

EOD DEC 12 2001

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE:

ABC-NACO INC., et al.,

Debtors.

) Chapter 11

) No. 01 B 36484

) (Jointly Administered)

) Hon. Eugene R. Wedoff

Inst # 2002-06455

02/07/2002-06455
08:49 AM
SHELBY COUNTY JUDGE OF PROBATE
281.00

"CONFORMED COPY"

ORDER AUTHORIZING AND APPROVING (1) ASSET PURCHASE AGREEMENT,
(2) SALE OF CERTAIN OF THE DEBTORS' ASSETS FREE AND CLEAR OF
LIENS, CLAIMS AND INTERESTS, AND (3) ASSUMPTION AND
ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS
AND UNEXPIRED LEASES

Upon final consideration of the motion (the "Sale Motion")¹ of ABC-NACO Inc. and certain of its domestic affiliates (collectively, the "Debtors") for the entry of an order authorizing and approving (i) bidding procedures, bid protection, and a form of asset purchase agreement in connection with the Debtors' intended sale of substantially all of their assets (the "Assets"), (ii) the sale (the "Sale") of the Assets free and clear of liens, claims and interests, (iii) the assumption and assignment of the executory contracts and unexpired leases identified on Exhibit 1 hereto (the "Assigned Agreements"), and (iv) limited notice with respect thereto; the Court having entered an order on November 6, 2001 (the "Bidding Procedures Order") approving the proposed bidding procedures (the "Bidding Procedures"), bid protection (the "Bid Protection"), the form of asset purchase agreement for the Sale, and the Debtors' request for limited notice of the Sale; an auction of the Assets (the "Auction") having been held on December 6, 2001 in accordance with the Bidding Procedures; the Debtors having executed a

¹ Capitalized terms not otherwise defined carry the same meanings ascribed to such terms in the Sale Motion.

This is to certify that the foregoing document is a full, true and correct copy of the original thereof as the same appears on file in the office of the Clerk of the United States Bankruptcy Court for the Northern District of Illinois.

KENNETH S. GARDNER
CLERK OF COURT

By

Dated

11/6/02

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Cahalan & Title

B. As debtors in possession, the Debtors continue to manage the affairs of their estates and exercise all of the rights and powers of a trustee serving in a case under chapter 11 in accordance with 11 U.S.C. § 1107. Among those rights and powers are (i) the right and power to sell property of the Debtors' estates out of the ordinary course of business, free and clear of liens and interests, and (ii) the right and power to assume and assign unexpired leases and executory contracts, subject to approval by this court after appropriate notice and an opportunity for a hearing. See 11 U.S.C. §§ 363(b), 363(f), 365(a) and 365(f).

C. This court has core subject matter jurisdiction to hear and resolve the Sale Motion pursuant to 28 U.S.C. §§ 1334(b), 1334(e), 157(b)(2)(A), 157(b)(2)(M), 157(b)(2)(N), 157(b)(2)(O) and applicable local rules regarding the referral to this court of cases under title 11 of the United States Code.

D. The Assets are property of the Debtors' estates. See 28 U.S.C. § 1334(e); 11 U.S.C. § 541(a).

E. As evidenced by the certificate of service previously filed with the court, and based on the representations of counsel at the Sale Hearing, (i) proper, timely, adequate and sufficient notice of the Sale Motion, the Auction, the Sale Hearing, the Sale, and the assumption and assignment to the Purchaser of the Assigned Agreements through the Cure Notice and the Assignment Notice has been provided in accordance with 11 U.S.C. §§ 102(1), 105(a), 363, and 365 and Fed. R. Bankr. P. 2002, 6004, 6006, and 9014; (ii) such notice was reasonable, sufficient, and appropriate under the circumstances; and (iii) no other or further notice of the Sale Motion, the Auction, Sale Hearing, or the assumption and assignment of the Assigned Agreements is or shall be required.

F. A reasonable opportunity to object or be heard with respect to the Sale Motion, the assumption and assignment of the Assigned Agreements, and the additional relief

requested in the Sale Motion has been afforded to all interested persons and entities, including:

- (i) the Office of the United States Trustee; (ii) counsel for the Purchaser; (iii) counsel for the Prepetition Lenders; (iv) counsel for the DIP Lenders; (v) all entities known to have expressed an interest in a transaction with respect to the Assets; (vi) all entities known to have an Interest in the Assets; (vii) all parties to Assigned Agreements; (viii) the creditors identified on the Debtors' list of creditors holding the twenty largest unsecured claims; (ix) the Securities and Exchange Commission; and (x) all parties that have obtained orders requiring such notices, motions and other papers to be served upon them.

G. As demonstrated by (i) the evidence proffered or adduced at the Sale Hearing and (ii) the representations of counsel made on the record at the Sale Hearing, the Debtors have adequately marketed the Assets and Assigned Agreements and conducted the sale process in compliance with the Bidding Procedures Order.

H. Each of the Debtors (i) has full corporate power and authority to execute the TCF Agreement and all other documents contemplated thereby, (ii) has all of the corporate power and authority necessary to consummate the transactions contemplated by the TCF Agreement, (iii) has taken all corporate action necessary to authorize and approve the TCF Agreement and the consummation by such Debtor of the transactions contemplated thereby.

I. The Debtors have demonstrated sound business justifications for the Sale pursuant to 11 U.S.C. § 363(b) prior to, and outside the context of, a plan of reorganization in that, among other things, their Assets are deteriorating in value and the Debtors are unable to fund a restructuring of their operations.

J. The TCF Agreement was negotiated, proposed and entered into by the Debtors and the Purchaser without collusion, in good faith, and from arm's-length bargaining positions. Neither the Debtors nor the Purchaser have engaged in any conduct that would cause

or permit the TCF Agreement to be avoided under 11 U.S.C. § 363(n). The Purchaser is a good faith purchaser under 11 U.S.C. § 363(m) and, as such, is entitled to all of the protections afforded thereby.

K. The consideration provided by the Purchaser for the Assets pursuant to the TCF Agreement (i) is fair and reasonable, (ii) is the highest or otherwise best offer for the Assets, (iii) will provide a greater recovery for the Debtors' creditors and other interested parties than would be provided by any other practical available alternative, and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

L. The transfer of the Assets to the Purchaser will be a legal, valid, and effective transfer of the Assets, and will vest the Purchaser with all right, title and interest of the Debtors in the Assets free and clear of all Interests (except as set forth in the TCF Agreement), including, but not limited to, those (i) that purport to give to any party a right or option to effect any forfeiture, modification, right of first refusal, or termination of the Debtors' or the Purchaser's interest in the Assets, or any similar rights, and (ii) relating to taxes arising under or out of, in connection with, or in any way relating to the operation of the Debtors' businesses prior to the date (the "Closing Date") of the consummation of the TCF Agreement (the "Closing").

M. The Purchaser would not have entered into the TCF Agreement and will not consummate the transactions contemplated thereby, thus adversely affecting the Debtors, their estates, and their creditors, if the sale of the Assets to the Purchaser were not free and clear of all Interests of any kind or nature whatsoever, or if the Purchaser would, or in the future could, be liable for any of the Interests and if the assignment of the Assigned Agreements could not be made under 11 U.S.C. § 365.

N. Subject to the TCF Agreement, the Debtors may sell the Assets free and clear of all Interests of any kind or nature whatsoever because, in each case, one or more of the standards set forth in 11 U.S.C. § 363(f) has been satisfied. Those (i) holders of Interests and (ii) non-Debtor parties to Assigned Agreements who did not object, or who withdrew their objections, to the Sale or the Sale Motion are deemed to have consented pursuant to 11 U.S.C. § 363(f)(2). Those (i) holders of Interests and (ii) non-debtor parties to Assigned Agreements who did object fall within one or more of the other subsections of 11 U.S.C. § 363(f) and are adequately protected by having their Interests (other than cure amounts), if any, attach to the net proceeds of the Sale ultimately attributable to the property against or in which they claim or may claim an Interest (provided that such Interest would otherwise attach to the proceeds under applicable law); provided, however, that the net Sale proceeds shall be remitted to the Bank of America, N.A. and applied on a provisional basis in the manner required and as limited by the DIP Financing Order, including, without limitation, paragraphs 14 and 18 of the DIP Financing Order previously entered by this court and the DIP Term Sheet attached thereto. Notwithstanding the above, Amsted Industries Incorporated and its affiliates ("Amsted") have alleged certain intellectual property claims and rights (the "Amsted Intellectual Property Claims") against the Debtors with respect to U.S. Patent Nos. 5, 954, 114 and 5, 752, 564 in the litigation styled Amsted Industries Incorporated v. ABC-NACO, Inc., Case No. 00 C 7119 (N.D. Ill.), including, without limitation, the alleged right to assert the Amsted Intellectual Property Claims related to events arising after the Closing Date against any purchaser of the Debtors' assets.

O. The Debtors have demonstrated that it is an exercise of their sound business judgment to assume and assign the Assigned Agreements to the Purchaser in connection with the consummation of the Sale, and the assumption and assignment of the Assigned

Agreements is in the best interests of the Debtors, their estates, and their creditors. The Assigned Agreements being assigned to, and the liabilities being assumed by, the Purchaser, are an integral part of the Assets being purchased by the Purchaser and, accordingly, such assumption and assignment of Assigned Agreements and the Assumed Liabilities (as defined in Section 1.4 of the TCF Agreement) are reasonable, enhance the value of the Debtors' estates, and do not constitute unfair discrimination.

P. The Debtors and the Purchaser have provided adequate assurance of the Purchaser's future performance of and under the Assigned Agreements, within the meaning of 11 U.S.C. §§ 365(b)(1)(C) and 365(f)(2)(B), and Purchaser (i) will cure, or have provided adequate assurance of cure, of any default existing prior to the date hereof under any of the Assigned Agreements, within the meaning of 11 U.S.C. § 365(b)(1)(A); and (ii) will provide compensation or adequate assurance of compensation to any party for any actual pecuniary loss to such party resulting from a default prior to the date hereof under any of the Assumed Agreements, within the meaning of 11 U.S.C. § 365(b)(1)(B).

Q. Approval of the TCF Agreement and assumption and assignment of the Assigned Agreements and consummation of the Sale at this time are in the best interests of the Debtors, their creditors, their estates and other parties in interest.

NOW THEREFORE, BASED UPON THE FOREGOING FINDINGS OF FACT, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Sale Motion is granted in its entirety and as further described herein.
2. All objections to the Sale Motion or the relief requested therein that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are overruled on the merits; provided, however, that any pending objections to the assumption and assignment of, or cure amounts related to, any executory contracts and unexpired leases that are

to be assumed and assigned pursuant to the terms of the TCF Agreement other than the Assigned Agreements are hereby continued and preserved for final hearing on December 20, 2001 at 10:00 a.m.

3. The TCF Agreement in the form attached hereto as Exhibit 2, and all of the terms and conditions thereof, is hereby approved.

4. Pursuant to 11 U.S.C. § 363(b), the Debtors are authorized to consummate the Sale, pursuant to and in accordance with the terms and conditions of the TCF Agreement.

5. The Debtors are authorized to execute and deliver, and are empowered to perform under, consummate and implement, the TCF Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the TCF Agreement, and to take all further actions as may be requested by the Purchaser for the purpose of assigning, transferring, granting, conveying and conferring to the Purchaser or reducing to possession, the Assets, or as may be necessary or appropriate to the performance of the obligations as contemplated by the TCF Agreement.

6. Except as expressly permitted or otherwise specifically provided for in the TCF Agreement or this Sale Order, pursuant to 11 U.S.C. §§ 105(a) and 363(f), the Assets shall be transferred to the Purchaser, and as of the Closing Date, shall be free and clear of all Interests of any kind or nature whatsoever, with all such Interests of any kind or nature whatsoever to attach to the net proceeds of the Sale in the order of their priority (provided that such Interest would otherwise attach to the proceeds under applicable law), with the same validity, force and effect which they now have as against the Assets, subject to any claims and defenses the Debtors may possess with respect thereto, provided, however, that the net Sale proceeds shall be remitted to the Bank of America, N.A. and applied on a provisional basis in the manner required and as

limited by the DIP Financing Order, including, without limitation, paragraphs 14 and 18 of the DIP Financing Order previously entered by this court and the DIP Term Sheet attached thereto.

7. Except as expressly permitted or otherwise specifically provided for in the TCF Agreement or this Sale Order, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax, and regulatory authorities, lenders, trade and other creditors holding Interests of any kind or nature whatsoever against or in the Debtors or the Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent; liquidated or unliquidated, senior or subordinated), arising under or out of, in connection with, or in any way relating to, the Debtors, the Assets, the operation of the Debtors' businesses prior to the Closing Date, or the transfer of the Assets to the Purchaser, but not including Standard Car Truck Company ("SCTCO") with respect to the SCTCO mortgage and SCTCO note, hereby are forever barred, estopped, and permanently enjoined from asserting against the Purchaser, its successors or assigns, its property, or the Assets, such persons' or entities' Interests.

8. The transfer of the Assets to the Purchaser pursuant to the TCF Agreement shall constitute a legal, valid and effective transfer of the Assets, and shall vest the Purchaser with all right, title and interest of the Debtors in and to the Assets free and clear of all Interests of any kind or nature whatsoever, other than as set forth in the TCF Agreement and other than the Assumed Liabilities and the Amsted Intellectual Property Claims insofar as such claims, if any, relate to events arising with respect to the Assets after the Closing Date.

9. On the Closing Date of the Sale, each of the Debtors' creditors is authorized to execute such documents and take all other actions as may be necessary to release its Interests in the Assets, if any, as such Interests may have been recorded or may otherwise exist.

10. If any person or entity that has filed financing statements, mortgages, mechanic's liens, lis pendens, or other documents or agreements evidencing Interests in the Debtors or the Assets shall not have delivered to the Debtors prior to the Closing Date, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all Interests which the person or entity has with respect to the Debtors or the Assets or otherwise, then, subject to the TCF Agreement, (a) the Debtors are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Assets, and (b) the Purchaser is hereby authorized to file, register, or otherwise record a certified copy of this Sale Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all Interests in the Assets of any kind or nature whatsoever.

11. The TCF Agreement shall be subject to the provisions of 11 U.S.C. § 1146(c), and each conveyance, assignment and transfer of real or personal property contemplated therein shall be exempt from stamp, transfer or similar taxes. Accordingly, each recorder of deeds or similar official for any city, county or governmental unit in which deeds or other instruments of transfer for any of the Assets are to be recorded is hereby ordered and directed to accept such deeds or other instruments of transfer for recording and promptly to record such deeds or other instruments of transfer.

12. Pursuant to 11 U.S.C. §§ 105(a) and 365 and the terms and conditions of the TCF Agreement (including, without limitation, Section 1.2 of the TCF Agreement and the related option of TCF to remove certain Assigned Agreements from the Sale at any time prior to two (2) days before Closing upon written notice to the Debtors ("TCF Removal Option")), and subject to and conditioned upon the TCF Removal Option and the Closing of the Sale, the Debtors' assumption and assignment to the Purchaser, and the Purchaser's assumption on the

whether such liabilities arise or arose pre- or post-Closing. In addition, all liquidated monetary defaults, claims or other obligations of the Debtors arising before the Closing Date under the Assigned Agreements and actually known to the non-Debtor party to the Assigned Agreement (without giving effect to any acceleration clauses or any default provisions of the kind specified in 11 U.S.C. §§ 365(b)(2) or (f)(2)) shall be cured as required by 11 U.S.C. § 365(b)(1) by the Purchaser on behalf of the Debtors within thirty (30) days after Closing or such later date as the Purchaser and the non-Debtor party may agree upon.

16. Notwithstanding anything to the contrary in this Sale Order, all rights and remedies of any non-Debtor party or the Purchaser under any of the Assigned Agreements (the "Rights and Remedies") are fully preserved and shall be fully enforceable after the Closing against the Purchaser (or the property subject to the Assigned Agreement if so provided in such Assigned Agreement) or the non-Debtor party unless such Rights and Remedies are or were expressly waived in a separate agreement or on the record at the Auction or Sale Hearing.

17. Notwithstanding anything to the contrary in this Sale Order, the Debtors' rights to assume and assign any other executory contracts and unexpired leases, other than the Assigned Agreements (including any license agreements under which SCTCO is licensor), in accordance with the terms of the TCF Agreement and subject to the requirements of 11 U.S.C. § 365 and Fed. R. Bankr. P. 6006, are hereby preserved.

18. The consideration provided by the Purchaser for the Assets under the TCF Agreement shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession or the District of Columbia.

19. Except with respect to executory contracts and unexpired leases removed pursuant to the TCF Removal Option, this Sale Order (a) shall be effective as a determination

that, on the Closing Date, all Interests of any kind or nature whatsoever existing as to the Debtors or the Assets prior to the Closing have been unconditionally released, discharged and terminated (except as set forth in the TCF Agreement), and that the conveyances described herein have been effected, and (b) shall be binding upon and shall govern the acts of all entities, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Assets.

20. Each and every federal, state and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the TCF Agreement.

21. All entities who are presently, or on the Closing Date may be, in possession of some or all of the Assets are hereby directed to surrender possession of the Assets to the Purchaser on the Closing Date.

22. Except as expressly permitted or otherwise specifically provided for in the TCF Agreement or this Sale Order, the Purchaser shall have no liability or responsibility for any liability or other obligation of the Debtors arising under or related to the Assets. Without limiting the generality of the foregoing, and except as expressly permitted or otherwise specifically provided for in the TCF Agreement or this Sale Order, the Purchaser shall not be liable for any claims against the Debtors or any of their predecessors or affiliates (other than any liabilities of affiliates whose stock has been purchased pursuant to the TCF Agreement), and the Purchaser shall have no successor or vicarious liabilities of any kind or character whether known

or unknown as of the Closing Date, now existing or hereafter arising, whether fixed or contingent, with respect to the Debtors or any obligations of the Debtors arising prior to the Closing Date, including, but not limited to, liabilities on account of any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of the Debtors' businesses prior to the Closing Date.

