial seal this _____ day of _____, 1989.

Notary Public

My Commission expires:

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LEGAL DESCRIPTION

My Commission expires:

Notary Public

GIVEN under my hand and notarial seal this 15th day of September, 1989.

and purposes there in set forth. act, and as the free and voluntary act of said bank, for the use and purposes there in set forth. the Board of Directors of said bank, as their free and voluntary act, and delivered the said instrument, pursuant to authority given by that as such President and Secretary, they signed appeared before me this day in person and severally acknowledged persons whose names are subscribed to the foregoing instrument, Secretary of said bank, and personally known to me to be the same and personally known to me to be the President of First National Bank of Chicago (Canada), and for said County, in the State aforesaid, DO HEREBY CERTIFY that

STATE OF ILLINOIS)
COUNTY OF COOK)
SS

My Commission expires:

Notary Public

GIVEN under my hand and notarial seal this 15th day of September, 1989.

free and voluntary act, and as the free and voluntary act of said bank, for the use and purposes there in set forth. they signed and delivered the said instrument, pursuant to authority given by the Board of Directors of said bank, as their acknowledged that as such President and Secretary, they signed appeared before me this day in person and severally acknowledged persons whose names are subscribed to the foregoing instrument, Secretary of said bank, and personally known to me to be the same and personally known to me to be the President of First National Bank of Chicago, a national banking association, and personally known to me to be the Vice President for said County, in the State aforesaid, DO HEREBY CERTIFY that

STATE OF ILLINOIS)
COUNTY OF COOK)
SS

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7. It is understood by the parties to this Agreement that in no event shall the granting by Lender of its consent to the Lien or charge of Subordinating Party's Mortgage against the property be construed as a waiver of Lender's right to prohibit the creation of any further Liens or charges against the property, not shall the granting of such consent be construed as a waiver of Borrower's obligation to obtain Lender's consent as a condition to creating any additional Liens or charges against the property in the future.

8. This Agreement shall be governed by the laws of the State of Illinois and shall be binding upon, and shall inure to the benefit of, the parties to this Agreement and their respective successors and assigns.

THE FIRST NATIONAL BANK OF CHICAGO, a national banking association

BY: [Signature]
NAME: JOHN H. [unclear]
TITLE: VICE PRESIDENT

Attest: [Signature]
NAME: DOUGLAS B. WENDERS
TITLE: VP

THE FIRST NATIONAL BANK OF CHICAGO (CANADA)

BY: [Signature]
NAME: [unclear]
TITLE: [unclear]

Attest: [Signature]
NAME: [unclear]
TITLE: [unclear]

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Parcel 3:
Lots 38, 39, 40, 41 and 42 in Block 1 in Subdivision of that portion of Lots 1 and 2
in Block 260 in Chicago Heights lying South of a line drawn 33 feet North of and
parallel to the East and West center line of the South 1/2 of the Northwest 1/4 of
Section 21, Township 35 North, Range 14, East of the Third Principal Meridian in Cook
County, Illinois.

Permanent Tax Numbers: 32-21-116-022 Volume: 015
(Affects Lots 38, 39 and 40)

32-21-116-021
(Affects Lot 41)

32-21-116-020
(Affects Lot 42)

LEGAL DESCRIPTION

EXHIBIT A

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