

TRUST COMPANY for USL, INC.

P. O. BOX 66011, AMF O'HARE, CHICAGO, ILLINOIS 60666

Telephone (312) 654-4930

RECORDATION NO. 8553 Filed & Recorded

Nov 3 1976 10 43 AM

RECORDATION NO. 8552 Filed & Recorded

November 1, 1976

Nov 3 1976 10 43 AM

6-368A-039

INTERSTATE COMMERCE COMMISSION

Date NOV 3 1976

Interstate Commerce Commission
Washington, D. C.

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ICC Washington, D. C.

INTERSTATE COMMERCE COMMISSION

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Nov 3 10 43 AM '76
I. C. C.
FEE OPERATION BR.

Gentlemen:

Enclosed for recordation under the provisions of Section 20(c) of the Interstate Commerce Act, as amended, are the original and two counterparts of an Equipment Lease dated as July 20, 1976.

A general description of the railroad rolling stock covered by the enclosed documents is set forth in Schedule I attached to this letter and made a part hereof.

The names and addresses of the parties are:

Lessor: Trust Company for USL, Inc. as
Trustee under Maine Central Trust No. 3
1211 West 22nd Street
Oak Brook, Illinois

Agent for
Lessor: United States Leasing International, Inc.
633 Battery Street
San Francisco, California 94111

Lessee: Maine Central Railroad Company
242 St. John Street
Portland, Maine 04102

The undersigned is an officer of the Trustee mentioned in the enclosed document and has knowledge of the matters set forth therein.

Please return the original Equipment Lease to Robert Nash, Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

Robert Nash
CT. Kowden

Interstate Commerce Commission
November 1, 1976
Page Two

Also enclosed is a check in the amount of \$50.00
covering the required recording fee.

Very truly yours,

TRUST COMPANY FOR USL, INC., as
Trustee under Maine Central
Trust No. 3

By Richard A. Co
Its Vice-President

:NEF

Enclosures

SCHEDULE I

DESCRIPTION OF EQUIPMENT

MANUFACTURER:

FMC CORPORATION

PLANT OF MANUFACTURER:

Portland, Oregon

DESCRIPTION OF EQUIPMENT:

Two hundred (200) 50'6" 75-ton
single sheathed plate "C" box cars
bearing Maine Central Railroad
Company indentifying numbers MEC
31250 to 31449, both inclusive

Interstate Commerce Commission
Washington, D.C. 20423

11/3/76

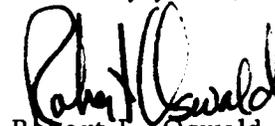
OFFICE OF THE SECRETARY

Robert Nash
Chapman & Cutler
111 West Monroe Street
Chicago, Illinois 60603

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 11/3/76 at 10:50am , and assigned recordation number(s) 8552

Sincerely yours,



Robert L. Oswald
Secretary

Enclosure(s)

SE-30
(5/76)

OCT 25 1976

RECORDATION NO. 3552

Not 3 1976

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE

Dated as of July 20, 1976

Between

TRUST COMPANY FOR USL, INC., as Lessor

UNITED STATES LEASING INTERNATIONAL, INC., as Agent

And

MAINE CENTRAL RAILROAD COMPANY, as Lessee

(Maine Central Trust No. 3)

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Attachments

Exhibit A - Certificate of Acceptance

Schedule A - Description of Equipment

Schedule B - Schedule of Casualty Value

EQUIPMENT LEASE

MAINE CENTRAL RAILROAD COMPANY
(Maine Central Trust No. 3)

THIS EQUIPMENT LEASE dated as of July 20, 1976 between TRUST COMPANY FOR USL, INC., an Illinois corporation, as Trustee (the "Lessor") under a Trust Agreement dated as of July 20, 1976 with INTERNATIONAL PAPER LEASING CORPORATION, a Delaware corporation (the "Trustor"), UNITED STATES LEASING INTERNATIONAL, INC., a California corporation, as agent for the Lessor (the "Agent") and MAINE CENTRAL RAILROAD COMPANY, a Maine corporation (the "Lessee");

W I T N E S S E T H:

That for and in consideration of the premises and of the rental to be paid and the covenants hereinafter mentioned, the parties hereby agree as follows:

SECTION 1. MANUFACTURE AND DELIVERY OF EQUIPMENT.

1.1. Intent to Lease and Hire. The Lessor is acquiring certain equipment (collectively the "Equipment" and individually "Item of Equipment") described in Schedule A attached hereto and made a part hereof and, upon delivery of each Item of Equipment by the manufacturer thereof (hereinafter referred to as the "Manufacturer"), the Lessor shall lease and let such Item of Equipment to the Lessee and the Lessee shall hire such Item of Equipment from the Lessor for the rental and on and subject to the terms and conditions herein set forth.

1.2. Inspection and Acceptance. Upon delivery of each Item of Equipment by the Manufacturer the Lessee will inspect such Item of Equipment and if such Item of Equipment tendered for delivery meets the specifications, the Lessee will accept delivery thereof and execute and deliver to the Manufacturer and the Lessor Certificates of Acceptance, substantially in the form of Exhibit A attached hereto and made a part hereof.

1.3. Certificate of Acceptance. The Lessee's execution and delivery to the Lessor of Certificates of Acceptance with respect to each Item of Equipment shall conclusively establish that, as between Lessor and Lessee, but without limiting or otherwise affecting Lessee's rights, if any, against the Manufacturer,

each Item of Equipment is acceptable to and accepted by the Lessee under this Lease, notwithstanding any defect with respect to design, manufacture, condition or in any other respect, and that each Item of Equipment is in good order and condition and conforms to the specifications applicable thereto and all applicable Canadian Transport Commission, United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any. The Lessee represents that it has no knowledge of any such defect as of the date of such acceptance.

SECTION 2. RENTALS AND PAYMENT DATES.

2.1. Rent for Equipment. The Lessee agrees to pay the Lessor the following rent for each Item of Equipment:

(a) Fixed Rental. For each Item of Equipment thirty (30) semiannual installments of fixed rental ("Fixed Rental") payable in arrears in the amounts provided for in Schedule A hereto; and

(b) Interim Rental. As interim rental (the "Interim Rental") for all Items of Equipment leased hereunder, the sum of:

(i) an amount equal to the difference between (A) .0305556% per day of the sum of the respective amounts deposited with Harris Trust and Savings Bank (the "Escrow Agent") pursuant to the Escrow Agreement (the "Escrow Agreement") dated the Deposit Date (as defined therein) between the Escrow Agent and the Trustor and (B) the aggregate amount remitted to the Trustor in respect of such amounts pursuant to Section 3.2 of the Escrow Agreement, for the period from and including the Deposit Date to but not including the first Funding Date (as defined in the Escrow Agreement), plus

(ii) an amount equal to the sum of (A) the difference between (x) .0305556% per day of the sum of the respective amounts deposited with the Escrow Agent on the Deposit Date and not disbursed on the first Funding Date and (y) the aggregate amount remitted to the Trustor in respect of such undisbursed amounts pursuant to Section 3.1 of the Escrow Agreement, plus (B) an amount equal to .0294542% per day of the Purchase Price (as defined in Schedule A hereto) for all Items of Equipment purchased by the Lessor from the Manufacturer on the first Funding Date, for the period from and including the first Funding Date to but not including the Cut-Off Date (as defined in the Escrow Agreement), plus

(iii) an amount equal to .0294542% per day of the Purchase Price (as defined in Schedule A hereto) for all Items of Equipment then leased hereunder for the period from and including the Cut-Off Date to but not including January 15, 1977.