23. This court retains jurisdiction to enforce and implement the terms and provisions of the TCF Agreement, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith in all respects, including, but not limited to, retaining jurisdiction to (a) compel delivery of the Assets to the Purchaser, (b) compel delivery of the purchase price or performance of other obligations owed to the Debtors, (c) resolve any disputes arising under or related to the TCF Agreement, except as otherwise provided therein, and (d) interpret, implement, and enforce the provisions of this Sale Order.

24. The transactions contemplated by the TCF Agreement are undertaken by the Purchaser in good faith, as that term is used in 11 U.S.C. § 363(m), and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale to the Purchaser, unless such authorization is duly stayed pending such appeal prior to the Closing. The Purchaser is a purchaser in good faith of the Assets, and the Purchaser is entitled to all of the protections afforded by 11 U.S.C. § 363(m).

25. The terms and provisions of the TCF Agreement and this Sale Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, their estates, and their creditors, the Purchaser, and its respective affiliates, successors and assigns, and any affected third parties including, but not limited to, all persons asserting Interests in the Assets to be sold to the Purchaser pursuant to the TCF Agreement, notwithstanding any subsequent

appointment of any trustee(s) under any chapter of the Bankruptcy Code, as to which trustee(s) such terms and provisions likewise shall be binding.

26. The failure specifically to include any particular provisions of the TCF Agreement in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the court that the TCF Agreement be authorized and approved in its entirety.

27. The TCF Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto, in a writing signed by both parties, and in accordance with the terms thereof, without further order of the court, provided that any such modification, amendment or supplement does not have a material adverse effect on the Debtors' estates.

28. Except as provided in the TCF Agreement, this Sale Order, or other order of this court, after the Closing, the Debtors and their estates shall have no further liabilities or obligations with respect to any Assumed Liabilities (except for any executory contracts and unexpired leases that (i) are not being assumed and assigned under this Sale Order or (ii) are removed pursuant to the TCF Removal Option) and all holders of such claims are forever barred and estopped from asserting such claims against the Debtors, their successors or assigns, their property or the Assets.

29. As provided by Fed. R. Bankr. P. 6004(g) and 6006(d), this Sale Order shall not be stayed for 10 days after the entry of the Sale Order and shall be effective and enforceable immediately upon entry.

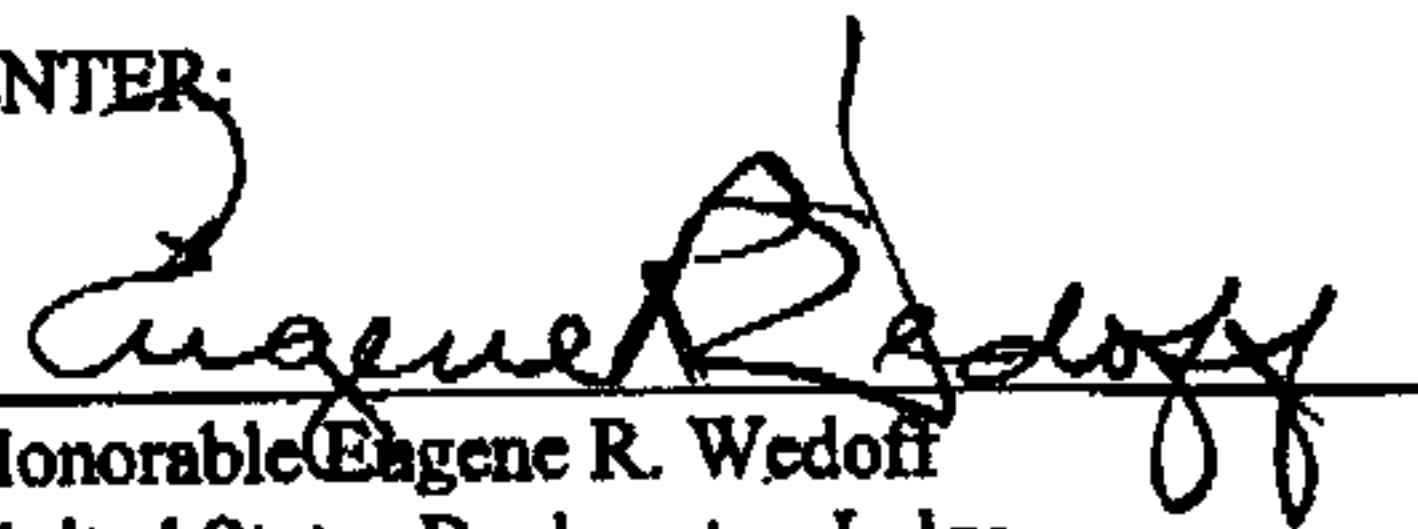
30. The provisions of this Sale Order are nonseverable and mutually dependent.

31. Notwithstanding anything to the contrary in this Sale Order or the TCF Agreement, and without limiting or modifying any of the rights of SCTCO granted pursuant to

the Note and Mortgage hereafter referenced, the Bellwood/Melrose Park property, if transferred to Purchaser, shall be transferred subject to the Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement and the Secured Promissory Note dated December 28, 2000 held by SCTCO which shall be assumed by the Purchaser at Closing. This Sale Order shall control over any conflicting provisions in the TCF Agreement with respect to SCTCO.

ENTER:

Date: December 11, 2001


Honorable Eugene R. Wedoff
United States Bankruptcy Judge

Prepared By:

Steven B. Towbin (#2848546)
Peter J. Roberts (#6239025)
D'Ancona & Pflaum LLC
111 East Wacker Dr., Suite 2800
Chicago, Illinois 60601
(312) 602-2000

ASSIGNED AGREEMENTS

EXHIBIT 1

Party	Description	Current Amount
R-4 Services Inc. Attention: Trisha Rooney 1301 West 35 th Street Chicago, Illinois 60609 Phone: 312-949-9563 Fax No.: 312-922-4020	Storage and Service Agreement between R-4 Services and Lison and Griffin	\$313.04
Burlington Northern Santa Fe Railway Co. Strategic Sourcing Group Attn: Charlie Short 2500 Lou Menk Drive Forth Worth, TX 76131	RFP from BNSF for castings on freight cars and locomotives dated November 1, 2000	0
Ronsco Inc. Attn: Donald G. Regan, President 1440 St. Catherine Street West, Suite 712 Montreal, Quebec H3G 1R8 CANADA	Agreement between National Castings Inc. et. al and Ronsco Inc. dated January 31, 2000 as amended	0
Thrall Europa c/o Seyfarth, Shaw Attn: William Factor 55 East Monroe St., 42nd Floor Chicago, IL 60603 (copy to) Thrall Car Manufacturing Co. Attention: General Counsel 2521 State Street Chicago Heights, IL 60411-0218 Fax: 708-757-4112	Development and Supply Agreement between Thrall Europa and National Castings Inc. dated September 16, 1997	0
Progress Rail Services Attn: David Bird 830 East Texas Road Waskom, Texas 75692	Consignment Agreement between National Casting Inc. and Progress Rail Services Corporation dated May 16, 2001	0
GE Capital Rail Services Attn: Gene Henneberry 161 North Clark Street Chicago, IL 60601	Corporate Purchasing Agreement dated March 1, 2000	0

Party	Description	Cumulative Amount
Ronsco, Inc. Attn: President 1440 St. Catherine Street West Suite 712 Montreal, Quebec H3G 1R8 Fax: 514-866-8421 Canadian Pacific Railway Attn: V.P. Supply Services 600-401 9th Avenue S.W. Calgary, Alberta T2P 4Z4 Fax: 403-319-3654	Agreement between Ronsco Inc. and Naco, Inc. dated November 19, 1998	0
Canadian Pacific Railway Attn: Vice President Supply Services 600 - 401 9th Avenue S.W. Calgary, Alberta T2P 4Z4 Fax: 403-319-3654	Supply Agreement between Canadian Pacific Railway, Ronsco, Dominion Castings Limited and NACO, Inc. dated April 18, 1995 (as amended)	0
Bank of America Leasing 555 California Street, 4th Floor San Francisco, CA 94104	Equipment and Machinery Lease with Banc of America Leasing & Capital for equipment located at the Calera, Alabama facility	Subject to further agreement of the parties or determination by the court
Gunderson Rail Service Inc. Attn: President One Centerpointe Drive, Suite 200 Lake Oswego, OR 97035	Joint Supply Memorandum between Gunderson Rail Service Inc and ABC-NACO Inc. dated November 15, 1999	\$359,531
G.E. Railcar Service Corp. Attn: Vice President of Sourcing 33 West Monroe Street Chicago, IL 60603	Purchase and Sale Agreement between G.E. RailCar Service and ABC-NACO Inc. dated February 22, 2000	0
Kansas City Southern Railway Co. 4601 Blanchard Highway Shreveport, LA 71107	Wheelset Supply and Services Agreement between Kansas City Southern Railway Company and ABC-NACO Inc.	\$5,272.00
CSX Transportation Inc. 6735 Southpoint Drive South Jacksonville, FL 32216-9177	CSX Transportation Inc. Service Contract Form dated June 2, 2000	0
Electronic Advanced Systems Corp. P.O. Box 924 Newtown, PA 19073-0924	unexpired lease on 2550 Boulevard of Generals, Suite 320, Norristown, Pennsylvania	\$2,549.68

Party	Description	Cure Amount
John L. Donovan c/o George Bullwinkel Bullwinkel Partners, Ltd. 19 S. LaSalle Street, Suite 1300 Chicago, IL 60603	unexpired lease on Danvers, Illinois Ground Leases	\$19,329.55
City of Newtown, Kansas Attention: City Clerk 120 E. 7 th , P.O. Box 426 Newtown, KS 67114	unexpired lease on Newtown, Kansas	\$246.99
Meadow Brook North, L.L.C. c/o Daniel Realty Services, LLC 1200 Meadow Brook Corporate Dr., Suite G49 Birmingham, Alabama 35242	unexpired lease on Birmingham, Alabama	\$4,644.73
Red Dog Properties, L.L.C. 2020 S. Lynx Avenue Ontario, CA 91761	unexpired lease on 1475 Cooley Ct., San Bernardino, California	0
Kansas City Terminal Railway Co. 2401 West Pennway St. Kansas City, MO 64108	unexpired lease on 1109 S. 12 th Street, Kansas City, Kansas	\$6,281.00
Bluegrass Development, Inc. 604 Lorn Court Orange Park, FL 32073 A-B Distributors, Inc. 1116 N. Edgewood Avenue Jacksonville, Florida 32254 StarTech (Subtenant) 1379 Cassat Avenue Jacksonville, FL 32254	unexpired lease on 1379 Cassat Avenue, Jacksonville, Florida	0 \$3,600.43

ASSET PURCHASE AGREEMENT

by and between

ABC-NACO INC.,

AND CERTAIN OF ITS DOMESTIC SUBSIDIARIES

as Seller

and

TCF RAILCO ACQUISITION CORPORATION

as Purchaser

Dated as of December 5, 2001

Doc#-NYG: 81982.14
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EXHIBIT

2

TABLE OF CONTENTS

Page #

ARTICLE I PURCHASE AND SALE OF ASSETS	2
Section 1.1 Acquired Assets	2
Section 1.2 Contract Rejection and Assumption	2
Section 1.3 Excluded Assets	2
Section 1.4 Assumed Liabilities	2
Section 1.5 Excluded Liabilities	3
Section 1.6 Condition of Acquired Assets	3
Section 1.7 Purchase Price	4
Section 1.8 Post Closing Adjustments	5
Section 1.9 Deposit	6
Section 1.10 Allocation of Purchase Price	7
Section 1.11 Transition Services Agreement	7
Section 1.12 Employees	7
Section 1.13 Escrow Agreement	8
ARTICLE II THE CLOSING	8
Section 2.1 Closing	8
Section 2.2 Deliveries at Closing	8
ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER	9
Section 3.1 Organization	9
Section 3.2 Authority Relative to this Agreement	9
Section 3.3 Consents and Approvals	9
Section 3.4 Title to Property	9
Section 3.5 Brokers	10
Section 3.6 Contracts	10
Section 3.7 Leases	10
Section 3.8 Subsidiaries	10
Section 3.9 Compliance with Bidding Procedures Order	10
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PURCHASER	10
Section 4.1 Organization	10
Section 4.2 Authority Relative to this Agreement	11
Section 4.3 Consents and Approvals	11
Section 4.4 No Violations	11
Section 4.5 Brokers	11
Section 4.6 Financing	12
ARTICLE V COVENANTS	12

Section 5.1	Action by Seller Pending the Closing.....	12
Section 5.2	Access, Cooperation and Information	12
Section 5.3	Additional Matters.	12
Section 5.4	Further Assurances	12
Section 5.5	HSR Filings	13
Section 5.6	Section 363/365 Order	13
Section 5.7	Covenant Not to Sue.	13
ARTICLE VI CONDITIONS PRECEDENT		13
Section 6.1	Conditions Precedent to Obligation of Seller and Purchaser	13
Section 6.2	Other Conditions Precedent to Obligation of Seller	14
Section 6.3	Other Conditions Precedent to Obligation of Purchaser.....	14
ARTICLE VII TERMINATION		14
Section 7.1	Termination Rights	14
Section 7.2	Termination Payment.....	15
ARTICLE VIII GENERAL PROVISIONS		16
Section 8.1	No Survival of Representations, Warranties, and Agreements	16
Section 8.2	Taxes.....	16
Section 8.3	Costs and Expenses.....	16
Section 8.4	Post-Closing Obligations	16
Section 8.5	Notices	16
Section 8.6	Publicity	17
Section 8.7	Descriptive Headings.....	17
Section 8.8	Entire Agreement.....	17
Section 8.9	Governing Law	18
Section 8.10	Amendment.....	18
Section 8.11	Waiver.....	18
Section 8.12	Counterparts; Effectiveness	18
Section 8.13	Severability; Validity; Parties in Interest.....	18
Section 8.14	Assignment	18
Section 8.15	Bulk Sales	18
Section 8.16	Time is of the Essence	19

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, dated as of December 5, 2001 (the "Agreement"), is made by and between ABC-NACO Inc., a Delaware corporation ("ABC-NACO") and certain of its domestic subsidiaries set forth on Schedule A (the "Debtor Subsidiaries" and collectively with ABC-NACO, the "Seller"), and TCF Railco Acquisition Corporation ("Purchaser").

WHEREAS on October 18, 2001, ABC-NACO and the Debtor Subsidiaries each filed a jointly administered voluntary petition for relief under chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") in the United States Bankruptcy Court for the Northern District of Illinois (the "Bankruptcy Court") under case numbers 01 B 36484, 01 B 36493, 01 B 36499, 01 B 36500 01 B 36503, 01 B 36509 and 01 B 36511 and continue to manage their properties as debtors and debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, Seller and certain of ABC-NACO's non-debtor domestic and foreign subsidiaries set forth on Schedule B (such non-debtor domestic and foreign subsidiaries being hereinafter referred to as the "Non-Debtor Subsidiaries") provide certain products and services to the railroad industry;

WHEREAS, Seller's and the Non-Debtor Subsidiaries' operations are conducted through three primary divisions: (i) the design, manufacture and sale of high-performance, proprietary suspension and coupling systems and wheels ("Rail Products Division"), (ii) the design, manufacture and sale of specialty track and related systems for freight, regional, transit and industrial railroads ("Track Products Division"), and (iii) the servicing, including axle finishing and wheel turning, of new and reconditioned wheelsets for freight cars ("Rail Services Division"). The Rail Products Division, Track Products Division and Rail Services Division are collectively referred to herein as the "Business."

WHEREAS Purchaser desires to purchase certain assets and assume certain liabilities from Seller in connection therewith, and Seller desires to sell, convey, assign, and transfer to Purchaser such assets (as defined in Section 1.1 below, the "Acquired Assets"), together with certain obligations and liabilities relating thereto, pursuant to the terms and conditions of this Agreement; and

WHEREAS the Acquired Assets will be sold pursuant to the terms of this Agreement and an order of the Bankruptcy Court approving such sale under Section 363 of the Bankruptcy Code and the assumption of certain executory contracts and unexpired leases and liabilities under Section 365 of the Bankruptcy Code (the "Section 363/365 Order").

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, and agreements set forth herein, the parties hereto agree as follows:

ARTICLE I

PURCHASE AND SALE OF ASSETS

Section 1.1 Acquired Assets. Subject to the terms and conditions set forth in this Agreement, at the Closing (or, in the case of Real Property, the Real Property Closing, if any), upon entry and effectiveness of, and in accordance with the terms of, the Section 363/365 Order and the Bankruptcy Code, Seller shall sell, assign, transfer, convey, and deliver to Purchaser, and Purchaser shall purchase and accept from Seller, free and clear of any and all mortgages, pledges, liens, charges, equities of redemption, encumbrances, security interests and the like except the liens, claims and rights of the pre-petition and post-petition lenders in the insurance policies and proceeds thereof applicable to the Cicero roof damage and claims related thereto (collectively, the "Liens"), all of Seller's right, title, and interest in, to and under the assets set forth on Schedule 1.1 hereto, and the Designated Contracts to be described on Schedules 3.6B and 3.7B hereto, whether real, personal, tangible or intangible, as the same shall exist on the Closing Date (collectively, the "Acquired Assets").