(c) Adjustment of Fixed Rental. In the event that there are any losses, liabilities or expenses arising out of or resulting from the Investments made pursuant to Section 2 of the Escrow Agreement, including but not limited to, any deficiency in respect thereof and any fee of the Escrow Agent, the Lessee agrees that the Fixed Rental payable hereunder shall be increased by an amount which, after deduction of all taxes required to be paid by the Lessor and/or the Trustor thereon shall be sufficient to cause the Trustor's net after-tax rate of return and cash flow to equal the net after-tax rate of return and cash flow (computed on the same assumptions as utilized by the Trustor in originally evaluating this transaction) that would have been realized by the Trustor if the Trustor had not been required to pay such losses, liabilities or expenses, including, but not limited to, any such deficiency.

2.2. Rent Payment Dates. The portion of Interim Rental due pursuant to clauses (i) and (ii) of Section 2.1(b) above shall be due and payable on the Cut-Off Date and the portion of Interim Rental due pursuant to clause (iii) of Section 2.1(b) above shall be due and payable on January 15, 1977. The installments of Fixed Rental for all Items of Equipment shall be due and payable on the fifteenth day of January and July in each year commencing July 15, 1977 to and including January 15, 1992.

2.3. Place of Rent Payment. All payments provided for in this Lease to be made to the Lessor at 1211 West 22nd Street, Oak Brook, Illinois 60521, or at such other place as the Lessor or its assigns shall specify in writing.

2.4. Net Lease. This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent or reduction thereof, including, but not limited to, abatements or reductions due to any present or future claims of the Lessee against the Manufacturer or the Lessor under this Lease or otherwise, nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or failure of title of the Lessor to the Equipment or any defect in or damage to or loss or destruction of all or any of the Equipment from whatsoever cause, the taking or requisitioning of the Equipment by condemnation or

otherwise, the lawful prohibition of the Lessee's use of the Equipment, the interference with such use by any private person or corporation, any strike or other labor dispute, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, or lack of right, power or authority of the Lessor to enter into this Lease, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 11 hereof, or until, pursuant to Section 13 hereof, the Equipment is placed and ready for delivery to Lessor on the Lessee's lines, or is stored for the Lessor on the Lessee's lines, or leaves the Lessee's lines for off-line delivery to the Lessor.

SECTION 3. TERM OF THE LEASE; RENEWAL.

The term of this Lease as to each Item of Equipment shall begin on the date of delivery to and acceptance by the Lessee of such Item of Equipment and, subject to the provisions of Section 11 hereof, shall terminate 15 years following the Term Lease Commencement Date.

SECTION 4. OWNERSHIP AND MARKING OF THE EQUIPMENT.

4.1. Retention of Title. The Lessor, as between the Lessor and the Lessee, shall and hereby does retain full legal title to the Equipment notwithstanding the delivery thereof to and the possession and use thereof by the Lessee.

4.2. Duty to Number and Mark Equipment. The Lessee shall cause each Item of Equipment to be kept numbered with its road number as set forth in the Schedules and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Equipment in letters not less than one inch in height as follows:

"Ownership subject to a Security Agreement
Filed Under the Interstate Commerce Act,
Section 20c"

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor to such Item of Equipment, its rights under this Lease and

the rights of any assignee under Section 16 hereof. The Lessee will not place any such Item of Equipment in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the road number of any Item of Equipment except with the consent of the Lessor and in accordance with a statement of new road numbers to be substituted therefor, which consent and statement previously shall have been filed with the Lessor by the Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited.

4.3. Prohibition Against Certain Designations. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates on railroad equipment used by it of the same or a similar type for convenience of identification.

4.4. Indemnification for Improper Marking. The Lessee shall indemnify the Lessor, the Agent, the Trustor under the Trust Agreement, and any assignee under Section 16 hereof against any liability, loss or expense incurred by any of them as a result of the aforesaid marking of the Equipment with such name, initials or insignia.

SECTION 5. DISCLAIMER OF WARRANTIES.

THE LESSOR LEASES THE EQUIPMENT AS-IS, IN WHATEVER CONDITION IT MAY BE, WITHOUT ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED BY EITHER THE LESSOR OR THE TRUSTOR, EACH EXPRESSLY DISCLAIMING ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO (A) THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT, INCLUDING BUT NOT LIMITED TO THEIR VALUE, CONDITION, DESIGN OR OPERATION, (B) THE LESSOR'S TITLE THERETO, (C) THE LESSEE'S RIGHT TO THE QUIET ENJOYMENT THEREOF, (D) THE DESIGN OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT OR (E) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE ARE TO BE BORNE BY THE LESSEE. The Lessor hereby appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce, from time to time, in the name and for the account of the Lessor and the Lessee, as their interests may appear, but in all cases at the sole cost and expense of the Lessee, whatever claims and rights the Lessor may have as owner of the Equipment against the Manufacturer.

SECTION 6. LESSEE'S INDEMNITY.

6.1. Scope of Indemnity. The Lessee shall defend, indemnify and save harmless the Lessor, the Agent and the Trustor and their successors and assigns from and against:

(a) any and all loss or damage of or to the Equipment, usual wear and tear excepted, and

(b) any claim, cause of action, damages or liability, cost or expense (including counsel fees and costs in connection therewith) which may be incurred in any manner or by or for the account of any of them (i) relating to the Equipment or any part thereof, including without limitation the construction, purchase delivery, ownership, leasing or return of the Equipment or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessor or by the Lessee), (ii) by reason or as the result of any act or omission of the Lessee for itself or as agent or attorney-in-fact for the Lessor hereunder, (iii) as a result of claims for patent infringements, or (iv) as a result of claims for negligence or strict liability in tort.

6.2. Continuation of Indemnities and Assumptions. The indemnities and assumptions of liability in this Section 6 contained shall continue in full force and effect notwithstanding the termination of this Lease, or the termination of the term hereof in respect of any one or more Items of Equipment, whether by expiration of time, by operation of law or otherwise; provided, however, that such indemnities and assumption of liability shall not apply after the termination of this Lease with respect to any matters referred to in subsection (a) or clauses (i), (ii) or (iv) of subsection (b) of Section 6.1 hereof occurring after the termination of this Lease, other than for any such matters which arise in connection with the Lessee's assembling, delivering, storing or transporting of the Equipment as provided in Sections 13 or 15, as the case may be, and other than any such matter involving a claim, cause of action, damage or liability or cost or expense based upon or arising out of any act or omission of the Lessee during the term of this Lease. The indemnities and assumptions of liabilities set forth in this Section 6 do not constitute a guarantee of residual value or of the Notes (as defined in the Trust Agreement). The Lessee shall be entitled to control, and shall assume full responsibility for, the defense of such claim or liability.

SECTION 7. RULES, LAWS AND REGULATIONS.

The Lessee agrees to comply with all laws, regulations, requirements and rules (including the rules of the Canadian Transport Commission and the United States Department of Transportation and the interchange rules of the Association of American Railroads) of the jurisdictions in which operations involving any Item may exist pertaining to the title, use, maintenance and operation of each Item of Equipment subject to this Lease. In case any equipment or appliance on any such Item of Equipment shall be required to be changed or replaced, or in case any additional or other equipment or appliance is required

to be installed on such Item of Equipment in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such changes, additions and replacements at its own expense.

SECTION 8. USE AND MAINTENANCE OF EQUIPMENT.

The Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. The Lessee shall, at its own cost and expense, maintain and keep the Equipment in good order, condition and repair, ordinary wear and tear excepted, suitable for use in interchange. The Lessee shall not modify any Item of Equipment without written authority and approval of the Lessor which shall not be unreasonably withheld. Any parts installed or replacements made by the Lessee upon any Item of Equipment shall be considered accessions to such Item of Equipment and title thereto shall be immediately vested in the Lessor, without cost or expense to the Lessor, except for parts installed on and additions to any Item of Equipment (a) any portion of whose cost is furnished by the Lessee, (b) which are readily removable and are promptly removed at the expiration of the Lease term without causing material damage to such Item of Equipment, and (c) were not originally installed on or added to such Item of Equipment pursuant to the requirements of Section 7 or the second sentence of this Section 8.

SECTION 9. LIENS ON THE EQUIPMENT.

The Lessee shall pay or satisfy and discharge any and all claims against, through or under the Lessee and its successors or assigns which, if unpaid, might constitute or become a lien or a charge upon the Equipment, and any liens or charges which may be levied against or imposed upon any Item of Equipment as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease, but the Lessee shall not be required to pay or discharge any such claims so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which, in the advance opinion of the Lessor and any assignee pursuant to Section 16 hereof, will not affect or endanger the title and interest of the Lessor and such assignee in and to the Equipment. The Lessee's obligations under this Section 9 shall survive termination of the Lease.

SECTION 10. FILING, PAYMENT OF FEES AND TAXES.

10.1. Filing. Prior to the delivery and acceptance of the first Item of Equipment, the Lessee will, at its sole expense, cause this Lease to be deposited with the Registrar General of Canada pursuant to Section 86 of the Railway Act of Canada and the required notice of such deposit thereafter to be published in The Canada Gazette pursuant to said Section 86 and to cause this Lease and any security agreement and/or assignment executed by the Lessor with respect to the

Equipment or the Lease to be duly filed, registered or recorded in conformity with Section 20c of the Interstate Commerce Act and in such other places within or without Canada and the United States as the Lessor may reasonably request for the protection of its title or the security interest of the assignee under such security agreement and/or assignment and will furnish the Lessor and such assignee proof thereof, including without limitation opinions of such counsel as shall be reasonably deemed necessary by the Lessor or such assignee. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will re-file, re-register, or re-record wherever and whenever required) any and all further, instruments required by law or reasonably requested by the Lessor, for the purpose of protecting the Lessor's title to, or such assignee's security interest in, the Lease and the Equipment to the satisfaction of the Lessor's or such assignee's counsel or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will deliver to the Lessor proof of such filings, including without limitation, opinions of counsel reasonably satisfactory to the Lessor and such assignee that such action has been properly taken. The Lessee will pay all costs, charges and expenses incident to any such filing, re-filing, registering, re-registering, recording and re-recording of any such instruments or incident to the taking of such action, including reasonable attorneys' fees.

10.2. Payment of Taxes. All payments to be made by the Lessee hereunder will be free of expense to the Lessor for collection or other charges and will be free of expense to the Lessor with respect to the amount of any local, state, federal or foreign taxes (other than any United States Federal income tax, and state or local income tax or state or local receipts tax in lieu of an income tax [and, to the extent that the Lessor receives credit therefor against its United States Federal income tax liability, any foreign income tax] payable by the Lessor in consequence of the receipt of payments provided herein and other than the aggregate of all franchise taxes measured by net income based on such receipts, up to the amount of any such taxes which would be payable to the state and city in which the Lessor has its principal place of business without apportionment to any other state, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided), assessments or license fees and any charges, fines or penalties in connection therewith (hereinafter called "Impositions") hereafter levied or imposed upon or in connection with or measured by this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof or any security agreement, all of which Impositions the Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. The Lessee will also pay promptly all impositions which may be imposed upon any Item of Equipment or for the use or operation thereof or upon the earnings arising therefrom or upon the Lessor solely by reason of its ownership thereof and will keep at all times all and every part of such Item of Equipment free and clear of all Impositions which might

in any way affect the title of the Lessor or result in a lien upon any such Item of Equipment; provided, however, that the Lessee shall be under no obligation to pay any Impositions so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the advance opinion of the Lessor and any assignee pursuant to Section 16 hereof, adversely affect the title, property or rights of the Lessor or such assignee hereunder. If any Impositions shall have been charged or levied against the Lessor directly and paid by the Lessor, the Lessee shall reimburse the Lessor on presentation of invoice therefor. Prior to making such payment, the Lessor shall promptly notify the Lessee of the Impositions charged or levied, and the Lessee shall have the opportunity to contest in good faith and by appropriate legal proceedings such Impositions, at its sole expense.

In the event any reports with respect to Impositions are required to be made on the basis of individual Items of Equipment, the Lessee will either make such reports in such manner as to show the interests of the Lessor and any assignee pursuant to Section 16 hereof in such Items of Equipment or notify the Lessor and such assignee of such requirement and make such reports in such manner as shall be satisfactory to the Lessor and such assignee.

In the event that, during the continuance of this Lease, any Imposition accrues or becomes payable or is levied or assessed (or is attributable to the period of time during which this Lease is in existence) which the Lessee is or will be obligated to pay or reimburse, pursuant to this Section 10.2, such liability shall continue, notwithstanding the expiration of this Lease, until all such Impositions are paid or reimbursed by the Lessee.

SECTION 11. INSURANCE; PAYMENT FOR CASUALTY OCCURRENCE FOR EQUIPMENT UNSERVICEABLE FOR USE.

11.1. Insurance. The Lessee will at all times after delivery and acceptance of each Item of Equipment, at its own expense, keep or cause to be kept each such Item insured by a reputable insurance company or companies in amounts and against risks customarily insured against by other railroad companies on similar equipment and in any event in amounts and against risks comparable to those insured against by the Lessee on equipment similar to the Equipment which is owned by the Lessee. Such insurance may provide that losses shall be adjusted with the Lessee and shall provide that the proceeds thereof shall be payable to the Lessor, any assignee pursuant to Section 16 hereof, and the Lessee as their interest shall appear. All proceeds of insurance received by the Lessor and such assignee with respect to any Item of Equipment not suffering a Casualty

Occurrence (as hereinafter defined) shall be paid to the Lessee upon proof satisfactory to the Lessor and such assignee that any damage to any Item with respect to which such proceeds were paid has been fully repaired. Any such proceeds of insurance received by the Lessor and such assignee with respect to a Casualty Occurrence shall be credited toward the payment required by this Section 11 with respect to such Casualty Occurrence.

11.2. Duty of Lessee to Notify Lessor. In the event that any Item of Equipment shall be or become lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged during the term of this Lease, including any renewal term hereunder, or thereafter while the Item of Equipment is in the possession of the Lessee pursuant to Section 13 or 15 hereof, or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the term of this Lease (any such occurrence, except for any requisition which by its terms is for an indefinite period or is for a stated period which does not exceed the remaining term of this Lease, being hereinafter called a Casualty Occurrence), the Lessee shall promptly and fully (after it has knowledge of such Casualty Occurrence) inform the Lessor in regard thereto and shall pay the Casualty Value (as herein defined) of such Item in accordance with the terms hereof.