Section 1.2 Contract Rejection and Assumption. Within 3 days prior to the Auction (as defined in the Bidding Procedures Order (as defined in Section 3.9) and presently contemplated for December 6, 2001), Purchaser shall provide a list (the "Designated Contracts List") of executory contracts and unexpired leases (each a "Designated Contract" and collectively, the "Designated Contracts") that it wishes Seller to assume and assign to Purchaser. The Designated Contracts List shall be set forth on Schedules 3.6B and 3.7B hereto. At any time prior to two (2) days before the Closing, Purchaser shall be permitted to amend Schedules 3.6B or 3.7B to add or remove Designated Contracts upon giving Seller written notice of such amendment. On the Closing Date (as defined in Section 2.1), Seller shall assume and shall assign to Purchaser, the Designated Contracts set forth on Schedules 3.6B and 3.7B hereto, to the extent assignable pursuant to agreement or order of the Bankruptcy Court.

Section 1.3 Excluded Assets. Notwithstanding anything to the contrary contained in this Agreement, the Acquired Assets shall not include the assets and properties listed on Schedule 1.3 hereto (the "Excluded Assets"). The Excluded Assets are not part of the purchase and sale contemplated hereunder and shall remain the property of the Seller after the Closing (as defined in Section 2.1) or, in the case of Real Property, the Real Property Closing, if any.

Section 1.4 Assumed Liabilities. Subject to the terms and conditions set forth in this Agreement, at the Closing (or, in the case of liabilities relating to Real Property, the Real Property Closing, if any), Purchaser shall assume from Seller and thereafter pay, perform, or discharge in accordance with their terms, (i) all obligations and cure costs under the Cured Contracts (as hereinafter defined); and (ii) those liabilities listed on Schedule 1.4 hereto. The liabilities to be assumed pursuant to this Agreement shall be referred to herein as the "Assumed Liabilities." Without limiting the generality of the foregoing, the Assumed Liabilities shall include any and all amounts that become or became due in respect of the agreements set forth on Schedules 3.6(B) and 3.7(B) (the

"Cured Contracts") prior to, or from and after entry of the Section 363/365 Order, whether prepetition or postpetition, and the Purchaser shall pay any and all cure and reinstatement costs or expenses of, or relating to, the assumption and assignment of the Cured Contracts.

Section 1.5 Excluded Liabilities. All liabilities and obligations of Seller of any nature whatsoever (including without limitation, (i) any and all liabilities related to the collective bargaining agreements of the Seller and Non-Debtor Subsidiaries (the "Union Contracts"), and (ii) any and all pre-Closing worker's compensation obligations, unemployment compensation insurance premiums, post-retirement and pension obligations, other employee related obligations, and claims relating to Seller's litigation with Amsted Industries Incorporated ("Amsted") except, that the Purchaser shall be liable for claims relating to events arising post-Closing relating to Amsted), other than the Assumed Liabilities, or liabilities caused, created or incurred by Purchaser after the Closing, shall neither be assumed by, nor attributed to, Purchaser and shall be referred to herein as the "Excluded Liabilities."

Section 1.6 Condition of Acquired Assets. Except as otherwise stated in this Agreement, Purchaser is taking the Acquired Assets and Assumed Liabilities on an "AS IS, WHERE IS" basis, without representation or warranty of any kind whatsoever. In entering into this Agreement, Purchaser:

(a) acknowledges that, except for the specific representations and warranties of Seller contained herein, none of Seller, nor any of its respective directors, officers, employees, affiliates, controlling persons, agents, advisors or representatives, makes or shall be deemed to have made any representation or warranty, either express or implied, as to the accuracy or completeness of any of the information (including, without limitation, any reserve estimates, projections, forecasts or other forward-looking information) provided or otherwise made available to Purchaser or any of its directors, officers, employees, affiliates, controlling persons, agents, advisors or representatives (including, without limitation, in any management presentations, information or offering memorandum, supplemental information or other materials or information with respect to any of the above);

(b) agrees, to the fullest extent permitted by law, that Seller and its respective directors, officers, employees, affiliates, controlling persons, agents, advisors or representatives shall not have any liability or responsibility whatsoever to Purchaser or any of its directors, officers, employees, affiliates, controlling persons, agents, advisors or representatives on any basis in respect of the specific representations and warranties of Seller, except and only to the extent expressly set forth herein with respect to such representations and warranties and subject to the limitations and restrictions contained herein;

(c) has no knowledge of any breach of a representation or warranty of Seller of this Agreement or of any material errors or omissions as of the date hereof; and

(d) Purchaser confirms that it has received all the information it considers necessary or appropriate for deciding whether to purchase the Acquired Assets and assume the Assumed Liabilities, including but not limited to the information contained in this Agreement and the information obtained through Purchaser's due diligence. Purchaser further represents that it has had an opportunity to ask questions and receive answers from Seller and its advisors regarding the Acquired Assets, properties, prospects and financing condition of the business and to obtain additional information (to the extent Seller possesses such information or could acquire it without unreasonable effort or expense) necessary to verify the accuracy of any information furnished to it or to which it had access. Purchaser acknowledges that it has had the opportunity to review such information and this Agreement and the transactions contemplated hereby with its advisors.

Section 1.7 Purchase Price. Subject to the remaining provisions of Section 1.7 and Section 1.8 in their entirety, in consideration for the sale of the Acquired Assets by Seller to Purchaser, Purchaser shall pay to Seller upon Closing an amount equal to the sum of \$75,000,000, (the "Purchase Price").

1.7.1 Adjustment to Purchase Price. Following Closing, the Purchase Price shall be adjusted in accordance with this Section 1.7.1 and Section 1.8 (the "Total Adjustment to Purchase Price").

(a) **Net Current Assets.** The Purchase Price shall be reduced or increased by the amount, if any, by which the Net Current Assets as of the Closing are less or greater than \$14,201,000 (the "Net Current Assets Reference Amount") which is net of the open accounts payable to Union Pacific Railroad, Inc. at October 18, 2001 of the estimated amount of \$8,100,000. The difference between the Net Current Assets at Closing and the Net Current Assets Reference Amount shall be referred to as the "Net Current Asset Adjustment".

(b) **Domestic Inventory.** In addition, the Purchase Price shall be further reduced or increased by the amount, if any, by which the Domestic Inventory as of the Closing is less than or greater than \$58,434,000 (the "Inventory Reference Amount") (the difference between the Domestic Inventory at Closing and the Inventory Reference Amount shall be referred to as the "Inventory Adjustment"); provided, however, that the Inventory Adjustment shall not exceed \$10,000,000 (the "Maximum Inventory Adjustment").

(c) **Total Decrease in Purchase Price.** In no event will the sum of the Maximum Inventory Adjustment and the Net Current Asset Adjustment decrease the Purchase Price by more than \$10,000,000 (the "Maximum Deficiency").

1.7.2 Closing Consideration. At Closing, the Purchaser shall wire (i) the Purchase Price, less: the sum of (A) the Maximum Deficiency, and (B) an amount equal to three (3) times the appraised value as of the Closing of the Real Property not delivered at Closing (the "Real Property Holdback"), in immediately available funds

(the "Closing Consideration") to a bank account to be designated by Seller in accordance with the DIP Financing Order previously entered by the Bankruptcy Court (the "Designated Seller Account"), and (ii) the sum of (A) the Real Property Holdback, and (B) the Maximum Deficiency less the Deposit (the "Additional Deposit") to an escrow agent mutually satisfactory to both parties (the "Escrow Agent").

1.7.3 Holdback. At Closing, the Deposit (as defined in Section 1.9) and Additional Deposit shall be retained by the Escrow Agent for the purposes of the post-closing adjustments set forth at Section 1.8 (the Deposit, the Real Property Holdback and the Additional Deposit being thereafter collectively referred to as the "Holdback").

Section 1.8 Post Closing Adjustments.

1.8.1 Preparation of Closing Statement. Within 60 calendar days after the Closing Date, Purchaser shall prepare and deliver to Seller a statement setting forth a detailed calculation, in accordance with GAAP, of (i) the Net Current Assets (as defined in Section 1.8.4) as of the Closing Date; (ii) the Domestic Inventory (as defined in Section 1.8.5 as of the Closing Date; and (iii) the pre-petition Union Pacific cure amount (the "Closing Statement"). If the Seller does not dispute the Closing Statement within 15 calendar days after receipt thereof, the amounts set forth thereon shall be deemed to have been "finally determined" as set forth thereon. If the Seller wishes to dispute the Closing Statement, it shall deliver a notice specifying in reasonable detail those items or amounts as to which it disagrees, the reason for such disagreement, and its resulting proposed adjustments ("Dispute Notice"). Only those items or amounts specifically identified in a Dispute Notice (the "Disputed Items") shall be deemed to be disputed by the Seller. Each party will bear its own expenses in connection with any disputes regarding the Closing Statement. The agent of the post-petition lenders shall be entitled to be heard with respect to any dispute concerning the Closing Statement pursuant to the procedures set forth herein including filing its own Dispute Notice and pursuing the remedies set forth in this Section 1.8.

1.8.2 Expert Determination re: Disputes. If a Dispute Notice is delivered, Seller (or, the agent of the post-petition lenders as the case may be) and Purchaser shall use their commercially reasonable efforts to reach agreement on the Disputed Items. If such parties cannot reach agreement within 15 days from the date of delivery of the Dispute Notice, the Disputed Items shall be submitted to the Bankruptcy Court for determination in accordance with this Section 1.8.2 (which determination shall incorporate the undisputed items or amounts from the Closing Statement as applicable). Upon delivery of the Bankruptcy Court's decision, the Net Current Assets shall be deemed to have been "finally determined" as set forth in such decision.

1.8.3 Calculations and Payments Upon "Final Determination".

(a) Subject to the Maximum Inventory Amount, if the sum of the Net Current Asset Adjustment and the Inventory Adjustment is finally determined to be less than zero, (the "Deficient Portion"), the Deficient Portion shall be paid to Purchaser by the Escrow Agent out of the Holdback by wire transfer of immediately

available funds to the account designated by Purchaser (the "Designated Purchaser Account"); provided, however, that in no event shall the Deficient Portion exceed the Maximum Deficiency. The balance of the Holdback (if any) retained by the Escrow Agent following payment of the Deficient Portion shall be paid by wire transfer of immediately available funds to the Designated Seller Account.

(b) Subject to the Maximum Inventory Amount, if the sum of the Net Current Assets Adjustment and the Inventory Adjustment is finally determined to be greater than or equal to zero (the "Excess Portion"), then the Holdback shall be paid by wire transfer of immediately available funds to the Designated Seller Account and any remaining unpaid Excess Portion shall be paid by Purchaser by wire transfer of immediately available funds to the Designated Seller Account.

(c) Interest accrued on the Holdback shall be paid *pro rata* with the distribution of the Holdback.

1.8.4 Net Current Assets. As used herein the term "Net Current Assets" shall mean as reflected on the Closing Statement the sum of:

(i) All of Seller's Receivables (as defined in Schedule 1.1), net of reserves, calculated in accordance with GAAP and net of the actual open accounts payable to Union Pacific Railroad at October 18, 2001;

(ii) All domestic cash deposits and other current cash assets included in the Acquired Assets, calculated in accordance with GAAP;

(iii) Any domestic cash on hand on the Closing Date in excess of zero other than amounts required to cover outstanding checks and ACH's;

(iv) The Seller's equity earnings in Datong ABC Castings Co., Ltd. joint venture from September 30, 2001 until Closing, calculated in accordance with GAAP; and

(v) An unrecorded receivable in the approximate amount of \$1,000,000 owed by Zhuzhou ABC Rail Products Co., Ltd. which will be recorded upon delivery of certain documentation.

1.8.5 Domestic Inventory. As used herein, the term "Domestic Inventory" shall mean as reflected on the Closing Statement, all of Seller's domestic Inventory (as defined in Schedule 1.1), net of reserves, in accordance with GAAP, except for with regard to the inventory at the Calera Alabama facility, which will be valued as a "going concern".

Section 1.9 Deposit. Provided this Agreement has not otherwise been terminated, as soon as commercially reasonable following the execution and delivery of this Agreement, Purchaser shall deliver to the Escrow Agent a certified check payable to the order of the Escrow Agent or a wire transfer to an account designated by Seller in the

amount of \$ 3.75 million (the "Deposit"). The Seller shall be entitled to retain the Deposit only in the event that: (i) the conditions set forth in Section 6.3 have been materially complied with by Seller or waived by Purchaser, (ii) the Purchaser has no right to terminate the Agreement under Article VII, and (iii) the Seller terminates the Agreement pursuant to Section 7.1(e) or the Purchaser fails to close the transactions contemplated by this Agreement. In all other circumstances but subject to Section 7.1(f)(ii), the Deposit shall be returned to Purchaser promptly upon demand therefor but in no event later than January 11, 2002.

Section 1.10 Allocation of Purchase Price. The Purchase Price shall be allocated for tax purposes among the Acquired Assets in a manner to be determined by Purchaser which shall be reasonably satisfactory to Seller. Seller and Purchaser agree to use the allocations determined pursuant to this Section 1.10 for all tax purposes, including without limitation, those matters subject to Section 1060 of the Internal Revenue Code of 1986, as amended.

Section 1.11 Transition Services Agreement. At the Closing, Purchaser and Seller shall enter into a transition services agreement, in a form to be mutually agreed upon by the parties (the "Transition Services Agreement"), pursuant to which Purchaser shall provide, or cause to be provided, at no cost to Seller certain transition services except for the cost of the legal services provided to the Seller by D'Ancona & Pflaum LLC, as set forth therein, for the time periods set forth therein, not to exceed two (2) years after the Closing Date, in accordance with the terms thereof.

Section 1.12 Employees.

(a) Purchaser or its Affiliates, (as such term is defined in the Securities Act of 1933) shall offer employment to each employee of Seller who is not covered by any Union Contract (the "Employees.")

(b) Seller shall use their best efforts to assist Purchaser in communicating any offers of employment to the Employees and in no case will Seller interfere with the hiring of any Employees. In addition, Seller shall provide Purchaser with all information reasonably necessary for, and requested by, Purchaser to administer COBRA with respect to any remaining COBRA liabilities, such information to be updated monthly until Closing.

(c) In no event shall this Section 1.12 constitute or be deemed to be an employment contract for any purposes whatsoever, and no Employee of Seller shall be entitled to any rights or interests under this Agreement nor in any event shall any Employees constitute or be deemed to be third party beneficiaries under this Agreement or otherwise be entitled to enforce or make any claim under this Agreement.

(d) Prior to Closing, Seller shall file a motion with the Bankruptcy Court to approve the election by Seller to reject all of the Union Contracts. In no event will Purchaser assume any liability for, or be deemed to be liable for, the

Union Contracts and all such liabilities, if any, shall be borne by Seller. The order approving such rejection shall not be a condition to Closing.

Section 1.13 Escrow Agreement. Provided this Agreement has not been terminated pursuant to Article VII, following the execution of this Agreement, Purchaser and Seller shall enter into an escrow agreement with the Escrow Agent substantially in the form of Exhibit A hereto (the "Escrow Agreement"), pursuant to which the Escrow Agent shall hold the Deposit in a separate escrow account, in accordance with the terms, and subject to the conditions, of the Escrow Agreement. At the Closing, the Additional Deposit shall be delivered to the Escrow Agent and the Deposit and Additional Deposit shall thereafter be deemed the Holdback.

ARTICLE II

THE CLOSING

Section 2.1 Closing. The consummation of the sale of the Acquired Assets other than the Real Property (if necessary) (the "Closing") and the Real Property Closing (if different from the closing of the sale of the Acquired Assets) shall take place at the offices of D'Ancona & Pflaum LLC, 111 East Wacker Drive, Suite 2800, Chicago, Illinois, at 10:00 a.m. on the first business day after the Section 363/365 Order has been docketed (and not stayed by court order), or such other time, date and place as shall be agreed upon by the parties (the date of the Closing being herein referred to as the "Closing Date"). Notwithstanding the foregoing, in the event not all of the Real Property is conveyed on the Closing Date, then a separate closing for the Real Property shall be scheduled for a date not to exceed 60 days following the Closing (the "Real Property Closing"). The parties acknowledge and agree that if possible, the Closing and Real Property Closing shall occur on the same date.

Section 2.2 Deliveries at Closing.

2.2.1 At the Closing (or, in the case of Real Property, the Real Property Closing, if any), Seller shall deliver to Purchaser such documents, instruments or certificates required to be delivered in connection with Seller's obligations under this Agreement, or as Purchaser or its counsel may reasonably request.

2.2.2 At the Closing (or, in the case of Real Property, the Real Property Closing, if any), Purchaser shall deliver to Seller (i) such documents, instruments or certificates required to be delivered in connection with Purchaser's obligations under this Agreement, or as Seller or its counsel may reasonably request and (ii) the Purchase Price (less the Holdback) by wire transfer of immediately available funds to the Designated Seller Account.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Purchaser as follows:

Section 3.1 Organization. The Seller and the Purchased Non-Debtor Subsidiaries (as defined in Schedule 1.1) are corporations validly existing and in good standing under the laws of the jurisdiction of their incorporation and have the corporate power and authority and all necessary governmental approvals to own, lease, and operate their properties and to carry on their business as it is now being conducted or presently proposed to be conducted except where the failure to comply with the foregoing would not, in the aggregate, have a material adverse effect on the Business, taken as a whole ("Material Adverse Effect"). Seller and the Purchased Non-Debtor Subsidiaries are duly qualified as foreign corporations to do business, and are in good standing, in each jurisdiction where the operations of their business are conducted, except where the failure to be so qualified would not, in the aggregate, have a Material Adverse Effect.

Section 3.2 Authority Relative to this Agreement. This Agreement has been duly and validly authorized, executed and delivered by each of ABC-NACO and each Debtor Subsidiary and (assuming this Agreement constitutes a valid and binding obligation of Purchaser) constitutes a valid and binding agreement of each Seller, enforceable against each Seller in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium, and other laws affecting creditors' rights generally from time to time in effect and to general equitable principles.

Section 3.3 Consents and Approvals. No consent, approval, authorization, declaration, filing, or registration with, any United States federal, state or local governmental or regulatory authority is required to be made or obtained by Seller in connection with the execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated hereby, except (a) for consents, approvals, or authorizations of, or declarations or filings with, the Bankruptcy Court, (b) for consents, approvals or authorizations which may be required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (c) for consents, approvals, or authorizations which may be required from the pre-petition and post-petition lenders, and (d) for consents, approvals, authorizations, declarations, filings, or registrations, which, if not obtained, would not, in the aggregate, have a Material Adverse Effect.

Section 3.4 Title to Property. The Seller has good title to, or valid and subsisting leasehold interests in, the Acquired Assets except where failure to have good title to, or valid and subsisting leasehold interests in, such Acquired Assets would not individually or in the aggregate have a Material Adverse Effect. Upon entry and effectiveness of, and in accordance with the terms of, the Section 363/365 Order and the Bankruptcy Code, Seller (a) shall have the power and right to sell, assign, transfer and deliver the Acquired Assets to Purchaser, and (b) on the Closing Date shall sell, assign,

terms set forth in the TCF Agreement, of the Assigned Agreements is hereby approved, and the requirements of 11 U.S.C. §§ 365(b)(1) and 365(f)(2) with respect thereto are hereby deemed satisfied, provided that any Assigned Agreements which are removed prior to Closing shall not be deemed assumed by the Debtors for any purpose. Notwithstanding anything herein to the contrary, the definition of "Assets," and the Assets transferred hereunder, shall not include (i) any unexpired leases or executory contracts and the property subject to such contracts or leases which are removed pursuant to the TCF Removal Option, or (ii) any licence agreements or implied licences to which SCTCO is the licensor.

13. The Debtors are hereby authorized, in accordance with 11 U.S.C. §§ 105(a) and 365, to (a) assume and assign to the Purchaser, effective upon the Closing of the Sale, the Assigned Agreements free and clear of all Interests of any kind or nature whatsoever (provided, however, that nothing herein shall defeat any right which a party to an Assigned Agreement may have under 11 U.S.C. § 365), and (b) execute and deliver to the Purchaser such documents or other instruments as may be necessary to assign and transfer the Assigned Agreements to the Purchaser.

14. The Assigned Agreements shall be transferred to, and remain in full force and effect for the benefit of, the Purchaser in accordance with their respective terms, notwithstanding any provision in any such Assigned Agreements (including those of the type described in 11 U.S.C. §§ 365(b)(2) and (f)(1)) that prohibits, restricts, or conditions such assignment or transfer and, pursuant to 11 U.S.C. § 365(k), the Debtors and their estates shall be relieved from any liability for any breach of any Assigned Agreements which occurs or arises after such assignment to and assumption by the Purchaser on the Closing Date.

15. Notwithstanding anything to the contrary in this Sale Order, under 11 U.S.C. § 365, the Purchaser is assuming all liabilities arising under the Assigned Agreements

certain Asset Purchase Agreement (the "TCF Agreement") with TCF Railco Acquisition Corporation (the "Purchaser") in accordance with the Bidding Procedures; the Purchaser having been determined by the Debtors, after consultation with the Debtors' advisors, their prepetition lenders (the "Prepetition Lenders"), and their postpetition lenders (the "DIP Lenders"), to have submitted the highest and best bid at the Auction for the Assets; a final hearing on the Sale Motion having been held on December 11, 2001 (the "Sale Hearing"); the Debtors having submitted into evidence the transcript of the Auction at the Sale Hearing; all interested parties having been afforded an opportunity to be heard with respect to the Sale Motion; the court having reviewed and considered (i) the Sale Motion, (ii) the objections thereto, if any, and (iii) the arguments of counsel made, and the evidence proffered or adduced, at the Sale Hearing; it appearing that the relief requested in the Sale Motion and approval of the sale of the Assets identified in the TCF Agreement and the assumption and assignment of the Assigned Agreements is in the best interests of the Debtors, their estates, creditors, and other parties in interest; and based on the Motion, the statements of counsel, the record of the Sale Hearing and the Auction and the record in these cases the court having determined and concluded as follows:²

A. On October 18, 2001 ("Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. Since then, the Debtors have remained in possession of their assets and have continued to operate their businesses as debtors in possession in accordance with 11 U.S.C. §§ 1107 and 1108.

² Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.

transfer and deliver the Acquired Assets free and clear of any and all Liens, except for the Assumed Liabilities.

Section 3.5 Brokers. No person, other than Lincoln Partners LLC, is entitled to any brokerage, financial advisory, finder's or similar fee or commission payable by Seller or any of the Non-Debtor Subsidiaries in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller and Purchaser bears no responsibility for the payment of such fee.

Section 3.6 Contracts. To the knowledge of Seller, Schedule 3.6A of this Agreement contains a complete and accurate list of all material executory contracts used in connection with the operation of the Business. True and complete copies of each material written contract set forth on Schedule 3.6B have been heretofore made available to Purchaser. Giving *pro forma* effect to the terms of the Section 363/365 Order, each of the Designated Contracts is legal, valid, binding, enforceable and in full force and effect.

Section 3.7 Leases. To the knowledge of Seller, Schedule 3.7A of this Agreement contains a complete and accurate list of all material unexpired leases used in connection with the operation of the Business. True and complete copies of each material written lease set forth on Schedule 3.7B have been heretofore made available to Purchaser. Giving *pro forma* effect to the terms of the Section 363/365 Order, with respect to each lease listed on Schedule 3.7B with respect to which the Seller is the lessee or sublessee, the Seller will transfer each such lease free and clear of any Liens other than landlord liens. Giving *pro forma* effect to the terms of the Section 363/365 Order, each lease is legal, valid, binding, enforceable and in full force and effect.

Section 3.8 Subsidiaries. Schedule 3.8 of this Agreement contains a complete and accurate list of all of ABC-NACO's direct and indirect subsidiaries.

Section 3.9 Compliance with Bidding Procedures Order. This Agreement and the Purchaser's offer contemplated hereby comply with all of the provisions of the order entered by the Bankruptcy Court on November 6, 2001 approving, among other things, the bidding procedures and bid protection concerning the auction of the Seller's assets (the "Bidding Procedures Order"). The Termination Payment provisions of Section 7.2 hereof comply with the Bidding Procedures Order, comprise a "Bid Protection" in accordance with the terms thereof, and have been approved by the agent for the pre-petition and post-petition lenders and are enforceable in all respects.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller as follows:

Section 4.1 Organization. Purchaser is a corporation validly existing and in good standing under the laws of its jurisdiction of incorporation and has the corporate power and authority and all necessary governmental approvals to own, lease,

and operate its properties and to carry on its business as it is now being conducted or presently proposed to be conducted. Purchaser is duly qualified as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character of its properties owned or held under lease or the nature of its activities make such qualification necessary, except where the failure to be so qualified would not, in the aggregate, have a material adverse effect on Purchaser.

Section 4.2 Authority Relative to this Agreement. Purchaser has the corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution, delivery, and performance of this Agreement by Purchaser and the consummation by Purchaser of the transactions contemplated hereby have been duly authorized by all requisite corporate actions. This Agreement has been duly and validly executed and delivered by Purchaser and constitutes a valid and binding agreement of Purchaser, enforceable against Purchaser in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights generally from time to time in effect, and to general equitable principles.

Section 4.3 Consents and Approvals. Except for consents, approvals or authorizations which may be required under the HSR Act, no consent, approval, or authorization of, or declaration, filing or registration with, any United States federal or state governmental or regulatory authority is required to be made or obtained by Purchaser in connection with the execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated hereby.

Section 4.4 No Violations. Neither the execution, delivery, or performance of this Agreement by Purchaser, nor the consummation by Purchaser of the transactions contemplated hereby, nor compliance by Purchaser with any of the provisions hereof, will (a) conflict with or result in any breach of any provisions of the articles or certificate of incorporation, as the case may be, or bylaws of Purchaser, (b) result in a violation or breach of, or constitute (with or without due notice or lapse of time) a default (or give rise to any right of termination, cancellation, acceleration, vesting, payment, exercise, suspension, or revocation) under any of the terms, conditions, or provisions of any note, bond, mortgage, deed of trust, security interest, indenture, license, contract, agreement, plan, or other instrument or obligation to which Purchaser is a party or by which Purchaser or Purchaser's properties or assets may be bound or affected, (c) violate any order, writ, injunction, decree, statute, rule, or regulation applicable to Purchaser or Purchaser's properties or assets, (d) result in the creation or imposition of any encumbrance on any asset of Purchaser, or (e) cause the suspension or revocation of any permit, license, governmental authorization, consent, or approval necessary for Purchaser to conduct its business as currently conducted, except in the case of clauses (b), (c), (d) and (e) for violations, breaches, defaults, terminations, cancellations, accelerations, creations, impositions, suspensions, or revocations that would not, in the aggregate, have a material adverse effect on Purchaser.

Section 4.5 Brokers. No person is entitled to any brokerage, financial advisory, finder's or similar fee or commission payable by Purchaser in connection with

the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Purchaser.

Section 4.6 Financing. As of the Auction, Purchaser will have cash on hand or committed financing proceeds sufficient to deliver the Purchase Price to Seller in accordance with the terms of this Agreement.

ARTICLE V

COVENANTS

Section 5.1 Action by Seller Pending the Closing. Except as ordered by the Bankruptcy Court or disclosed to Purchaser in writing, between the date of execution of this Agreement and the Closing (or, in the case of Real Property, the Real Property Closing, if any), Seller shall not take any action inconsistent with the transactions contemplated hereby and shall maintain operations at their current levels, and shall maintain its current practice with regard to not discounting its accounts receivable.

Section 5.2 Access, Cooperation and Information. Seller shall afford to Purchaser and to Purchaser's financial advisors, legal counsel, accountants, consultants, financing sources, and other authorized representatives access during normal business hours throughout the period prior to the Closing Date (or, in the case of Real Property, the Real Property Closing, if any), to all books, records, properties, and personnel of Seller and the Non-Debtor Subsidiaries that pertain to the Business and, during such period, shall furnish as promptly as practicable to Purchaser any and all such information as Purchaser reasonably may request pertaining to the Business.

Section 5.3 Additional Matters. Subject to the terms and conditions of this Agreement, each of the parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper, or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including using all commercially reasonable efforts to obtain all necessary waivers, consents, and approvals required under this Agreement. Without limiting the generality of the foregoing, on or prior to Closing, Seller shall deliver to Purchaser an executed license agreement reasonably satisfactory to Purchaser whereby ABC-NACO Inc. licenses the intellectual property used in Europe, including, but not limited to Axle Motion and Axle Motion II, to ABC-NACO Europe Limited. In addition, the Seller shall make arrangements to Purchaser's reasonable satisfaction for the repair of the roof of the Cicero building, which repairs shall be subject to prior approval by the insurance company as within the allowed claim for the repair of such roof.

Section 5.4 Further Assurances. In addition to the provisions of this Agreement, from time to time after the Closing Date, Seller and Purchaser will use all commercially reasonable efforts to execute and deliver such other instruments of conveyance, transfer or assumption, as the case may be, and take such other actions as

may be reasonably requested to implement more effectively, the conveyance and transfer of the Acquired Assets to Purchaser and the assumption of the Assumed Liabilities by Purchaser.

Section 5.5 HSR Filings. Within 2 days following the Auction, if Purchaser is chosen by Seller as having the highest and otherwise best offer, each party shall make its respective filing under the HSR Act, and thereafter make any other required submissions under the HSR Act and use reasonable commercial efforts and diligence to satisfy any other conditions necessary to comply with the HSR Act and to obtain an early termination of any waiting period pursuant thereto. Neither party will take any action in connection with the consummation of this transaction which would materially increase the risk of extending the waiting period or failing to obtain the required approval under the HSR Act.

Section 5.6 Section 363/365 Order. The Seller shall use its best efforts to obtain entry by the Bankruptcy Court on or before December 11, 2001 of the Section 363/365 Order which shall, among other things:

- (a) approve all terms and conditions of this Agreement;
- (b) approve a sale of the Acquired Assets to Purchaser pursuant to Sections 363 and 365 of the Bankruptcy Code, free and clear of Liens;
- (c) contain findings of fact and provides that Purchaser is a good faith purchaser entitled to the protections of Section 363(m) of the Bankruptcy Code;
- (d) authorize the assumption by Seller and assignment to Purchaser of all Designated Contracts; and
- (e) otherwise be reasonably acceptable to Purchaser.

Section 5.7 Covenant Not to Sue. Following Closing, Purchaser shall not take any action, claim, demand or proceeding against Seller for the collection of Receivables owed to Purchaser by the Seller. For the avoidance of doubt, Seller acknowledges that neither the Termination Payment nor the Deposit are Receivables.

ARTICLE VI

CONDITIONS PRECEDENT

Section 6.1 Conditions Precedent to Obligation of Seller and Purchaser. The respective obligations of each party to effect the transactions contemplated by this Agreement shall be subject to the satisfaction of the following conditions:

- (a) the waiting period, if any, under the HSR Act shall have expired; and

(b) the Section 363/365 Order, in form and substance reasonably satisfactory to the Purchaser, shall have been entered by the Bankruptcy Court and such order shall not have been stayed, modified, reversed or amended.

Section 6.2 Other Conditions Precedent to Obligation of Seller. The obligation of Seller to effect the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver at or prior to the Closing Date (or, in the case of Real Property, the Real Property Closing, if any), of the following additional conditions: Purchaser shall have performed in all material respects its obligations under this Agreement required to be performed by Purchaser at or prior to the Closing Date (or, in the case of Real Property, the Real Property Closing, if any), including, without limitation, payment of the Purchase Price and the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the Closing Date (or, in the case of Real Property, the Real Property Closing, if any), as if made at and as of such date, except as otherwise contemplated by this Agreement.

Section 6.3 Other Conditions Precedent to Obligation of Purchaser. The obligation of Purchaser to effect the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver at or prior to the Closing Date (or, in the case of Real Property, the Real Property Closing, if any), of the following additional conditions: Seller shall have performed in all material respects its obligations under this Agreement required to be performed by Seller at or prior to the Closing Date (or, in the case of Real Property, the Real Property Closing, if any), and, the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the Closing Date (or, in the case of Real Property, the Real Property Closing, if any), as if made at and as of such date, except as otherwise contemplated by this Agreement.

ARTICLE VII

TERMINATION

Section 7.1 Termination Rights. This Agreement and the transactions contemplated hereby may be terminated at any time prior to the Closing Date (or, in the case of Real Property, the Real Property Closing, if any), with written notice thereof (a "Termination Notice") by any of the following:

- (a) By mutual written consent of Seller, Purchaser and the agent for the post-petition lenders, at any time;
- (b) By Purchaser or Seller if any of the conditions set forth in Section 6.1 have not been, or are not capable of being, materially satisfied at Closing (or, in the case of Real Property, the Real Property Closing, if any);
- (c) By Purchaser if any of the conditions set forth in Section 6.3 have not been, or are not capable of being, materially satisfied at Closing (or, in the case of Real Property, the Real Property Closing, if any);

(d) [deleted intentionally]

(e) By Seller if any of the conditions set forth in Section 6.2 have not been, or are not capable of being, materially satisfied at Closing (or, in the case of Real Property, the Real Property Closing, if any);;

(f) If this Agreement has not otherwise been terminated, by Purchaser or Seller if the Closing Date has not occurred on or prior to January 11, 2002; provided, (i) neither Purchaser nor Seller may exercise their right to terminate the Agreement under this Section 7.1(f) if the reasons for the failure to consummate the transaction are attributable to the breach by Purchaser or Seller (as the case may be) of any of their representations, warranties or covenants under this Agreement, and (ii) that in the event the failure to consummate the transaction by January 11, 2002 is attributable to the failure of the parties to obtain the required approval under the HSR Act, neither Purchaser nor Seller may terminate this Agreement until February 11, 2002;

(g) By Purchaser, if at any time after the date hereof, Seller materially violates any provision of Article 5 (and have not cured any such violation within 10 days of written notice to Sellers, of such violation); and

(h) By either Seller or Purchaser if there shall be in effect on or after January 11, 2002 a final, nonappealable order of a court restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby.

Section 7.2 Termination Payment. In the event that a higher or better offer or offers from a third party bidder or bidders for the Acquired Assets (a "Third Party Bid") (whether in a single lot or multiple lots) results in a closed sale (a "Third Party Acquisition"), Seller shall pay to Purchaser a \$2.25 million fee in cash (the "Termination Payment"), on the date of consummation of such Third Party Acquisition, without the requirement of any notice or demand from Purchaser, provided Purchaser was not otherwise in default of its obligations under this Agreement and was ready, willing and able to close the transaction contemplated hereby. The Termination Payment shall be payable directly from and secured by the cash component consideration of any Third Party Acquisition consummated by the Seller. Seller shall not accept any Third Party Bid or Bids which do not: (i) in the aggregate, have a cash component that is at least equal to the Termination Payment, and (ii) provide that the cash component consideration be payable first to satisfy Seller's obligation to pay the Termination Payment. The obligations of Seller to pay the Termination Payment shall be entitled to administrative expense claim status under 11 U.S.C. §§ 503(b)(1)(A) and 507(A)(1), subordinate only to administrative expense claims allowable under 11 U.S.C. § 364 arising under the DIP Financing Order. If the Section 363/365 Order is not entered, other than the return of the Deposit to Purchaser, the payment of the Termination Payment to the Purchaser (if any is required) shall be the sole and exclusive remedy of Purchaser, whether at law or in equity, for any breach by Seller of the terms and conditions of this Agreement.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.1 No Survival of Representations, Warranties, and Agreements. With the exception of Section 5.7 of this Agreement, no representations or warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive beyond the Closing Date (or, in the case of Real Property, the Real Property Closing, if any).