11.3. Sum Payable for Casualty Loss. The Lessee shall, on the Term Lease Commencement Date or the Fixed Rental payment date following its knowledge of a Casualty Occurrence with respect to any Item of Equipment, pay to the Lessor the Interim Daily Rental or Fixed Rental installment due on such rental payment date for such Items of Equipment plus a sum equal to the Casualty Value of such Item or Items of Equipment as of the date of such payment. In the event that an Item of Equipment suffers a Casualty Occurrence after the termination of this Lease, the Casualty Value with respect thereto shall be payable within 5 business days following the Lessee's knowledge of such Casualty Occurrence.

11.4. Rent Termination. Upon (and not until) payment of the Casualty Value in respect of any Item or Items of Equipment and the Interim Rental or Fixed Rental installment due on such payment date, the obligation to pay rental for such Item or Items of Equipment accruing subsequent to the Casualty Value payment date shall terminate, but the Lessee shall continue to pay rental for all other Items of Equipment.

11.5. Disposition of Equipment. The Lessee shall, as agent for the Lessor, dispose of such Item or Items of Equipment having suffered a Casualty Occurrence as soon as it is able to do so for the fair market value thereof. Any such disposition shall be on an "AS IS", "WHERE IS" basis without representation or

warranty, express or implied. As to each separate Item of Equipment so disposed of, the Lessee may retain all amounts of such price plus any insurance proceeds and damages received by the Lessee by reason of such Casualty Occurrence up to the Casualty Value attributable thereto and shall remit the excess, if any, to the Lessor. In disposing of such Item or Items of Equipment, the Lessee shall take such action as the Lessor shall reasonably request to terminate any contingent liability which the Lessor might have arising after such disposition from or connected with such Item or Items of Equipment.

11.6. Casualty Value. The Casualty Value of each Item of Equipment shall be an amount determined as of the date the Casualty Value is paid as provided in this Section 11 (and not the date of the Casualty Occurrence) equal to that percentage of the Invoice Cost of such Item of Equipment set forth in the Schedule of Casualty Values attached hereto as Schedule B opposite such date of payment.

11.7. Risk of Loss. The Lessee shall bear the risk of and, except as hereinabove in this Section 11 provided, shall not be released from, its obligations hereunder in the event of any Casualty Occurrence to any Item of Equipment after the date hereof and continuing until payment of the Casualty Value and the Interim Rental or Fixed Rental installments due on and prior to the date of payment of such Casualty Value in respect of such Item of Equipment has been made, such Item or the salvage thereof has been disposed of by the Lessee and the title to such Item or the salvage thereof and all risk of loss and liabilities incident to ownership have been transferred to the purchaser of such Item or the salvage thereof.

11.8. Eminent Domain. In the event that during the term of this Lease the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for a period which does not exceed the remaining term of this Lease, the Lessee's duty to pay rent shall continue for the duration of such requisitioning or taking. The Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession to an amount equal to the rental paid or payable hereunder for such period, and the balance, if any, shall be payable to and retained by the Lessor as its sole property.

SECTION 12. FINANCIAL AND OTHER REPORTS.

12.1. Status Reports. On or before July 1 in each year, commencing with the year 1977, the Lessee will furnish to the Lessor or its assigns an accurate statement, as of the end of the preceding

calendar year (a) showing the amount, description and numbers of the Items of Equipment then leased hereunder, the amount, description and numbers of all Items of Equipment that may have suffered a Casualty Occurrence during such calendar year (or since the date of this Lease, in the case of the first such statement), and such other information regarding the condition or repair of the Equipment as Lessor may reasonably request, and (b) stating that, in the case of all Equipment repainted during the period covered by such statement, the markings required by Section 4 hereof shall have been preserved or replaced, and (c) describing the insurance coverage, if any, maintained by the Lessee pursuant to Section 11.1 hereof.

12.2. Lessor's Inspection Rights. The Lessor and the Lessor's assigns shall each have the right, at its sole cost and expense, by its authorized representative, to inspect the Equipment and the Lessee's records with respect thereto, at such times as shall be reasonably necessary to confirm to the Lessor or its assigns the existence and proper maintenance thereof during the continuance of this Lease.

12.3. Financial Reports and Inspection Rights. The Lessee agrees that it will furnish to the Lessor and any assignee or assignees thereof the following:

(a) As soon as available and in any event within 60 days after the end of each quarterly period, except the last, of each fiscal year, a balance sheet of the Lessee as at the end of such period and a statement of income and retained income of the Lessee for the period beginning on the first day of such fiscal year and ending on the date of such balance sheet, the income statement setting forth increases and decreases from the corresponding figures for the corresponding period of the preceding fiscal year, all in reasonable detail and certified by the principal financial officer of the Lessee and as filed by the Lessee with the Interstate Commerce Commission (Forms CBS and R E & I respectively);

(b) As soon as available and in any event within 120 days after the last day of each fiscal year, a copy of the Lessee's annual report filed with the Interstate Commerce Commission (Form R-1), including balance sheet, income statement and statement of retained income of the Lessee, which statements will have been certified by the principal financial officer of the Lessee covering the operations of the Lessee;

(c) Within the period provided in subparagraph (b) above, a copy of a balance sheet, an income statement and a statement of retained income of the Lessee, which statements will have been certified by the principal financial officer of the Lessee (it being understood and agreed by the Lessee that should the balance sheet and income statement of the Lessee at any time be certified by a firm of independent public accountants such financial statements shall be furnished to the Lessor and such assignee);

(d) Within the period provided in subparagraph (b) above, a certificate, signed by the principal financial officer of the Lessee, to the effect that the signer thereof has reexamined the terms and provisions of this Lease and that at the date of said certificate is not aware of any default in compliance by the Lessee with any of the covenants, terms and provisions of this Lease, or if the signer is aware of any such default, he shall disclose in such certificate the nature thereof;

(e) As soon as available, copies of such financial statements, reports and proxy statements as the Lessee shall furnish to its stockholders;

(f) As soon as available, copies of each quarterly and annual report, if any, filed by the Lessee with the Interstate Commerce Commission; and

(g) Such additional information as the Lessor or any assignee or assignees thereof may reasonably request concerning the Lessee, in order to enable such party to determine whether the covenants, terms and provisions of the Lease have been complied with by the Lessee.

The Lessee agrees to permit the Lessor or any assignee or assignees thereof (or such persons as the Lessor or any such assignee may designate) to visit and inspect, under the Lessee's guidance, the Equipment and any properties of the Lessee and to examine the records or books of account of the Lessee and to discuss the affairs, finances and accounts of the Lessee with its officers and independent accountants, all at such reasonable times and as often as the Lessor or any such assignee may desire.

SECTION 13. RETURN OF EQUIPMENT UPON EXPIRATION OF TERM.

Upon the expiration of the term of this Lease, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of the Equipment to the Lessor upon such storage tracks of the Lessee as the Lessee may designate (provided that the storage tracks so designated shall be tracks used by the Lessee in the ordinary course of business for the storage of similar equipment owned by the Lessee and shall be reasonably accessible to the tracks of a connecting carrier) and permit the Lessor to store the Equipment on such tracks for a period not exceeding 180 days (commencing after 90% of the Items of Equipment then leased hereunder have been delivered to such place of storage) and transport the same at any time within such 180 day period to any reasonable place on the lines of the railroad operated by the Lessee or to any connecting carrier for shipment, all as directed by the Lessor upon not less than thirty (30) days written notice to the Lessee. All movement and storage of each Item of Equipment is to be at the risk and expense of the Lessee. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any Item of Equipment to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence. Each Item

of Equipment returned to the Lessor pursuant to this Section 13 shall (i) be in the same order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted, and (ii) meet all applicable standards of the Canadian Transport Commission and the Department of Transportation and shall comply with any applicable interchange rules of the Association of American Railroads. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee to so assemble, deliver, store and transport the Equipment. The Lessee shall pay to the Lessor an amount for each Item of Equipment equal to the per diem charge (the "Per Diem Charge") payable for similar such equipment used in interchange for each day after the termination of this Lease until such Item is assembled, delivered and stored as provided hereinabove; provided that if any Item is not so assembled, delivered and stored within 60 days of such termination, the Lessee shall pay an amount equal to three times the Per Diem Charge for each such Item for each day thereafter until the same is so assembled, delivered and stored.

SECTION 14. DEFAULT.

14.1. Events of Default. If, during the continuance of this Lease, one or more of the following events ("Events of Default") shall occur:

(a) Default shall be made in the payment of any part of the rental or other sums provided in Section 2 hereof or Section 11 hereof and such default shall continue for five calendar days; or

(b) Any representation or warranty made by the Lessee herein or in any statement or certificate furnished to the Lessor or its assigns pursuant to or in connection with this Lease proves untrue in any material respect as of the date of issuance or making thereof; or

(c) The Lessee shall make or permit any unauthorized assignment or transfer of this Lease or of possession of the Equipment, or any portion thereof; or

(d) Default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for thirty (30) days after written notice from the Lessor to the Lessee, specifying the default and demanding the same to be remedied; or

(e) A petition for reorganization under Section 77 of the Bankruptcy Act, as now constituted or as said Section 77 may be hereafter amended, shall be filed by or against the Lessee, and, if instituted against the Lessee and (unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective but then only so long as such stay shall continue in force or such ineffectiveness shall continue) all the obligations of the Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or

trustees appointed in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees within 30 days after such appointment or 60 days after such petition shall have been filed, whichever shall be earlier; or

(f) Any other proceedings shall be commenced by or against the Lessee for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the obligations of the Lessee hereunder), and (unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective but then only so long as such stay shall continue in force or such ineffectiveness shall continue) all the obligations of the Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for the Lessee or for the property of the Lessee in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment or 60 days after such proceedings shall have been commenced, whichever shall be earlier;

then, in any such case, the Lessor, at its option, may:

(1) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(2) by notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Equipment shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Equipment may be located, without judicial process if this can be done without breach of the peace, and take possession of all or any of such Equipment and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Equipment for any purpose whatever; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by a fraction of which the numerator is such accrued number of days in such rental period and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, whichever of the following sums, with respect to each Item of Equipment then subject to this Lease, the Lessor, in its sole discretion, shall specify by written notice to the Lessee (x) an amount equal to the excess, if any, of the Casualty Value for such Item, computed as of

the rental payment date immediately preceding the Event of Default specified in such notice, over the rental which the Lessor reasonably estimates to be obtainable for such Item for the remainder of the term of this Lease after discounting such rental semiannually to present value as of such preceding rental payment date at the rate of 5.5% per annum or (y) an amount equal to the excess, if any, of the Casualty Value for such Item as of such preceding rental payment date over the fair market value of such Item as of such preceding rental payment date or (z) an amount which represents the excess of the present worth, at the time of such termination, of all rentals for such Item which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease over the then present worth of the then fair rental value of such Item for such period computed by discounting from the end of such term to the date of such termination rentals which the Lessor reasonably estimates to be obtainable for the use of the Item during such period, such present worth to be computed in each case on a basis of a 5.5% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, and (ii) any damages and expenses, including reasonable attorney's fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease, other than for the payment of rental.

14.2. Cumulative Remedies. The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims of any right to assert any offset against the rental payments due hereunder, and agrees to make the rental payments regardless of any offset or claim which may be asserted by the Lessee on its behalf in connection with the Lease of the Equipment.

14.3. Lessor's Failure to Exercise Rights. The failure of the Lessor to exercise the rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

SECTION 15. RETURN OF EQUIPMENT UPON DEFAULT.

15.1. Lessee's Duty to Return. If the Lessor or its assigns shall terminate this Lease pursuant to Section 14 hereof, the Lessee shall forthwith deliver possession of the Equipment to the Lessor. Each Item of Equipment returned to the Lessor pursuant to this Section 15.1 shall (i) be in the same order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted, and (ii) meet all applicable standards of the Canadian Transport Commission, Department of Transportation and shall comply with any applicable interchange rules of the Association of American Railroads. For the purpose of delivering possession of any Item of Equipment to the Lessor as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(a) Forthwith place such Item of Equipment in such reasonable storage place on the Lessee's lines of railroad as the Lessor may designate or, in the absence of such designation, as the Lessee may select;

(b) Permit the Lessor to store such Item of Equipment in such reasonable storage place on the Lessee's lines of railroad without charge for insurance, rent or storage until such Equipment has been sold, leased, or otherwise disposed of by the Lessor and during such storage period maintain the Equipment in such manner as the Lessee normally maintains similar equipment owned or leased by it; and

(c) Transport the Equipment to any place on the lines of railroad operated by the Lessee or to any connecting carrier for shipment, all as the Lessor may reasonably direct upon not less than thirty (30) days written notice to the Lessee.

15.2. Specific Performance. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so as to assemble, deliver, store and transport the Equipment.

15.3. Lessor Appointed Lessee's Agent. Without in any way limiting the obligations of the Lessee under the foregoing provisions of this Section 15, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Item of Equipment to Lessor, to demand and take possession of such Item of Equipment in the name and on behalf of Lessee from whosoever shall be at the time in possession of such Item of Equipment.

SECTION 16. ASSIGNMENT BY LESSOR.

This Lease shall be assignable in whole or in part by Lessor without the consent of Lessee, but Lessee shall be under no obligation to any assignee of the Lessor except upon receipt of written notice from the Lessor of such assignment. Upon notice to the Lessee of any such assignment the rental and other sums payable by the Lessee which are the subject matter of the assignment shall be paid to the assignee. Without limiting the foregoing, the Lessee further acknowledges and agrees that (1) the rights of any such assignee in and to the sums payable by the Lessee under any provisions of this Lease shall not be subject to any abatement whatsoever, and shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever whether by reason of defect in Lessor's title, or any interruption from whatsoever cause in the use, operation or possession of the Equipment or any part thereof, or any damage to or loss or destruction of the Equipment or any part thereof, or by

reason of any other indebtedness or liability, however and whenever arising, of the Lessor to the Lessee or to any other person, firm or corporation or to any governmental authority or for any cause whatsoever, it being the intent hereof that the Lessee shall be unconditionally and absolutely obligated to pay the assignee all of the rents and other sums which are the subject matter of the assignment, and (ii) the assignee shall have the sole right to exercise all rights, privileges and remedies (either in its own name or in the name of the Lessor for the use and benefit of the assignee) which by the terms of this Lease are permitted or provided to be exercised by the Lessor.

SECTION 17. ASSIGNMENTS BY LESSEE: USE AND POSSESSION.

17.1. Lessee's Rights to the Equipment. So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession and use of the Equipment in accordance with the terms of this Lease. The Lessee shall not assign, transfer or encumber its leasehold interest under this Lease in any of the Equipment. The Lessee shall not part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Equipment, except to the extent permitted by the provisions of Section 17.2 hereof.