Section 8.2 Taxes. Subject to Bankruptcy Court approval, the Purchaser and Seller intend that Section 1146(c) of the Bankruptcy Code shall apply to this transaction. To the extent that Section 1146(c) is inapplicable, all sales, use, transfer and documentary taxes or fees, if any, payable in connection with the sale, conveyance, assignments, transfers and deliveries to be made to Purchaser hereunder shall be borne by Purchaser and paid when due.

Section 8.3 Costs and Expenses. All legal and accounting costs, fees and expenses incurred in connection with this Agreement and the transactions contemplated thereby shall be paid by the party incurring such expenses. The foregoing shall not affect the legal right, if any, that any party hereto may have to recover expenses from any other party that breaches its obligations hereunder.

Section 8.4 Post-Closing Obligations.

(a) Purchaser agrees to make those books and records of Seller which are part of the Acquired Assets available for inspection by Seller, or by its representatives, at all reasonable times during normal business hours and upon reasonable prior notice, for a five (5) year period after the Closing, with respect to the period prior to and relating to the Closing. As used herein, the right of inspection includes the Purchaser's agreement to provide extracts or copies.

(b) The parties shall execute such further documents, and perform such further acts, as may be necessary to transfer and convey the Acquired Assets to Purchaser on the terms herein contained and to otherwise comply with the terms of this Agreement and consummate the transaction contemplated hereby.

Section 8.5 Notices. All notices, claims, demands, and other communications hereunder shall be in writing and shall be deemed given upon (a) confirmation of receipt of a facsimile transmission, (b) confirmed delivery by a standard overnight carrier or when delivered by hand, or (c) the expiration of five (5) business days after the day when mailed by registered or certified mail (postage prepaid, return receipt requested), addressed to the respective parties at the following addresses (or such other address for a party as shall be specified by like notice):

(a) If to Purchaser, to:

TCF Railco Acquisition Corporation
c/o Three Cities Research Inc.
650 Madison Avenue
New York, NY 10022
Attention: Mr. J. William Uhrig

with copies to:

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019-6064
Attention: Alan W. Kornberg, Esq.
Richard S. Borisoff, Esq.

(b) If to Seller, to:

ABC-NACO Inc.
355 Eisenhower Lane South
Lombard, IL 60148
Attn: Chief Executive Officer

with copies to:

D'Ancona & Pflaum LLC
111 East Wacker Drive, Suite 2800
Chicago, IL 60601
Attn: Steven B. Towbin, Esq.
Suzanne L. Saxman, Esq.

Section 8.6 Publicity. No party to this Agreement shall issue any press release or other publicity concerning the proposed transaction without the prior approval of the other party, except as otherwise required by law. Each party shall provide to the other party a reasonable opportunity to review any press release prior to its issuance.

Section 8.7 Descriptive Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 8.8 Entire Agreement. This Agreement (including the Schedules and the other documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, among the parties or any of them, with respect to the subject matter hereof, including, without limitation, any transaction between or among the parties hereto, provided, however, that the terms of any confidentiality agreement executed in connection with Purchaser's investigation and due diligence of the Acquired Assets shall survive execution of this Agreement.

Section 8.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without regard to the rules of conflict of laws of the State of Illinois or any other jurisdiction. Each of the parties hereto irrevocably and unconditionally consents to submit to the jurisdiction of the courts of Illinois and the United States of America located in such state, including the Bankruptcy Court, for any litigation arising out of or relating to this Agreement and the transactions contemplated thereby (and agrees not to commence any litigation relating thereto except in such courts), waives any objection to the laying of venue of any such litigation therein, and agrees not to plead or claim that such litigation has been brought in an inconvenient form.

Section 8.10 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of all the parties hereto.

Section 8.11 Waiver. At any time prior to the Closing Date (or, in the case of Real Property, the Real Property Closing, if any), the parties may (a) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, and (c) waive compliance with any of the Agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party.

Section 8.12 Counterparts; Effectiveness. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement. This Agreement shall become effective when each party hereto shall have received counterparts thereof signed by the other parties hereto.

Section 8.13 Severability; Validity; Parties in Interest. If any provision of this Agreement or the application thereof to any person or circumstance is held invalid or unenforceable, the remainder of this Agreement, and the application or such provision to other persons or circumstances, shall not be affected thereby, and to such end, the provisions of this Agreement are agreed to be severable. Nothing in this Agreement, express or implied, is intended to confer upon any person not a party to this Agreement any rights or remedies of any nature whatsoever under or by reason of this Agreement, except as expressly set forth herein.

Section 8.14 Assignment. The parties may not assign their rights under this Agreement without the express written consent of the other party; except, that the Purchaser shall be permitted to assign all or a portion of its rights and obligations under this Agreement to one of its Affiliates; provided, Purchaser remains primarily liable.

Section 8.15 Bulk Sales. Purchaser hereby waives compliance with any bulk sales or other similar laws in any applicable jurisdiction in respect of the transactions contemplated by this Agreement.

Section 8.16 Time is of the Essence. Time shall be of the essence in all respects of this Agreement.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Agreement to be executed on their behalf by their duly authorized officers, as of the date first above written.

PURCHASER:

TCF RAILCO ACQUISITION
CORPORATION

By: *William Albright*
Its: *President*

SELLER:

ABC-NACO INC.

By: *[Signature]*
Its: *President ABC*

NACO, INC.

By: *[Signature]*
Its: *President*

NATIONAL CASTINGS, INC.

By: *[Signature]*
Its: *President*

NACO FLOW PRODUCTS, INC.

By: *[Signature]*
Its: *President*

NATIONAL ENGINEERED
PRODUCTS COMPANY, INC.

By: *[Signature]*
Its: *President*

BUYMETALCASTING, INC.

By: *[Signature]*
Its: *President*

THE AIMS GROUP, INC.

By: [Signature]
Its: President

ABC RAIL (VIRGIN ISLANDS)
CORPORATION (FSC)

By: [Signature]
Its: President

Exhibit A
Escrow Agreement

Schedule A

Debtor Subsidiaries

NACO, Inc.
National Castings, Inc.
NACO Flow Products, Inc.
National Engineered Products Company, Inc.
BuyMetalCasting, Inc.
The AIMS Group, Inc.
ABC Rail (Virgin Islands) Corporation (FSC)

Schedule B

Non-Debtor Subsidiaries

ABC Rail Products China Investment Corp.
NACO Europe AB
ABC-NACO Europe Limited
Dominion Castings Limited
ABC-NACO Latino America S.A. de C.V.
Companhia Metalurgica Nacional, S.A. (Cometna)
National Castings de Mexico, S.A. de C.V.
Servicios National Castings, S.A. de C.V.
Comercializadora National Castings, S.A. de C.V.
ABC-NACO Servicios Ferroviarios S.A. de C.V.
Datong ABC Castings Co., Limited
Zhuzhou ABC Rail Products Co., Ltd.

Schedule C

Purchased Non-Debtor Subsidiaries

ABC Rail Products China Investment Corp.
Datong ABC Castings Co., Limited
Zhuzhou ABC Rail Products Co., Ltd.
NACO Europe AB
ABC-NACO Europe Limited
ABC-NACO Servicios Ferroviarios S.A. de C.V.
COMETNA - Companhia Metalurgica Nacional, S.A.

Schedule D

Remaining Non-Debtor Subsidiaries

Dominion Castings Limited
ABC-NACO Latino America S.A. de C.V.
National Castings de Mexico, S.A. de C.V.
Servicios National Castings, S.A. de C.V.
Comercializadora National Castings, S.A. de C.V.

Schedule 1.1

Acquired Assets

The Acquired Assets shall include all of the assets of the Business (other than the Excluded Assets), including without limitation:

- (a) **Cash.** All cash and cash equivalents of the Seller as of the Closing as well as all cash necessary to cover outstanding checks and ACH's in excess of any amounts contemplated by 1.1(m), but excluding (i) the insurance proceeds payable to Seller pursuant to Schedule 1.3; and (ii) any remaining cash funded by the post-petition lenders pursuant to the DIP Financing Order to make payments allowed under the Approved Budget;
- (b) **Receivables.** All trade receivables, notes receivable, intercompany receivables (excluding intercompany receivables owed by the Remaining Non-Debtor Subsidiaries), insurance receivables (except as set forth on Schedule 1.3 hereto) and other receivables of the Seller as of the Closing, (collectively, "Receivables") and any security or collateral for Receivables.
- (c) **Inventory.** All items of inventory, components, assembled or finished goods, work in process, parts, raw materials and supplies, capitalized fixed overhead and finished goods on consignment as of the Closing Date (collectively, the "Inventory");
- (d) **Contracts.** All of the Seller's right, title and interest in and to or under all Designated Contracts listed on Schedules 3.6B and 3.7B;
- (e) **Personal Property.** All owned furniture, fixtures, fixed assets, equipment (including office equipment), supplies, manuals, vehicles, and other personal property owned by Seller (collectively, the "Personal Property");
- (f) **Claims and Causes of Action.** (i) Any and all intellectual property claims (to the extent related to the Intellectual Property) and (ii) any and all other claims and causes of action that may be asserted by Seller against (x) any vendor to the extent that the relevant contract with such vendor is an "Assumed Contract" hereunder or the obligations to such vendor are Assumed Liabilities hereunder or (y) employees of the Business who become employees of Purchaser as of the Closing Date;
- (g) **Real Property.** All of Seller's right, title and interest in and to all Real Property Leases set forth on Schedule 3.7B as well as all owned real property (the "Real Property");
- (h) **Books and Records.** All books and records of Seller relating to the Business or Acquired Assets, including, without limitation, (i) all computer data files stored, used, held or kept in connection with the Business or Acquired Assets, and (ii) to the extent in possession of Seller, copies of the organizational books and records of the Seller (all of the foregoing, the "Books and Records");

(j) Governmental Permits. All of Seller's licenses, consents, qualifications, approvals or other regulatory authorizations issued by any governmental entity pursuant to any law, rule, regulation, decree or administrative or industry practice ("Governmental Permits") that are transferable and that are necessary or useful for the operation of the Business and held by Seller in connection with the operation of the Business or the ownership of the Business;

(k) Prepaid Expenses, Deposits, and Certain Rights. All of Seller's prepaid expenses, media barter credits, utility, lease and other deposits, rights under indemnities (including, without limitation, from manufacturers, vendors and others), rights arising out of or under any express or implied warranties from any suppliers, or rights otherwise arising in connection with the operation of the Business, but in all cases only to the extent related directly to the Business;

(l) Vendor Allowances. All vendor allowances, including volume and promotional incentive allowances, spoilage credits, and any other credits of Seller received by or accruing to Seller, related to (i) the vendor contracts that are Assumed Contracts hereunder or (ii) vendors with respect to which all of Seller's obligations are Assumed Liabilities hereunder;

(m) Bank Account Agreements. Subject to the approval of the banks, each bank account agreement with respect to which Purchaser (to the extent Purchaser has determined that it wants such agreement transferred to it) and the relevant bank or financial institution have agreed to a transfer of such agreement to Purchaser effective on or immediately after the Closing Date; provided, that Sellers shall have no obligation with respect to the foregoing and that the Purchaser agrees that it will not sweep any money out of such accounts that is required to fund any remaining outstanding checks or ACH's;

(n) Insurance Policies and Insurance Claims. Subject to the approval of the insurance companies and, in respect of the insurance policies applicable to the Cicero facility, to the pre-petition lenders and post-petition lenders rights, claims and liens in and to such policies and the proceeds thereof and the pre-petition lender's rights as a mortgagee as the term is used in such policies, all of Seller's contracts of insurance with respect to the Business and the Acquired Assets, (other than the Seller's Directors and Officers liability insurance policies) any unearned premiums thereunder, and any outstanding claims against insurance policies, but only to the extent such claims are necessary to restore the Acquired Assets to their fair market value; provided, that Seller shall remain listed as additional insureds under any such policies, at Seller's expense;

(o) Equity Interest in Purchased Non-Debtor Subsidiaries. All of Seller's right, title and interest in the capital stock of the Non-Debtor Subsidiaries set forth on Schedule C (the "Purchased Non-Debtor Subsidiaries");

(p) Letter of Credit. The rights to the proceeds of the letter of credit in the approximate amount of \$1,935,461.60 relating to products ordered by ZhuZhou Rolling Stock Works but that have not yet been shipped;

(q) Unrecorded Receivable. The uncollected portion of the unrecorded receivable in the approximate amount of \$1,000,000 owed by Zhuzhou ABC Rail Products Co., Ltd. which will be recorded upon delivery of certain documentation; and

(r) Environmental Indemnities. All environmental indemnities in favor of the Seller in all asset purchase and stock purchase agreements executed by the Seller, to the extent transferable.

(s) Other Assets. All other assets of Seller that are not Excluded Assets and that are used, usable, or necessary for the operation of the Business.

(t) Confidentiality Agreements. All Confidentiality Agreements entered into between the Seller and the prospective bidders in connection with the sale of the Business.

Schedule 1.3

Excluded Assets

- The Seller's property in Ashland, Wisconsin and Superior, Wisconsin.
- All avoidance actions of Seller, including those arising under 11 U.S.C. §§ 510, 544-550, and applicable State law.
- All tax refunds or other tax benefits arising from Seller's operation of the Business.
- Non-business related Notes receivables.
- Tax net operating losses of the Seller.
- Subject to Section 5.3 of this Agreement, all insurance proceeds, relating to or arising from the roof collapse of the Cicero building.
- The Seller's Directors and Officers liability insurance policies and any credits and/or premiums due thereunder.
- All proceeds from causes of action and litigation rights existing in favor of Seller from the Graphite Electrode litigation and other litigation to be specified.
- All of Seller's rights to overfunding and refunded assets from employee benefits plans.
- The Signal escrow, the Tasman receivables and work in progress, the Caltrain receivables and work in progress and other retained assets pursuant to the sale of the Rail Systems Division to Balfour Beatty on February 23, 2001.
- The Matrix note receivable.
- The Non-Debtor Subsidiaries set forth on Schedule D (the "Remaining Non-Debtor Subsidiaries").
- All retainers and deposits for professionals.

Schedule 1.4

Assumed Liabilities

- The Industrial Revenue Bond Series 1994 in the name of ABC Rail Products Corporation, relating to the real property leased in Newton, Kansas
- The mortgage on the property located in Melrose Park, Illinois.

(i) Intellectual Property. Except as set forth on Schedule 1.1(i), all of Seller's right, title and interest with respect to:

(A) patents, patent applications, inventor's certificates, invention disclosures, reissues, divisions, continuations-in-part and extensions thereof;

(B) trademarks (whether registered or unregistered), trademark applications, trade names, brand names, assumed names, trade dress, service marks (whether registered or unregistered), service mark applications, internet domain name registrations and other indications of origin and all renewals, modifications and extensions thereof;

(C) copyrights (whether registered or unregistered), copyright applications and all renewals and extensions thereof;

(D) the management information systems of the Seller and its Subsidiaries;

(E) all of Seller's other intellectual property, trade secrets, inventions, confidential or proprietary business information, know-how, ideas, formulas, compositions, technical data, operating manuals and guides, writings and other works of authorship, whether copyrightable or not, including software programs or applications (including source code and object code and all documentation therefor) developed by or on behalf of Sellers, algorithms, databases, financial, marketing and business data, pricing and cost information, recipes, processes, techniques, vendor lists and records, customer lists and records, licensing records, plans, designs, drawings, sketches, specifications, proposals, rights to limit the use or disclosure of confidential information by any person, advertising and promotional materials, business and marketing plans and similar assets;

(F) the goodwill associated with each of the foregoing;

(G) the right to use or exploit any of the foregoing;

(H) any similar tangible or intangible intellectual property or proprietary rights, information and technology;

(I) any of the foregoing used pursuant to an express or implied license, to the extent transferable under the Bankruptcy Code; and

(J) any claims or causes of action arising out of or related to any infringement or misappropriation of any of the foregoing; in each case in any jurisdiction

(all of the foregoing being referred to collectively as the "Intellectual Property");

Ronsco, Inc.
1440 St. Catherine Street West
Suite 712
Montreal, Quebec H3G 1R8
Canada

Union Pacific Railway
1416 Dodge Street
Omaha, NE 68179

Union Pacific Railway
1416 Dodge Street
Omaha, NE 68179

Union Pacific Railway
1416 Dodge Street
Omaha, NE 68179

Burlington Northern Santa Fe Railway Co.
2500 Lou Menk Drive
Fort Worth, TX 76131

ASF-Keystone, Inc.
10 South Riverside Plaza, Suite 1000
Chicago, IL 60606

Vae Nortrak North America Inc.
1740 Pacific Avenue
Cheyenne, WY 82001

Jason Donovan
c/o ABC-NACO Inc. Danvers Facility
RR #1
5704 E. 1700N Rd.
Danvers, IL 61732

John I. Donovan
c/o ABC-NACO Inc. Danvers Facility
RR #1
5704 E. 1700N Rd.
Danvers, IL 61732

Michael B. Frakes
c/o ABC-NACO Inc. Danvers Facility
RR #1
5704 E. 1700N Rd.
Danvers, IL 61732

Amended and Restated Agreement
N/A
Parent of Principal in distribution
agreement

Letter Agreement re: Coupler Contract
Pricing
3/9/01 – 12/31/03
Supplier

Letter Agreement
3/5/99 – 12/31/07
Supplier

Strategic Alliance Agreement
10/1/99 – 9/30/02
Supplier

Revised RFP for Castings on Freight Cars
and Locomotives
Supplier

Amendment to License Agreement
Licensor

Licensing Agreement
Cross Licenses

Employment Agreement

Employment Agreement

Employment Agreement

ROI Systems, Inc.
435 Ford Road, Suite 700
Minneapolis, MN 55426-4913

NewsEdge Corporation
80 Blanchard Road
Burlington, MA 01803

Symantec
2400 Research Blvd.
Rockville, MD 20850

Bank of America
655 California Street, 4th Floor
San Francisco, CA 04104

PennSal Communications Service, Inc.
1 East Main Street
Bloomsburg, PA 17815-1804