17.2. Use and Possession by Lessee. So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession of the Equipment and to the use thereof upon the lines of railroad owned or operated by it (either alone or jointly) or by any corporation, a majority of whose voting stock (i.e., having ordinary voting power for the election of a majority of its Board of Directors) is owned directly or indirectly by the Lessee, or upon lines of railroad over which the Lessee or any such corporation has trackage or other operating rights or over which equipment of the Lessee is regularly operated pursuant to contract and also to permit the use of the Equipment upon connecting and other carriers in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Lease. No assignment or sublease entered into by the Lessee hereunder shall relieve the Lessee of any liability or obligations hereunder which shall be and remain those of a principal and not a surety.

17.3. Merger, Consolidation or Acquisition of Lessee. Nothing in this Section 17 shall be deemed to restrict the right of Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to any corporation (which shall have duly assumed in writing the obligations hereunder of Lessee) into or with which the Lessee shall have become merged

or consolidated or which shall have acquired the property of Lessee as an entirety or substantially as an entirety, provided that such assignees, successors or transferees will not, upon the effectiveness of such merger or consolidation or acquisition of properties, be in default under any provision of this Lease and that such merger or consolidation or acquisition of properties shall not alter in any way the Lessee's obligations to the Lessor hereunder which shall be and remain those of a principal and not a surety.

SECTION 18. OPINION OF COUNSEL.

Concurrently with the delivery and acceptance of the first Item of Equipment hereunder, the Lessee will deliver to the Lessor twelve counterparts of the written opinion of counsel for the Lessee addressed to the Lessor, the Trustor, the Agent and to any assignee under Section 16 of which the Lessee has notice, in scope and substance satisfactory to the Lessor, to the effect that:

(a) The Lessee is a corporation legally incorporated and validly existing, in good standing, under the laws of the State of Maine, and has full right, power and authority to enter into, execute and deliver the Acquisition Agreement dated as of July 20, 1976 (the "Acquisition Agreement") among the Lessor, the Agent and the Lessee and this Lease and to perform each and all of the matters and things required to be observed or performed by the Lessee thereunder and hereunder;

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

(c) This Lease and the Acquisition Agreement have been duly authorized, executed and delivered by the Lessee and constitute the valid, legal and binding agreements of the Lessee enforceable in accordance with their respective terms subject to applicable bankruptcy, reorganization, insolvency and moratorium laws from time to time in effect;

(d) This Lease has been filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act and no filing or recording in any other public office is necessary to protect the Lessor's title to the Equipment in the United States of America;

(e) No approval, consent or withholding of objection is required from any public regulatory body with respect to the entering into or performance by the Lessee of the Acquisition Agreement or this Lease;

(f) The execution and delivery by the Lessee of the Acquisition Agreement and this Lease do not violate any provision of any law, any order of any court or governmental agency, the Charter or By-laws of the Lessee, or any indenture, agreement, or other instrument to which Lessee is a party or by which it, or any of its property is bound, and will not be in conflict with, result in the breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement, or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Lessee, except as contemplated and permitted hereby; and

(g) As to any other matters which the Lessor shall reasonably request.

SECTION 19. LESSEE'S REPRESENTATIONS AND WARRANTIES; SURVIVAL.

19.1. Representations and Warranties. The Lessee represents and warrants that as of the date of execution hereof:

(a) The Lessee is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation; has all requisite power and authority and all necessary licenses and permits to own and operate its respective properties and to carry on its business as now conducted; and is duly licensed or qualified and is in good standing as a foreign corporation in each jurisdiction in which such qualification is necessary to carry out the terms of the Acquisition Agreement and this Lease;

(b) (i) The balance sheet of the Lessee as of December 31 in each of the years 1971 to 1975, both inclusive, and the income and retained earnings and changes in financial position for the fiscal years ended on said dates prepared and certified by the principal financial officer of the Lessee have been prepared in accordance with accounting principles required for railroads by the Interstate Commerce Commission, and present fairly the financial position of the Lessee as of such dates and the results of operations and changes in financial position of the Lessee for such periods;

(ii) The balance sheet of Portland Terminal Company (the "Subsidiary") as of December 31, 1975 and the statements of income and returned earnings and changes in financial position for the fiscal year ended on said date prepared and certified by the principal financial officer of the Lessee presents fairly the financial position of the Subsidiary as of such date and the results of operations and changes in financial position of the Subsidiary for such period;

(iii) Since December 31, 1975, there has been no change in the condition, financial or otherwise, of the Lessee and the Subsidiary as shown on their respective balance sheets as of such date except changes in the ordinary course of business, none of which individually or in the aggregate has been materially adverse;

(c) The financial statements referred to in Section 19.1(b) do not, nor does any written statement furnished by the Lessee to the Trustor, the Lessor and the Lenders (as defined in the Trust Agreement and hereinafter referred to as the "Lenders") in connection with the negotiation of the Lease, contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained therein or herein not misleading. There is no fact peculiar to the Lessee which the Lessee has not disclosed to you in writing which materially affects adversely nor, so far as the Lessee can now foresee, will materially affect adversely the properties, business, prospects, profits or condition (financial or otherwise) of the Lessee or its Subsidiary;

(d) There are no proceedings pending or, to the knowledge of the Lessee threatened, against or affecting the Lessee or the Subsidiary in any court or before any governmental authority or arbitration board or tribunal which if adversely determined would materially and adversely affect the properties, business, prospects, profits or condition (financial or otherwise) of the Lessee and the Subsidiary. Neither the Lessee nor the Subsidiary is in default with respect to any order of any court or governmental authority or arbitration board or tribunal;

(e) The execution and delivery by the Lessee of the Acquisition Agreement and this Lease and compliance by the Lessee with all of the provisions of said instruments --

(i) are within the corporate powers of the Lessee;
and

(ii) will not violate any provisions of any law or any order of any court or governmental authority or agency and will not conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under the Charter or By-Laws of the Lessee or any indenture or other agreement or instrument to which the Lessee is a party or by which it may be bound or result in the imposition of any liens or encumbrances on any property of the Lessee;

(f) No Event of Default as defined in this Lease has occurred and is continuing and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute an Event of Default as herein defined. The Lessee is not in default in the payment of principal or interest on any indebtedness for borrowed money or in default under any instrument or instruments or agreements under and subject to which any indebtedness for borrowed money has been issued and no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute an Event of Default hereunder;

(g) No approval, consent or withholding of objection on the part of any regulatory body, state, Federal or local, is necessary in connection with the execution and delivery by the Lessee of the Acquisition Agreement or this Lease or compliance by the Lessee with any of the provisions of any of said instruments;

(h) All Federal income tax returns required to be filed by the Lessee have, in fact, been filed, and all taxes which are shown to be due and payable in such returns have been paid. The Federal income tax liability of the Lessee and the Subsidiary has been finally determined by the Internal Revenue Service and satisfied for all taxable years up to and including the taxable year ended December 31, 1967 and no material controversy in respect of additional income taxes due since said date is pending or to the knowledge of the Lessee threatened. The provision for taxes on the books of the Lessee and the Subsidiary is adequate for all open years, and for its current fiscal period;

(i) Neither the Lessee, directly or indirectly, nor any agent on its behalf, has offered or will offer the Notes (as defined in the Trust Agreement and hereinafter referred to as the "Notes") or any similar security for sale to, or has solicited or will solicit any offer to acquire such Notes or any similar security from, or has otherwise approached or negotiated or will approach or negotiate in respect thereof with any person or persons so as thereby to bring the issuance and sale of such Notes within the provisions of Section 5 of the Securities Act of 1933, as amended; and neither the Lessee, directly or indirectly, nor any agent on its behalf has offered or will offer such Notes or any similar security or has solicited or will solicit an offer to acquire such Notes or any similar security from or has otherwise approached or negotiated or will approach or negotiate in respect of such Notes with any person or persons other than the Lenders and not more than nine other institutional investors, each of whom was offered a portion of such Notes at private sale for investment; and