Pitney Bowes, Inc.
5301 Robin Hood Road
Norfolk, VA 23513

Xerox
350 S. Northwest Highway
P.O. Box 8127
Park Ridge, IL 60068

Industrial Uniform Rental
10 Park Avenue
Tipton, PA 16684-0010

Dimension Funding, Inc.
17748 Sky Park Blvd
Suite 240
Irvine, CA 02614

Toshiba Telephone Services
Professional Telephone Srvs.
Advanced State Networking
6316 Greenland Road
Jacksonville, FL 32258

Borrell Fire Systems, Inc.
6900 Phillips Highway - Suite 5
Jacksonville, FL 32216

Software License Agreement for
Development System
Automatic continuation until terminated by
ABC - NACO Inc.
Client (Buyer)

SGML eTopic Feed for Extranet
Until services complete
Buyer

Software License
8/31/02 & 3/30/02 & 4/1/02
Licensee

Equipment Lease Agreement

Pagers Lease Agreement
3 Pagers leased from 12/1/00 - 11/30/01
@ \$235.44/year

Postage Meter and Scale Lease Agreement
10/16/01 - 1/15/02 @ 96.43/quarter

Photocopier Service Lease Agreement
1/1/01 - 12/30/01 @\$585.12/year

Uniforms and Rugs Lease Agreement
5/17/01 - 6/27/03 @\$252.58/week

Presentation Projector Lease Agreement
(Commercial Lease Rental Agreement
No. 10130SC0499-1)

Phone System Lease Agreement
(Equipment Lease No. 6784617-001)

Fire Retardant System Lease Agreement
(Equipment Lease NO. 326120)

Schedule 3.6A

Seller's Executory Contracts

Parties	Description of Contract
Burlington Northern and Santa Fe Railway 1001 NE Atchison P.O. Box 1574 Topeka, KS 66616-1674	Trackwork Agreement 1/1/00 – 12/31/02 Supplier
Canadian Pacific Railway 410 9th Avenue S.W. Calgary, Alberta, T2P 4Z4 Attn: Martin Quintal	Truck Casting Supply Agreement between Ronsco, Canadian Pacific, Dominion Castings Limited and NACO, Inc. 1/1/01 – 12/31/03 Supplier
General Electric Railcar Service Corp. Attn: Vice President of Sourcing 33 West Monroe Street Chicago, IL 60603	Purchase and Sale Agreement (& Assignment) 2/22/00 – 4/1/04 Buyer and Subsequent Supplier
GE Capital Rail Services Corporation Gene Henneberry 161 N. Clark Street Chicago, IL 60601	Corporate Purchasing Agreement 3/1/00 – 2/28/03 Supplier
Gunderson Rail Services, Inc. Attention: President One Centerpointe Drive, Suite 200 Lake Oswego, OR 97035	Joint Supply Memorandum 11/15/99 – 11/8/09 Co-Supplier
Matrix Metals LLC 3972 Main Street Road P.O. Box 6005 Keokuk, IA 52632	Manganese Truck Castings Supply Agreement 5/2/01 – 6/30/05 Buyer
Progress Rail Services Attention: David Bird 830 East Texas Road Waskom, TX 75692	Consignment Agreement 5/15/01 – 12/31/01 Supplier
Thrall Car Manufacturing Attention: Steve Raynes 2521 State Street Chicago Heights, IL 60411	Sales Agreement 9/23/99 – 12/31/02 Supplier

Union Pacific Railroad Company
Attention: Gary P. Zaversnik
1416 Dodge Street
Omaha, NE 68179

Union Pacific Railroad Company
Attention: General Director-Purchasing
1416 Dodge Street, Room 200
Omaha, NE 68179-0001

Union Pacific Railroad Company
Attention: Michael J. Cronin
1416 Dodge Street
Omaha, NE 68179

Union Tank Car
175 West Jackson Blvd.
Chicago, IL 60604

Wisconsin Central Ltd.
Stephen Mackiw, Senior Purchasing Agent
1 O'Hare Center
6250 N. River Rd., Ste. 9000
Rosemont, IL 60018

Permatrack International Limited
380 Newport Avenue
Victoria, British Columbia V88 5C5

Robert W. Baird
777 East Wisconsin
Milwaukee, WI 53202-5391

Softech Financial
Division of Banks Leasing Association
4201 Lake Cook Road
Northbrook, IL 60062

SAP America, Inc.
701 Lee Road, Suite 200
Wayne, PA 19087

Sterling Commerce
4600 Lakehurst Court
Dublin, OH 43016-2000

Supply Agreement
9/1/00 – 12/31/02
Long Term Supply Agreement

Wheelset Supply and Services Agreement
11/9/99 – 11/8/09
Supplier

Intent to Purchase Letter
10/1/99 – 11/31/02
Supplier

Proposal to Sell Wheel Assembly
6/5/00 – 12/31/01
Supplier

Supply Agreement between Wisconsin
Central Ltd., Fox Valley & Western Ltd.,
Algoma Central Ltd., Sault Ste. Marie
Bridge Company and ABC-NACO Inc.
2/1/00 – 1/31/05
Seller

Settlement Agreement
12/20/02
Defendant in Permatrack Int'l Limited v.
ABC-NACO Inc.

Letter Agreement &
Extension/Amendment
8/31/00 – 7/31/01 (extended by amendment
until 7/31/02)
Engaged services of Baird

Master Lease Agreement – Software
8/28/98 – 8/28/01
Lessee

R/3 Software End-User Value License
Agreement
11/15/96 – until termination

Software License Agreement
Perpetual
Licensee

John L. Donovan
Rural Route 1
P.O. Box 486
Danvers, IL 61732

John L. Donovan
Rural Route 1
P.O. Box 486
Danvers, IL 61732

Matrix Metals, LLC
c/o ING Furman Seiz Investments
55 East 52nd Street, 37th Floor
New York, NY 10055-0002

Crystal Lake Chrysler Plymouth
5404 North Rt. 31
Crystal Lake, IL 60012

Baillargeon Ford
1819 N. Central Expressway
Richardson, TX 78080-3884

North Ridge Ford
6500 N. Western Avenue
Chicago, IL 60645

Mister Leasing Corp.
2772 Skokie Valley Road
Highland Park, IL 60035

Wheelco Inc.
1550 N. Northwest Hwy.
Park Ridge, IL 60068

Union Leasing Inc.
150 N. Martingale Road
Schaumburg, IL 60173

Bank of America
555 California Street, 4th Flr.
San Francisco, CA 94104

Manufacturing Systems Corp.
19 Grandview Cres.
Bradford, ON L3Z 2A5

Exclusive License Agreement
Until last to expire of the Licensed Patents
Licensor

License Agreement for Improvements
Until last to expire of the Licensed Patents
Licensee

Transition Service Agreement
No more than 10 years
Seller

Automobile Lease
3/25/99 – 3/25/02
Lessee

Automobile Lease
5/11/00 – 6/11/02
Lessee

Automobile Lease
6/30/00 – 6/30/03
Lessee

Automobile Lease
1/1/00 – 1/1/02
Lessee

Automobile Leases (2)
7/1/98 – 4/30/01 & 5/1/98 – 4/30/01
Lessee

Automobile Leases (12)
Thru 2003
Lessee

Personal Property Lease – Equipment
Lessee

Client Software License Agreement
Automatic renewal until terminated
Client (Installee)

ADT Security Systems
361 Frontage Road
Burr Ridge, IL 60521

Pitney Bowes Credit Corp.
1632 Walnut Hill Lane
Irving, TX 75038-3703

OCE-USA
5450 N. Cumberland Avenue
Chicago, IL 60656

Verizon Wireless
200 Riverpoint Corporate Square
Hwy. 280
Birmingham, AL 35242

Cingular Wireless
Glenridge Highlands Two
5565 Glenridge Connector
Atlanta, GA 30342

Safety Klean
1301 Gervis Street
Suite 310
Columbia, SC 29201

IOS Capital
P.O. Box 9115
Macon, GA 31210

Pitney Bowes
2225 American Drive
Neenah, WI 54956-1005

CTP, Inc.
518 N. 15th Street
Corsicana, TX 75110

Penske Truck Leasing
3206 East Abram
Arlington, TX 76010

Bank of America Leasing & Capital
555 California Street, 4th Floor
San Francisco, CA 94104

Ameritech
P.O. Box 9001076
Louisville, KY 40290-1076

Security Systems Lease Agreement

Postage Machine Lease Agreement

Copier Lease Agreement

Cellular Phones Lease Agreement

Cellular Phones Lease Agreement

Parts Cleaner Lease Agreement
36 monthly of \$250, 3/20/00 - 3/19/03

Copier/Printer Lease Agreement
36 monthly of \$404.96, 3/22/99 - 3/21/02

Postage Meter Lease Agreement

Office Copier Lease Agreement

Flat Bed Trailers Lease Agreement

Production Equipment Lease Agreement

Meridian Phone System Lease Agreement

Xerox
 350 S. Northwest Highway
 Park Ridge IL 60068
 NMGH Municipal Services, Inc.
 44 Old Ridgebury Road
 Danbury, CT 06810
 Johnson Lift/Hyster
 1360 Citrus Avenue
 Riverside, CA 92502
 Pitney Bowes Credit Corp.
 27 Waterview Drive
 Shelton, CT 06484-7151
 J.V. Crane & Eng.
 425 S. Shelby Street
 P.O. Box 548
 Hobart, IN 16342
 Penske Truck Leasing Co.
 350 N. James Street
 Kansas City, KS 66118
 Citicorp Vendor Finance, Inc.
 7165 S.W. Fir Loop
 Tigard, OR 37223
 Cannon Financial Services
 P.O. Box 42937
 Philadelphia, PA 19101-2937
 Kansas City Southern Railway
 4605 Blanchard Highway
 Shreveport, LA 71107
 Morrison Metalweld Process Corp.
 3685 Stutz Drive
 P.O. Box 519
 Canfield, OH 44406-0519
 Microsoft Corporation
 One Microsoft Way
 Redmond, WA 98052-6399
 ROI Systems, Inc.
 435 Ford Street, Suite 700
 Minneapolis, MN 55426

Copiers Lease Agreement

3 Fork Lifts Lease Agreement

3 Fork Lifts Lease Agreement

Postage Meter Lease Agreement

(1) 5-Ton & (1) 1-Ton Motorized Hoists
and Trolley Lease Agreement

42 Ft. Great Dane Trailer Lease Agreement

Hyster 6,000 lb. Forklift Lease Agreement

(1) Canon 6221 Copier & (1) Canon 6412
Copier Lease Agreement

Wheelsets Services Proposal
Not yet finalized
Buyer

Sales Representative Agreement
6/29/00 – 6/29/05
Manufacturer Employer

Select Master Agreement
Buyer

Beta Test Agreement
n/a
client

AT&T Corporation
32 Avenue of the Americas
New York, NY 10013

Ed Napleton Dodge
6550 W. 95th Street
Oak Lawn, IL 60453

R-4 Services Inc.
Attn: Trisha Rooney
2101 South Wabash Avenue
Chicago, IL 60616

Ritter & Company
445 North LaSalle Street
Chicago, IL 60610-4510

Ronsco, Inc.
1440 St. Catherine Street West
Suite 712
Montreal, Quebec H3G 1R8
Canada

Union Pacific Railway
1416 Dodge Street
Omaha, NE 68179

Union Pacific Railway
1416 Dodge Street
Omaha, NE 68179

Union Pacific Railway
1416 Dodge Street
Omaha, NE 68179

Burlington Northern Santa Fe Railway Co.
2500 Lou Menk Drive
Fort Worth, TX 76131

ASF-Keystone, Inc.
10 South Riverside Plaza, Suite 1000
Chicago, IL 60606

Vac Nortrak North America Inc.
1740 Pacific Avenue
Cheyenne, WY 82001

George A. Hinkes & Associates

Software Commercial End-User License
Agreement
n/a
Licensee

Auto Lease
Lessee

Storage and Service Agreement
11/26/96 – 11/26/99 (automatic renewal for
consecutive three year terms unless
terminated with at least 60 days' notice
Lessee

Letter Agreement for insurance claim
consulting services
N/A
Insured Party

Amended and Restated Agreement
N/A
Parent of Principal in distribution
agreement

Letter Agreement re: Coupler Contract
Pricing
3/9/01 – 12/31/03
Supplier

Letter Agreement
3/5/99 – 12/31/07
Supplier

Strategic Alliance Agreement
10/1/99 – 9/30/02
Supplier

Revised RFP for Castings on Freight Cars
and Locomotives
Supplier

Amendment to License Agreement
Licensor

Licensing Agreement
Cross Licenses

State and Local Tax Service Agreement

Matrix Metals
3972 Main Street Road
P.O. Box 6005
Keokuk, IA 52632

Track Holdings, Inc.
Group Head Office of Signal Division
130 Wilson Road
London SW1V 1LQ
England

Mark Baggio
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

Larry Boik
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

Steve Becker
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

Jason Donovan
c/o ABC-NACO Inc. Danvers Facility
RR #1
5704 E. 1700N Rd.
Danvers, IL 61732

John I. Donovan
c/o ABC-NACO Inc. Danvers Facility
RR #1
5704 E. 1700N Rd.
Danvers, IL 61732

Michael B. Frakes
c/o ABC-NACO Inc. Danvers Facility
RR #1
5704 E. 1700N Rd.
Danvers, IL 61732

Michael Franz
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

Sahegun Supply Agreement
5/2/01 – 5/1/06
Supplier

Transition Services Agreement
2/23/01 – 2/23/03
Provide services resulting from sale

Employment Agreement – Change of
Control

Employment Agreement – Change of
Control

Employment Agreement – Change of
Contract

Employment Agreement

Employment Agreement

Employment Agreement

Employment Agreement – Change of
Control

Milly Ginnochio
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

Brian Greenburg
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

John Grodoski
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

Dave Kleeschulte
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

David Kraus
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

Jim Longton
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

Lawrence Madsen
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

Vaughn Makary
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

Todd Maruna
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

Wayne Rockenbach
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

Employment Agreement – Change of
Control

Employment Agreement – Change of
Control

Employment Agreement – Change of
Control

Employment Agreement – Change of
Control

Employment Agreement

Employment Agreement – Change of
Control

Employment Agreement

Employment Agreement – Change of
Control

Employment Agreement – Change of
Control

Agreement: Medical & Dental

Wayne Rockenbach
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

Rick Turner
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

Jon Vigano
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

John Waite
c/o ABC-NACO Inc.
335 Eisenhower Lane South
Lombard, IL 60148

Standard Car Truck Company
865 Busse Highway
Park Ridge, IL 60068

Westinghouse Electric Corporation
Marine Division
401 East Hendy Avenue
Sunnyvale, CA 94088-3499

American Steel Foundries
10 S. Riverside Plz #1000 Chicago, IL
Chicago, IL 60606

Buckeye Steel Castings Co.
2211 Parsons Avenue
Columbus, OH 43207

McConway & Torley
109 18th Street
Pittsburgh, PA 15201

American Steel Foundries
10 S. Riverside Plz #1000
Chicago, IL 60606

Employment Agreement -- Change of
Control

Employment Agreement -- Change of
Control

Employment Agreement -- Change of
Control

Severance, Non-Competition and Letter
Agreement summarizing the Severance
Agreement Non-Competition Agreement

License Agreement
1/1/93-1/1/94 with automatic 6 month
extensions until 30 days written notice of
termination
Licensee

Manufacturing and Patent License
Agreement
9/30/94 -- 9/30/09 (15 years) -- unless
terminated
Licensee

Standard Coupler Technology Agreement
21 years
Cross-License

Standard Coupler Technology Agreement
21 years
Cross-License

Standard Coupler Technology Agreement
21 years
Cross-License

Standard Coupler Patent License
Agreement
For life of Licensed Patents (unless
terminated sooner)
Licensor

Buckeye Steel Castings Co.
2211 Parsons Avenue
Sunnyvale, CA 94088

McConway & Torley
109 48th Street
Pittsburgh, PA 15201

Thrall Europa
c/o Jones, Day, Reavis & Pogue
Bucklersbury House, 3 Queen Victoria St.
London EC4 8NA, England

McConway & Torley
109 48th Street
Pittsburgh, PA 15201

Amsted Industries Incorporated
205 N. Michigan Avenue
Chicago, IL 60601

Buckeye Steel Castings Co.
2211 Parsons Avenue
Chicago, IL 60601

Progressive Rail Services Corporation
830 East Texas Road
Waskom, TX 75692

Union Pacific Railroad Co.
1416 Dodge Street
Omaha, NE 68179

General Electric Transportation Systems
2901 East Lake Road
Erie, PA 16531

General Electric
Transportation Systems Business Oper.
2901 East Lake Road
Erie, PA 16531

Standard Coupler Patent License
Agreement
Life of licensed patent unless terminated
sooner
Licensor

Standard Coupler Patent License
Agreement Life of licensed patent unless
terminated sooner
Licensor

Development and Supply Agreement
No more than 10 years
Supplier & Participant in Cooperative
Effort

Cross-License and Royalty
Disbursement Agreement
Life of patent
Cross License

Cross-License and Royalty Disbursement
Agreement
Life of patent
Cross-License

Cross-License and Royalty Disbursement
Agreement
Life of patent
Cross-License

Consignment Agreement
5/15/01 – 12/31/01 (prices in effect)
Consignor

Supply and Firm Pricing Agreement
6/1/99 – 6/1/02 (firm pricing until
12/30/01)
Supplier

Purchase Agreement
Seller

Amended and Restated Purchase
Agreement
1/1/94 – 12/31/01
Seller

Ronsco, Inc.
1440 St. Catherine Street West
Suite 712
Montreal, Quebec H3G 1R8

TXX Company
101 North Wacker Drive
Chicago, IL 60606

General Electric Company
2901 East Lake Road
Erie, PA 16531

Union Pacific Railroad Company
1416 Dodge Street
Omaha, NE 68179

Xerox Engineering Systems

Newsedge Corporation
80 Blanchard Road
Burlington, MA 01803

PCQuote.com
300 S. Wacker Drive, Suite 300
Chicago, IL 60606

Lease Acceptance
30455 Northwestern Highway
Farmington, MI 48334

Xerox
1301 RidgeView Drive
Lewisville, TX 75057

US Bancorp
115 West College Drive
Marshall, MN 56258

US Bancorp
115 West College Drive
Marshall, MN 56258

Amended and Restated Agreement
Executed
N/A

Principal in distribution agreement

Letter Agreement for firm pricing
2/18/98 – 12/31/00
Supplier

Bolsterless High Adhesion Truck Purchase
Agreement and supporting documentation
including Cooperative Development
Agreement and Truck Assembly
Agreement
1/1/93

Software License Agreement
6/7/01 – perpetuity
Licensor

Proposal & Agreement for Maintenance
6/1/01 – 5/31/02
Vendor

Master Subscription Agreement for
Newsedge Services
4/17/01 – until no further orders in effect
Subscriber

Contract and License Agreement
6/7/00 – 6/7/01 (automatic 1-year renewal
if not terminated)
Licensee

Fire Suppression System Lease Agreement

Eng. Copier Lease Agreement
(Lease #959232695)

Fax Machine Lease Agreement (Agreement
#752803M)

Copy Machine Lease Agreement
(Agreement #725732M)

(p) Letter of Credit. The rights to the proceeds of the letter of credit in the approximate amount of \$1,935,461.60 relating to products ordered by ZhuZhou Rolling Stock Works but that have not yet been shipped;

(q) Unrecorded Receivable. The uncollected portion of the unrecorded receivable in the approximate amount of \$1,000,000 owed by Zhuzhou ABC Rail Products Co., Ltd. which will be recorded upon delivery of certain documentation; and

(r) Environmental Indemnities. All environmental indemnities in favor of the Seller in all asset purchase and stock purchase agreements executed by the Seller, to the extent transferable.

(s) Other Assets. All other assets of Seller that are not Excluded Assets and that are used, usable, or necessary for the operation of the Business.

(t) Confidentiality Agreements. All Confidentiality Agreements entered into between the Seller and the prospective bidders in connection with the sale of the Business.

Schedule 1.3

Excluded Assets

- The Seller's property in Ashland, Wisconsin and Superior, Wisconsin.
- All avoidance actions of Seller, including those arising under 11 U.S.C. §§ 510, 544-550, and applicable State law.
- All tax refunds or other tax benefits arising from Seller's operation of the Business.
- Non-business related Notes receivables.
- Tax net operating losses of the Seller.
- Subject to Section 5.3 of this Agreement, all insurance proceeds, relating to or arising from the roof collapse of the Cicero building.
- The Seller's Directors and Officers liability insurance policies and any credits and/or premiums due thereunder.
- All proceeds from causes of action and litigation rights existing in favor of Seller from the Graphite Electrode litigation and other litigation to be specified.
- All of Seller's rights to overfunding and refunded assets from employee benefits plans.
- The Signal escrow, the Tasman receivables and work in progress, the Caltrain receivables and work in progress and other retained assets pursuant to the sale of the Rail Systems Division to Balfour Beatty on February 23, 2001.
- The Matrix note receivable.
- The Non-Debtor Subsidiaries set forth on Schedule D (the "Remaining Non-Debtor Subsidiaries").
- All retainers and deposits for professionals.

Schedule 1.4

Assumed Liabilities

- The Industrial Revenue Bond Series 1994 in the name of ABC Rail Products Corporation, relating to the real property leased in Newton, Kansas
- The mortgage on the property located in Melrose Park, Illinois.

(i) Intellectual Property. Except as set forth on Schedule 1.1(i), all of Seller's right, title and interest with respect to:

(A) patents, patent applications, inventor's certificates, invention disclosures, reissues, divisions, continuations-in-part and extensions thereof;

(B) trademarks (whether registered or unregistered), trademark applications, trade names, brand names, assumed names, trade dress, service marks (whether registered or unregistered), service mark applications, internet domain name registrations and other indications of origin and all renewals, modifications and extensions thereof;

(C) copyrights (whether registered or unregistered), copyright applications and all renewals and extensions thereof;

(D) the management information systems of the Seller and its Subsidiaries;

(E) all of Seller's other intellectual property, trade secrets, inventions, confidential or proprietary business information, know-how, ideas, formulas, compositions, technical data, operating manuals and guides, writings and other works of authorship, whether copyrightable or not, including software programs or applications (including source code and object code and all documentation therefor) developed by or on behalf of Sellers, algorithms, databases, financial, marketing and business data, pricing and cost information, recipes, processes, techniques, vendor lists and records, customer lists and records, licensing records, plans, designs, drawings, sketches, specifications, proposals, rights to limit the use or disclosure of confidential information by any person, advertising and promotional materials, business and marketing plans and similar assets;

(F) the goodwill associated with each of the foregoing;

(G) the right to use or exploit any of the foregoing;

(H) any similar tangible or intangible intellectual property or proprietary rights, information and technology;

(I) any of the foregoing used pursuant to an express or implied license, to the extent transferable under the Bankruptcy Code; and

(J) any claims or causes of action arising out of or related to any infringement or misappropriation of any of the foregoing; in each case in any jurisdiction

(all of the foregoing being referred to collectively as the

"Intellectual Property");

Ronsco, Inc.
1440 St. Catherine Street West
Suite 712
Montreal, Quebec H3G 1R8
Canada

Union Pacific Railway
1416 Dodge Street
Omaha, NE 68179

Union Pacific Railway
1416 Dodge Street
Omaha, NE 68179

Union Pacific Railway
1416 Dodge Street
Omaha, NE 68179

Burlington Northern Santa Fe Railway Co.
2500 Lou Menk Drive
Fort Worth, TX 76131

ASF-Keystone, Inc.
10 South Riverside Plaza, Suite 1000
Chicago, IL 60606

Vae Nortrak North America Inc.
1740 Pacific Avenue
Cheyenne, WY 82001

Jason Donovan
c/o ABC-NACO Inc. Danvers Facility
RR #1
5704 E. 1700N Rd.
Danvers, IL 61732

John I. Donovan
c/o ABC-NACO Inc. Danvers Facility
RR #1
5704 E. 1700N Rd.
Danvers, IL 61732

Michael B. Frakes
c/o ABC-NACO Inc. Danvers Facility
RR #1
5704 E. 1700N Rd.
Danvers, IL 61732

Amended and Restated Agreement
N/A
Parent of Principal in distribution
agreement

Letter Agreement re: Coupler Contract
Pricing
3/9/01 – 12/31/03
Supplier

Letter Agreement
3/5/99 – 12/31/07
Supplier

Strategic Alliance Agreement
10/1/99 – 9/30/02
Supplier

Revised RFP for Castings on Freight Cars
and Locomotives
Supplier

Amendment to License Agreement
Licensor

Licensing Agreement
Cross Licenses

Employment Agreement

Employment Agreement

Employment Agreement

GMAC
100 Galleria Pkwy
Atlanta, GA 30339

Toshiba American
1010 Thomas Edison Blvd.
Cedar Rapids, IA 52404

Xerox
350 S. Northwest Hwy.
Park Ridge, IL 60068

CopyTronics
2461 Rolac Road
P.O. Box 5489
Jacksonville, FL 32207

CopyTronics
2461 Rolac Road
P.O. Box 5489
Jacksonville, FL 32207

Qwest Internet Solutions, Inc.
1801 California Street
Denver, CO 80202

Best Power
P.O. Box 11
Necedah, WI 54646

Bellsouth
1155 Peachtree Street NE
Atlanta, GA 30309-3610

Nimnicht Chevrolet
1550 Cassat Avenue
Jacksonville, FL 32210

Comtex News Network, Inc.
4900 Seminary Road, Suite 500
Alexandria, VA 22311

Nasdaq Stock Market, Inc.
1735 K Street, N.W.
Washington, DC 20006

2001 Chevy Van Lease Agreement
(Account #029-3121-06135)

Phone System Upgrade Lease Agreement
(Account #6784617-001)

Large Format Xerox Copier; 959232695
Lease Agreement

Fax Machine – Cassat Lease Agreement
(Rental Agreement No. 742631)

Fax Machine – Forshee Lease Agreement
(Rental Agreement No. 721150)

Dedicated Internet Access Service
Agreement
4/18/01 – 4/18/02
Buyer

2 year Silver Service Contract with 1
PM/year (#C6S0N18KC12970)
2 yrs
Purchaser

Channel Services Payment Plan Agreement
Buyer

2001 White Chevy Van Lease
Unknown
Lessee

Distributor Agreement
7/5/00 – 7/5/02 (successive automatic 2
renewals unless written notice at least
90 days before end of term)
Distributor

Vendor Agreement
7/12/00 – 7/11/01 (successive automatic
1 year renewals within at least 90 days
written notice)
Vendor

UUNET
 2201 Loudoun County Parkway
 Ashburn, VA 20147

CSX Transportation
 Supply and Services Management
 P.O. Box 45054
 Jacksonville, FL 32232-5054

Aikon Infoteck PVT. Ltd.
 58 Kmari Market
 New Delhi, India 110 003

Toronto Stock Exchange
 The Exchange Tower
 130 King Street West
 Toronto, Ontario, Canada

The Nasdaq Stock Market, Inc.
 1735 K Street, N.W.
 Washington, DC 20006

Ascom Hasler
 19 Forrest Parkway
 Shelton, CT 06484

The Castings Development Centre
 7 East Bank Road
 Sheffield, S2 3PT, England

Softech Financial
 A division of Banker's Leasing
 4201 Lake Cook Road
 Northbrook, IL 60062

Ronsco Inc.
 1440 St. Catherine Street West
 Suite 712
 Montreal, Quebec H3G 1R8 Canada

Internet Link Service Agreement
 Customer

Service Contract
 6/2/00 – 6/1/04
 Contractor

Consulting, Confidentiality, Non-Disclosure, Non-Competition and Ownership Rights Agreement.
 Disclosing Party

Distributor Agreement dated September 26, 2000
 Distributor

Vendor Agreement for Level 1, Last Sale and NQDS Service
 Vendor

Postage Meter

Description of Contract: License Agreement
 Term: upon proper termination
 Nature of Debtor's Interest: Licensee (Replicast)

Description of Contract: Master Lease Agreement by and between Softech Financial and Naco, Inc.
 dated August 28, 1998
 Term: Upon Proper Termination
 Nature of Debtor's Interest: Lessee

Supply Agreement by and between Ronsco Inc., Canadian Pacific Limited, National Castings, Inc. and Naco, Inc. dated April 18, 1995
 Term: Upon Proper Termination
 Nature of Debtor's interest: Supplier

ROI Systems Inc.
435 Ford Road, Suite 700
Minneapolis, MN 55426

Description of Contract: Software License
Agreement by and between ROI Systems
Inc. and NACO Inc. dated April 24, 1998
(as Amended).
Term: Upon Proper Termination
Nature of Debtor's Interest: Licensee

Manufacturing Systems Corp.
19 Grandview Cre.
Bradford, Ontario L3Z 2A5
Canada

Description of Contract: Client Software
License Agreement
Term: Upon Proper Termination
Nature of Debtor's Interest: Licensee

Pitney Bowes
Stamford, CT 06926

Description of Contract: Facsimile Rental
Agreement
Term: Upon Proper Termination
Nature of Debtor's Interest: Lessee

Schedule 3.6B

Designated Contracts

Parties	Description of Contract
Bank of America	Equipment Lease at Calera, AL
Canadian Pacific Railway 410 9th Avenue S.W. Calgary, Alberta, T2P 4Z4 Attn: Martin Quintal	Truck Casting Supply Agreement between Ronsco, Canadian Pacific, Dominion Castings Limited and NACO, Inc. 1/1/01 – 12/31/03 Supplier
General Electric Railcar Service Corp. Attn: Vice President of Sourcing 33 West Monroe Street Chicago, IL 60603	Purchase and Sale Agreement (& Assignment) 2/22/00 – 4/1/04 Buyer and Subsequent Supplier
GE Capital Rail Services Corporation Gene Henneberry 161 N. Clark Street Chicago, IL 60601	Corporate Purchasing Agreement 3/1/00 – 2/28/03 Supplier
Gunderson Rail Services, Inc. Attention: President One Centerpointe Drive, Suite 200 Lake Oswego, OR 97035	Joint Supply Memorandum 11/15/99 – 11/8/09 Co-Supplier
Progress Rail Services Attention: David Bird 830 East Texas Road Waskom, TX 75692	Consignment Agreement 5/15/01 – 12/31/01 Supplier
Thrall Car Manufacturing Attention: Steve Raynes 2521 State Street Chicago Heights, IL 60411	Sales Agreement 9/23/99 – 12/31/02 Supplier
Union Pacific Railroad Company Attention: Gary P. Zaversnik 1416 Dodge Street Omaha, NE 68179	Supply Agreement 9/1/00 – 12/31/02 Long Term Supply Agreement
Union Pacific Railroad Company Attention: General Director-Purchasing 1416 Dodge Street, Room 200 Omaha, NE 68179-0001	Wheelset Supply and Services Agreement 11/9/99 – 11/8/09 Supplier

Union Pacific Railroad Company
Attention: Michael J. Cronin
1416 Dodge Street
Omaha, NE 68179

Union Tank Car
175 West Jackson Blvd.
Chicago, IL 60604

Wisconsin Central Ltd.
Stephen Mackiw, Senior Purchasing Agent
1 O'Hare Center
6250 N. River Rd., Ste. 9000
Rosemont, IL 60018

John L. Donovan
Rural Route 1
P.O. Box 486
Danvers, IL 61732

John L. Donovan
Rural Route 1
P.O. Box 486
Danvers, IL 61732

Industrial Uniform Rental
10 Park Avenue
Tipton, PA 16684-0010

Borrell Fire Systems, Inc.
6900 Phillips Highway - Suite 5
Jacksonville, FL 32216

ADT Security Systems
360 Frontage Road
Burr Ridge, IL 60521

Kansas City Southern Railway
4605 Blanchard Highway
Shreveport, LA 71107

R-4 Services Inc.
Attn: Trisha Rooney
2101 South Wabash Avenue
Chicago, IL 60616

Ritter & Company
445 North LaSalle Street
Chicago, IL 60610-4510

Intent to Purchase Letter
10/1/99 - 11/31/02
Supplier

Proposal to Sell Wheel Assembly
6/5/00 - 12/31/01
Supplier

Supply Agreement between Wisconsin
Central Ltd., Fox Valley & Western Ltd.,
Algoma Central Ltd., Sault Ste. Marie
Bridge Company and ABC-NACO Inc.
2/1/00 - 1/31/05
Seller

Exclusive License Agreement
Until last to expire of the Licensed Patents
Licensor

License Agreement for Improvements
Until last to expire of the Licensed Patents
Licensee

Uniforms and Rugs Lease Agreement
5/17/01 - 6/27/03 @\$252.58/week

Fire Retardant System Lease Agreement
(Equipment Lease NO. 326120)

Security Systems Lease Agreement

Wheelsets Services Proposal
Not yet finalized
Buyer

Storage and Service Agreement
11/26/96 - 11/26/99 (automatic renewal for
consecutive three year terms unless
terminated with at least 60 days' notice
Lessee

Letter Agreement for insurance claim
consulting services
N/A
Insured Party

Standard Car Truck Company
865 Busse Highway
Park Ridge, IL 60068

Westinghouse Electric Corporation
Marine Division
401 East Hendy Avenue
Sunnyvale, CA 94088-3499

American Steel Foundries
10 S. Riverside Plz #1000 Chicago, IL
Chicago, IL 60606

Buckeye Steel Castings Co.
2211 Parsons Avenue
Columbus, OH 43207

McConway & Torley
109 18th Street
Pittsburgh, PA 15201

American Steel Foundries
10 S. Riverside Plz #1000
Chicago, IL 60606

Buckeye Steel Castings Co.
2211 Parsons Avenue
Sunnyvale, CA 94088

McConway & Torley
109 48th Street
Pittsburgh, PA 15201

Thrall Europa
c/o Jones, Day, Reavis & Pogue
Bucklersbury House, 3 Queen Victoria St.
London EC4 8NA, England

McConway & Torley
109 48th Street
Pittsburgh, PA 15201

License Agreement

1/1/93-1/1/94 with automatic 6 month
extensions until 30 days written notice of
termination

Licensee

Manufacturing and Patent License
Agreement

9/30/94 – 9/30/09 (15 years) – unless
terminated

Licensee

Standard Coupler Technology Agreement
21 years

Cross-License

Standard Coupler Technology Agreement
21 years

Cross-License

Standard Coupler Technology Agreement
21 years

Cross-License

Standard Coupler Patent License
Agreement

For life of Licensed Patents (unless
terminated sooner)

Licensors

Standard Coupler Patent License
Agreement

Life of licensed patent unless terminated
sooner

Licensors

Standard Coupler Patent License
Agreement

Life of licensed patent unless
terminated sooner

Licensors

Development and Supply Agreement
No more than 10 years

Supplier & Participant in Cooperative
Effort

Cross-License and Royalty
Disbursement Agreement

Life of patent

Cross License

Amsted Industries Incorporated
205 N. Michigan Avenue
Chicago, IL 60601

Buckeye Steel Castings Co.
2211 Parsons Avenue
Chicago, IL 60601

Progress Rail Services Corporation
830 East Texas Road
Waskom, TX 75692

Union Pacific Railroad Co.
1416 Dodge Street
Omaha, NE 68179

Ronsco, Inc.
1440 St. Catherine Street West
Suite 712
Montreal, Quebec H3G 1R8

TXX Company
101 North Wacker Drive
Chicago, IL 60606

Union Pacific Railroad Company
1416 Dodge Street
Omaha, NE 68179

Lease Acceptance
30455 Northwestern Highway
Farmington, MI 48334

CSX Transportation
Supply and Services Management
P.O. Box 45054
Jacksonville, FL 32232-5054