(j) Neither the Lessee, directly or indirectly, nor any agent on its behalf, has offered or will offer the beneficial interest under the Trust Agreement in the Equipment (including any portion thereof), or the right to acquire the same, for sale to or has solicited or will solicit any offer to acquire such interest in the Equipment from or has otherwise approached or negotiated or will approach or negotiate in respect thereof with any person or persons, so as thereby to bring such interest in the Equipment within the provisions of Section 5 of the Securities

Act of 1933, as amended; and neither the Lessee, directly or indirectly, nor any agent on its behalf, has offered such interest in the Equipment or solicited offers to acquire such interest in the Equipment from or otherwise approached, negotiated or communicated in any respect of such interest in the Equipment with anyone other than the Trust and twenty-four other institutional investors, each of whom was offered such interest in the Equipment (or a portion thereof) at private sale for investment. By making the warranties contained in this Section 19.1(j), the Lessee is not thereby acknowledging or implying that such an interest in the Equipment is a "security" within the meaning of Section 2(1) of the Securities Act of 1933, as amended.

19.2. Survival. The issuance and delivery of the Notes and the advance of funds by the Trustor under the Trust Agreement are being made in reliance on the representations and warranties contained in this Section 19 and said representation and warranties shall survive the execution and delivery of this Lease, said issuance and delivery of the Notes and said advance of funds by the Trustor and are expressly made for the benefit of, shall be enforceable by, and shall inure to the benefit of the Lessor, the Trustor and the Lenders respectively.

SECTION 20. OPTION TO RENEW.

Provided that the Lessee is not in default hereunder, the Lessee shall have the following renewal options:

(a) The Lessee shall have the option to renew and extend this Lease as to all but not less than all, of the Items of Equipment then leased hereunder for one or more (but not more than three) consecutive renewal terms of three years each upon and subject to the terms and conditions herein contained for the original term of this Lease; provided that the semiannual Fixed Rental payable for and during any such renewal term shall be an amount equal to the Fair Rental Value (as hereinafter defined) of such Items of Equipment. Each renewal term shall commence immediately upon the expiration of the preceding term. The Lessee shall give the Lessor written notice of any such election 180 days prior to the commencement of any renewal term provided for in this Section 20.

(b) The Fair Rental Value of an Item of Equipment shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease. If on or before 60 days prior to the date of commencement of the renewal term elected by the Lessee, the Lessor and the Lessee are unable to agree upon a determination of the fair Rental Value of the Item of Equipment, such value shall be determined in accordance with the foregoing definition by a qualified independent Appraiser. The term Appraiser shall mean such independent appraiser as the Lessor and the Lessee may mutually agree upon, or failing such agreement, a panel of three independent appraisers, one of whom shall be selected by the Lessor, the second by the Lessee and the third designated by the first two so selected. The Appraiser shall

be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both Lessor and Lessee. The expenses and fees of the Appraiser shall be borne by the Lessee.

Unless the Lessee has elected to renew this Lease in respect of such Items of Equipment as provided in this Section 20, all of such Items of Equipment shall be returned to the Lessor at the end of the original term, or the then current renewal term, as the case may be, in accordance with Section 13 hereof.

SECTION 21. FEDERAL INCOME TAXES.

This Lease and the Security Agreement (as defined in the Trust Agreement) have been entered into on the assumptions that (A) the Trustor, as the beneficial owner of the Equipment, will be entitled to such deductions, credits and other benefits as are provided by the Internal Revenue Code of 1954, as amended to the date hereof (hereinafter called the Code), to an owner of property, including, without limitation, (1) the maximum depreciation deduction with respect to the Equipment authorized under section 167 of the Code (hereinafter called the ADR Deduction) (a) utilizing a 12-year depreciable life, which is the lower limit listed in Revenue Procedure 72-10, 1972-1 C.B. 721, for property in Asset Guideline Class No. 00.25, in accordance with the Class Life Asset Depreciation Range System described in section 167(m) of the Code and the Treasury Regulations promulgated thereunder as in effect on the date hereof, (b) employing initially the 200% declining-balance method of depreciation with a change, not requiring the consent of the Commissioner of Internal Revenue, to the sum of the years-digits method of depreciation when most beneficial to the Lessor utilizing the half-year convention as provided on Reg. Sec. 1.167(a)11(c)2(iii), (c) including in the basis of the Equipment the entire purchase price thereof and all other items properly includible under section 1012 of the Code (hereinafter called the Basis), and (d) taking into account a salvage value, after the reduction allowed by section 167(f) of the Code, of 0%; (2) deductions with respect to interest payable on the Notes pursuant to section 163 of the Code (hereinafter called the Interest Deduction); and (3) the 10% investment credit with respect to 100% of the Basis of the Equipment (hereinafter called the Investment Credit) pursuant to section 38 and related sections of the Code and (B) all amounts includible in gross income by the Lessor or the Beneficiary with respect to this Lease will be treated as income from sources within the United States.

The Lessee agrees that neither it nor any corporation controlled by it, in control of it or under common control with it, directly or indirectly, will at any time take any action or file any returns or other documents inconsistent with the foregoing or the Ruling (as hereinafter defined) or which would increase the amount of rentals required to be taken into income by the Lessor or the Trustor, and that each of such corporations will file such returns, take such action and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent thereof. The Lessee further agrees that it will join with the

Trustor in applying for and diligently seeking a favorable ruling (the "Ruling") from the Internal Revenue Service as to the matters set forth in the first full paragraph of this Section 21 (other than clause (A)(1)(d) thereof). The Lessee agrees to keep and make available for inspection and copying by the Lessor, and will on written request by the Lessor provide the Lessor with, such records as will enable the Trustor to determine whether they are entitled (A) to the full benefit of the ADR Deduction, the Interest Deduction and the Investment Credit with respect to the Equipment and (B) to treat amounts includible in gross income with respect to this Lease as income from sources within the United States.

The Lessee represents and warrants that (i) all the Equipment constitutes property the entire Basis of which qualifies for the 10% Investment Credit under section 50 of the Code; (ii) at the time the lessor becomes the owner of the Equipment, the Equipment will constitute "new section 38 property" within the meaning of section 48(b) of the Code, and at the time the Lessor becomes the owner of the Equipment, the Equipment will not have been used by any person so as to preclude "the original use of such property" within the meaning of sections 48(b) and 167(c)(2) of the Code from commencing with the Lessor; (iii) at all times during the term of this Lease, each Item of Equipment will constitute "section 38 property" within the meaning of section 48(a) of the Code; (iv) none of the Equipment will be "used predominantly outside the United States" within the meaning of section 48(a)(2) of the Code; (v) all items includible in gross income by the Lessor or the Trustor with respect to this Lease are entitled to treatment as income from sources within the United States.