Ronsco Inc.
1440 St. Catherine Street West
Suite 712
Montreal, Quebec H3G 1R8 Canada

Cross-License and Royalty Disbursement
Agreement
Life of patent
Cross-License

Cross-License and Royalty Disbursement
Agreement
Life of patent
Cross-License

Consignment Agreement
5/15/01 – 12/31/01 (prices in effect)
Consignor

Supply and Firm Pricing Agreement
6/1/99 – 6/1/02 (firm pricing until
12/30/01)
Supplier

Amended and Restated Agreement
Executed
N/A
Principal in distribution agreement

Letter Agreement for firm pricing
2/18/98 – 12/31/00
Supplier

Software License Agreement
6/7/01 – perpetuity
Licensor

Fire Suppression System Lease Agreement

Service Contract
6/2/00 – 6/1/04
Contractor

Supply Agreement by and between Ronsco
Inc., Canadian Pacific Limited, National
Castings, Inc. and Naco, Inc. dated
April 18, 1995
Term: Upon Proper Termination
Nature of Debtor's interest: Supplier

Schedule 3.7A

Seller's Leases and Real Property

Parties	Description of Lease
LaSalle National Bank, not personally but as Trust Agreement dated 2/23/82 and known as Trust no. 104745-c/o LaSalle National Bank, 135 South LaSalle St. Chicago, IL 60603	Lcase of 419 Eisenhower Lane South Lombard, IL 60148 9500 square feet Lease Term: 3/15/99 – 4/31/04 Premises are used for general office and warehouse use Debtor is lessee Lcase is for nonresidential real property
AST Investments 7224 Sauldale Drive Madison, WI 53717	Lot one, C.S.M. #6814, located on South Nine Mound Road Verona, Wisconsin and Lot two, Verona Industrial park 1.6 acre parcel of land Lcase Term: 8/1/98 – 7/31/10 Premises are used for sales, service and manufacture of railroad signaling equipment and railroad track supplies Debtor is lessee Lease is for nonresidential real property
Bluegrass Development 604 Larn Court Orange Park, FL 32073	Lcase premises designated as space numbers 1379, 1381, 1383, 1385, 1387, 1389, 1377, 1375 Consisting of 8,000 square feet, which is located at United Professional Complex 1387 Cassat Avenue Jacksonville, FL 32205 Lease Term: 9/1/98 – 8/31/05 Premises are used for engineering services Debtor is lessee Lease is for nonresidential real property
John L. Donovan Rural Route 1 P.O. Box 486 Danvers, IL 61732	5.64 acres of real estate located at Rural Route 1, Danvers, IL 61732 Lcase Term: 7/1/00 – 6/30/01 Debtor is lessee Lease is for nonresidential real property

Electronic Advanced systems Corp.
P.O. Box 924
Newtown Square, PA 19073-0924

Kansas City Terminal Railway Company
Attn: C.E. Rogers
405 Kansas Avenue
Kansas City, KS 66106

Meadow Brook North, LLC
c/o Daniel Realty Services, LLC
1200 Meadow Brook Corporate Drive
Suite 649
Birmingham, AL 35242

City of Newton, Kansas
Attn: City Clerk
120 E. 7th, P.O. Box 425
Newton, KS 67114

Red Dog Properties, L.L.C.
2020 S. Lynx Avenue
Ontario, CA 91761

Lease of 2550 Boulevard at the Generals
Suite 320
Norristown, PA 19403
2,470 square feet
Lease Term: 9/1/01 – 8/31/04
Premises are used for office and
warehouse use
Debtor is lessee
Lease is for nonresidential real property

1109 South 12th Street
Kansas City, KS
Lease Term: 5/15/95 – 5/14/00
Premises are used for repairing and storing
railcar wheels, operating a locomotive
wheel and motor shop and related activities
Debtor is lessee
Lease is for nonresidential real property

1200 Meadow Brook Corporate Drive
Suite 450
Birmingham, AL 35242
5,490 rentable square feet
Lease Term: 3/1/01 – 5/31/06
Premises are used for office purposes
Debtor is lessee
Lease is for nonresidential real property

Real Estate in Harvey County, Kansas
described as tracts Nos. 1, 2, 3, 4 & 6 along
with two easements for ingress and egress
Lease Term: 3/1/94 – 8/1/04
Premises are used for
manufacturing facilities
Debtor is lessee
Lease is for nonresidential real property

1475 Cooley Court
San Bernardino, CA
65,182 square feet
Lease Term: 11/1/97 – 10/31/05
Premises are used for repair and
maintenance of rail wheels and related
rail equipment
Debtor is lessee
Lease is for nonresidential real property

Stone Mountain Industrial Park, Inc.
5830 E. Ponce De Leon Avenue
Stone Mountain, GA 30085

6,000 square foot portion of Building 31
located at 8291 Forshee Drive,
Westside Industrial Park,
Jacksonville, FL
Lease Term: 7/15/00 – 7/14/05
Premises are used for storage and
processing plants and related purposes
Debtor is lessee
Lease is for nonresidential real property

StarTech
1379 Cassel Avenue
Jacksonville, FL 32254

1379 Cassel Avenue
Jacksonville, Florida 32205
1,600 square feet
Lease Term: 6/1/00 – 5/31/04
Premises are used for computer sales
and reuse
Debtor is sub-lessor
Lease is for nonresidential real property

YBP 335, I.L.C.
(prior) payments were made to:
Alter Asset Management, Inc.
1980 Springer Drive
Lombard, IL 60148

Building and Parking lot located at
335 Eisenhower Lane South
Lombard, IL 60148
Premises are used as offices, warehousing
testing center
30,000 square feet
Lease Term: 11/7/97 – 8/31/05
Debtor is lessee
Lease is for nonresidential real property

Carr America Development, Inc.
2424 North Federal Highway, Suite 160
Boca Raton, FL 33431

Peninsula Executive Center
Boca Raton, FL
3,432 square feet
Lease Term: 6/1/99 – 12/31/04
Premises are used for office purposes
Debtor is lessee
Lease is for nonresidential real property

Schedule 3.7B

Designated Contracts (Leases and Real Property)

Parties	Description of Lease
Bluegrass Development 604 Larn Court Orange Park, FL 32073	Lease premises designated as space numbers 1379, 1381, 1383, 1385, 1387, 1389, 1377, 1375 Consisting of 8,000 square feet, which is located at United Professional Complex 1387 Cassat Avenue Jacksonville, FL 32205 Lease Term: 9/1/98 – 8/31/05 Premises are used for engineering services Debtor is lessee Lease is for nonresidential real property
John L. Donovan Rural Route 1 P.O. Box 486 Danvers, IL 61732	5.64 acres of real estate located at Rural Route 1, Danvers, IL 61732 Lease Term: 7/1/00 – 6/30/01 Debtor is lessee Lease is for nonresidential real property
Electronic Advanced systems Corp. P.O. Box 924 Newtown Square, PA 19073-0924	Lease of 2550 Boulevard at the Generals Suite 320 Norristown, PA 19403 2,470 square feet Lease Term: 9/1/01 – 8/31/04 Premises are used for office and warehouse use Debtor is lessee Lease is for nonresidential real property
Kansas City Terminal Railway Company Attn: C.E. Rogers 405 Kansas Avenue Kansas City, KS 66106	1109 South 12 th Street Kansas City, KS Lease Term: 5/15/95 – 5/14/00 Premises are used for repairing and storing railcar wheels, operating a locomotive wheel and motor shop and related activities Debtor is lessee Lease is for nonresidential real property

Meadow Brook North, LLC
c/o Daniel Realty Services, LLC
1200 Meadow Brook Corporate Drive
Suite 649
Birmingham, AL 35242

City of Newton, Kansas
Attn: City Clerk
120 E. 7th, P.O. Box 425
Newton, KS 67114

Red Dog Properties, L.L.C.
2020 S. Lynx Avenue
Ontario, CA 91761

1200 Meadow Brook Corporate Drive
Suite 450

Birmingham, AL 35242

5,490 rentable square feet

Lease Term: 3/1/01 – 5/31/06

Premises are used for office purposes

Debtor is lessee

Lease is for nonresidential real property

Real Estate in Harvey County, Kansas
described as tracts Nos. 1, 2, 3, 4 & 6 along
with two easements for ingress and egress

Lease Term: 3/1/94 – 8/1/04

Premises are used for
manufacturing facilities

Debtor is lessee

Lease is for nonresidential real property

1475 Cooley Court
San Bernardino, CA

65,182 square feet

Lease Term: 11/1/97 – 10/31/05

Premises are used for repair and
maintenance of rail wheels and related
rail equipment

Debtor is lessee

Lease is for nonresidential real property

Schedule 3.8

Subsidiaries

NACO, Inc.
National Castings, Inc.
NACO Flow Products, Inc.
National Engineered Products Company, Inc.
BuyMetalCastings, Inc.
The AIMS Group, Inc.
ABC Rail (Virgin Islands) Corporation (FSC)
ABC Rail Products China Investment Corp.
NACO Europe AB
ABC-NACO Europe Limited
Dominion Castings Limited
ABC-NACO Latino America S.A. de C.V.
COMETNA - Companhia Metalurgica Nacional, S.A.
National Castings de Mexico, S.A. de C.V.
Servicios National Castings, S.A. de C.V.
Comercializadora National Castings, S.A. de C.V.
ABC-NACO Servicios Ferroviarios S.A. de C.V.
Zhuzhou ABC Rail Products Co. Ltd.
Datong ABC Castings Co., Limited

EOD JAN 14 2002

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE:)	Chapter 11
)	
ABC-NACO INC., <i>et al.</i> ,)	No. 01 B 36484
)	(Jointly Administered)
Debtors.)	
)	Hon. Eugene R. Wedoff
)	

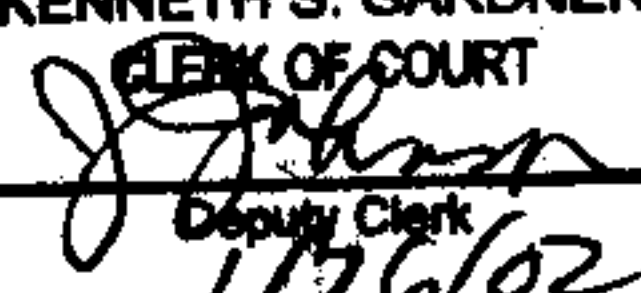
ORDER

The above-captioned jointly administered chapter 11 cases came before the court on, among other matters, a continued status hearing with respect to implementation of the order dated December 11, 2001 (the "Original Sale Order") authorizing, *inter alia*, a sale of substantially all of the operating assets (the "Assets") of ABC-NACO Inc. and certain of its domestic affiliates (collectively, the "Debtors") to TCF Railco Acquisition Corporation (the "Purchaser"), and the Debtors' emergency motion requesting (i) approval of proposed modifications to the TCF Agreement (as defined in the Original Sale Order),¹ and (ii) related relief (the "Emergency Motion"); and it appearing to the court, and the court having determined, as follows:

A. Such notice and opportunity for hearing with respect to the Emergency Motion as was possible in the particular circumstances has been provided to all parties

This is to certify that the within and attached document is a full, true and correct copy of the original thereof as the same appears on file in the office of the Clerk of the United States Bankruptcy Court for the Northern District of Illinois.

KENNETH S. GARDNER
CLERK OF COURT

By 
Deputy Clerk
Dated 1/16/02

576656.v2

326

entitled thereto. Such notice and opportunity for hearing is sufficient and appropriate in the particular circumstances within the meaning of 11 U.S.C. § 102(1).

B. The Debtors' Emergency Motion is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

C. This court has jurisdiction over the subject matter of the Debtors' Emergency Motion and all property affected thereby pursuant to 28 U.S.C. §§ 1334(b), 1334(e), 157(a), 157(b)(1) and Internal Operating Procedure 15.

D. The Debtors' Prepetition and DIP Lenders (collectively, the "Lenders"), that have asserted liens and security interests (the "Liens") in all of the property affected by the Emergency Motion to secure claims substantially greater than the value of such property, have consented to the relief requested in the Emergency Motion and the terms of this order.

E. The Purchaser consents to the relief requested in the Emergency Motion and the terms of this order.

F. The Debtors' official committee of unsecured creditors formed pursuant to 11 U.S.C. § 1102 (the "Committee") consents to the relief requested in the Emergency Motion and the terms of this order.

¹ Capitalized terms not otherwise defined in this order shall have the meaning ascribed to such terms in the Original Sale Order and Sale Motion.

G. Unless the TCF Agreement, as amended by the Amendment (as defined below), is closed immediately, the Debtors shall be forced to terminate all of their business operations, lay off most or all of their employees, default on postpetition obligations and liquidate their assets on a forced basis.

II. The relief requested in the Debtors' Emergency Motion is in the best interests of the Debtors, their creditors, employees and other parties in interest.

Accordingly, it is **ORDERED, ADJUDGED and DECREED** as follows:

1. The Debtors' Emergency Order is granted to the extent provided herein.

2. The terms of this order shall control over any conflicting provisions in the "Amendment To Asset Purchase Agreement," and all related documents (collectively, the "Amendment").

3. Except as otherwise specifically amended by this order or the Amendment, the terms of the Original Sale Order and the TCF Agreement shall remain in full force and effect.

4. The Amendment, ^{substantially in the form delivered to the court} ~~a copy of which is annexed hereto as Exhibit A~~, and all transactions contemplated thereby are herewith approved in all respects. The Debtors are herewith authorized to execute and deliver any and all documents reasonably necessary to implement the terms of this order and the transactions referenced in the Amendment. 821

5. Provided the TCF Agreement, as amended by the Amendment, is consummated and closed, the Debtors and their estates are herewith deemed released from any and all claims held by any person or entity based on the Debtors' alleged (but disputed) breach of the TCF Agreement.


6. The budgets annexed to the Amendment (the "Budgets") are herewith approved in all respects, subject to applicable provisions of the Bankruptcy Code and Rules of Procedure and prior orders of this court concerning the reimbursement of expenses and payment of professional fees.

7. No professional fees funded pursuant to the Budgets shall be used for the prosecution (as opposed to the investigation) of claims against the Lenders.



8. The automatic stay of proceedings arising under 11 U.S.C. § 362 is herewith modified to the extent necessary for this order to be implemented.

9. Provided the TCF Agreement, as amended by the Amendment, is consummated and closed, and the DIP Lenders fully comply with their obligation to fund at closing pursuant to the Amendment:

- (i) The DIP Lenders' obligation, if any, to fund the "Carve-out" arising under the Final DIP Financing Order shall be deemed satisfied in full;
- (ii) Subject to the exceptions described in this subparagraph, the Debtors' estate shall be deemed to have released the Lenders from any claim arising under 11 U.S.C. § 506(c) (the "§ 506(c) Release"). The exceptions to the § 506(c) Release are as follows:

- (a) the claim, currently in the amount of \$814,371.70, asserted by Deloitte & Touche Inc. as interim receiver (the "Receiver") of Dominion Castings Limited ("DCL");
- (b) the specific liabilities to be assumed by the Purchaser pursuant to the Amendment; and
- (c) aggregate liabilities in excess of ~~\$100,000~~ ^{\$200,000} that are not provided for and funded pursuant to the Budgets. 

10. Notwithstanding anything to the contrary set forth in this order, the Debtors, the Committee, the Lenders reserve all of their respective rights, remedies, claims and defenses with respect to any claim, under § 506(c) or otherwise, that is not specifically released pursuant to this order or pursuant to any prior order of this court. Nothing in this order is intended or shall be deemed to imply that there are or may be any § 506(c) claims for which the Lenders are or could be liable.

11. Provided the Purchaser's settlement agreement with Miner & East to satisfy the existing mechanic lien liabilities with respect to the roof repair at the Debtors' Cicero facility is fully funded, such mechanic liens shall be released with respect to the sale ^{Cicero Facility} ~~of the Cicero Facility.~~ ^{And} ~~proceeds otherwise payable to the Lenders.~~ ^{any}  

12. This court shall retain jurisdiction to enforce, interpret, modify or amend this order and the parties' agreements and undertakings referenced and/or approved by this order.

13. To the extent necessary, the provisions of Fed. R. Bankr. P. 6004(g) are

herewith waived.

14. 
Dated: January __, 2002

Prepared by:

Steven B. Towbin (#2848546)
Peter J. Roberts (#6239025)
Jeremy C. Kleinman (#6270080)
D'Ancona & Pflaum LLC
111 E. Wacker Drive, Suite 2800
Chicago, IL 60601
(312) 602-2000
Attorneys for ABC-NACO Inc., and certain of
its domestic affiliates

ENTER:


Bankruptcy Judge

11 JAN 2002

Inst # 2002-06455
02/01/2002-06455
08:49 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
091 CH 281.00

of
the
Bankruptcy
Code

Nothing herein, in the Amendment to Asset Purchase Agreement or in the Sublicense attached as Exhibit C thereto, shall constitute any finding or conclusion of law by the Court regarding the respective rights, privileges and interests of the Debtors, the Purchaser and Standard Car Truck Company in the patents, trade marks and related intellectual and other right and interests asserted by Standard Car Truck Company ("SCTCO Intellectual Property"). Standard Car Truck Company reserves all rights, claims, interest and privileges it may have under any agreement or under applicable Federal or state law with respect to any future litigation regarding the SCTCO Intellectual Property, including the right to raise objections to the Sublicense Agreement under Section 365 of the Bankruptcy Code.