If(A) for any reason whatsoever prior to the obtaining of the Ruling from the Internal Revenue Service, all or any part of the ADR Deduction (except that with respect to the assumption set forth in clause (A)(1)(d) hereof the Lessee's indemnity hereunder shall be limited to the Trustor taking into account a 10% salvage value in computing its maximum depreciation deductions), the Interest Deduction or the Investment Credit with respect to any Items of Equipment shall be unavailable in computing each of the items of income, gain, loss, deduction or credit of the Trustor or (B) the Lessor or Trustor shall determine that all amounts includible in gross income with respect to this Lease cannot be treated as income from sources within the United States for any taxable year (or portion thereof) during which this Lease is in effect as the result of the location of any Item of Equipment outside the United States, or subsequent to the receipt of the Ruling, the Trustor shall incur a loss of all or any part of the ADR Deduction (except that with respect to the assumption set forth in clause (A)(1)(d) hereof the Lessee's indemnity hereunder shall be limited to the Trustor taking into account a 10% salvage value in computing its maximum depreciation deductions), the Interest Deduction or the Investment Credit due to (1) the sale or other disposition of any Item of Equipment or the interest of the Trustor therein after the occurrence of an Event of Default hereunder caused by the Lessee, (2) the inaccuracy or the incompleteness of any statement

in any letter or document furnished to the Lessor, the Trustor or the Internal Revenue Service by the Lessee (or any officer, agent or employee thereof or of any affiliated company thereof) in connection with the application for the Ruling, (3) the incorrectness of any representation or warranty made by the Lessee (including without limitation those made in the third full paragraph of this Section 21) or the breach by the Lessee of any of its agreements set forth in the second full paragraph of this Section 21, or (4) the use of any Items of Equipment by the Lessee in a manner inconsistent with the Trustor's claim to all or any part of the ADR Deduction, the Interest Deduction and the Investment Credit, then in any such case the Lessee shall pay to the Lessor as additional rent, an indemnity payment in an amount calculated by the Trustor to cause the Trustor's net after-tax annual cash flow and net after-tax rate of return to be at least the same as such net after-tax annual cash flow and net after-tax rate of return would have been had the ADR Deduction, the Interest Deduction and the Investment Credit been wholly available and had the Lessor and the Trustor been entitled to treat all amounts includible in gross income with respect to this Lease as income from sources within the United States; provided, however, that no such indemnity payment shall be made by the Lessee to the extent that the ADR Deduction, the Interest Deduction or the Investment Credit with respect to an Item of Equipment is unavailable as a direct result of the occurrence of any of the following events:

(i) a Casualty Occurrence with respect to such Item of Equipment if the Lessee shall have paid to the Lessor the amounts stipulated pursuant to Section 11;

(ii) a voluntary transfer by the Lessor of legal title to such Item of Equipment, a voluntary disposition by the Lessor of any interest in such Item of Equipment or a voluntary reduction by the Lessor of its interest in the rentals from such Item of Equipment under this Lease (except pursuant to the Security Agreement) unless, in each case, an Event of Default under this Lease shall have occurred and be continuing or, and to the extent of, any disposition or transfer of any interest in the Equipment or beneficial ownership thereof by reason of a lien or judgment against the Lessor or the Trustor not growing out of or resulting from this lease transaction;

(iii) the failure of the Trustor to claim the ADR Deduction, the Interest Deduction or the Investment Credit on its income tax return for the appropriate year, unless the Trustor shall have received an opinion of independent tax counsel to the effect that such Trustor is not entitled to claim the ADR Deduction, the Interest Deduction or the Investment Credit;

(iv) the failure of the Trustor to have sufficient liability for federal income tax against which to credit the Investment Credit or sufficient income to benefit from the ADR Deduction or the Interest Deduction; or

(v) it shall be determined that the Trustor is precluded from taking the ADR Deduction, the Interest Deduction Or the Investment Credit by reason of the form or operation of the Trust which is the Lessor.

If for any reason whatsoever all or part of the cost of any improvement and/or addition to an Item of Equipment or any expenditure by the Lessee in respect of any Item of Equipment or this Lease (hereinafter called Additional Expenditures) made by the Lessee under and pursuant to the terms of this Lease or otherwise is required to be included in the gross income of the Lessor or the Trustor for federal income tax purposes at any time prior to the time such Item of Equipment is disposed of in a taxable transaction, then the rentals for the Item of Equipment set forth in Section 2 shall, on the next succeeding rental payment date after the date on which the Lessee is required to furnish written notice to the Lessor pursuant to the following sentence that such inclusion in the Lessor's or the Trustor's gross income is required, be increased to such amount or amounts as shall, in the reasonable opinion of the Trustor (after taking into account any present or future tax benefits that the Trustor reasonably anticipates it will derive from its additional investment in the Equipment by reason of such inclusion, including, without limitation, any current deductions, future depreciation deductions and investment tax credit), cause the Trustor's net after-tax annual cash flow and net after-tax rate of return (calculated on the same basis as used by such Trustor in originally evaluating this transaction) to equal the net after-tax annual cash flow and net after-tax rate of return that would have been realized by the Trustor if the cost of such Additional Expenditures had not been includible in the Trustor's gross income. The Lessee agrees that, within 30 days after the close of any calendar year (or in the event the Lessor or the Trustor gives the Lessee written notice that the Lessor's or the Trustor's taxable year closes on a date specified therein other than December 31, within 30 days after said date) in which the Lessee has made Additional Expenditures which are required to be included in the gross income of the Lessor or the Trustor for federal income tax purposes prior to the time such Item of Equipment is disposed of in a taxable transaction, the Lessee will give written notice thereof to the Lessor and the Trustor describing such Additional Expenditures in reasonable detail.

The recomputation of the rental payable by the Lessee pursuant to the preceding paragraph will be based on (i) the same assumptions used by the Trustor in originally evaluating this transaction, including the assumptions that any taxable income generated by this transaction is subject to tax at an effective rate of 50% and that any net loss generated by this transaction is a tax benefit against taxes imposed at an effective rate of 50%, and (ii) in determining the extent to which the Trustor receives credit for any foreign tax against its federal income tax liability (such determination by the Trustor being final and conclusive), on the further assumption that credit is received for all other foreign taxes claimed as credits for the taxable year in question before credit is received for any foreign taxes indemnified under this Lease which are claimed as credits for such year.

In the event the rental rates shall be adjusted as herein before provided, the Casualty Values set forth in Section 11 shall be adjusted accordingly, but in no event to any amount insufficient to fully amortize the Notes in the event of a Casualty Occurrence.

The Lessee's and the Lessor's agreements to pay any sums which may become payable pursuant to this Section 21 shall survive the expiration or other termination of this Lease.

SECTION 22. INTEREST ON OVERDUE RENTALS AND AMOUNTS PAID BY THE LESSOR.

Anything to the contrary herein contained notwithstanding, any nonpayment of the Fixed Rental due hereunder, or amounts expended by the Lessor on behalf of the Lessee, shall result in the obligation on the part of the Lessee to pay also an amount equal to 12% (or the maximum rate allowed by law, whichever is less) of the overdue rentals and amounts expended for the period of time during which they are overdue or expended and not repaid.

SECTION 23. MISCELLANEOUS.

23.1. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States mails, first class postage prepaid, addressed as follows:

If to the Lessor
or the Agent:

Trust Company for USL, Inc.
Trustee under Maine Central
Trust No. 3
1211 West 22nd Street
Chicago, Illinois 60521

With copies to:

United States Leasing International,
Inc.
633 Battery Street
San Francisco, California 94111
Attention: Vice President -
Lease Underwriting Group

International Paper Leasing
Corporation
220 East 42nd Street (Suite 3005)
New York, New York 10017
Attention: Vice President-
Special Financing

If to the Lessee:

Maine Central Railroad Company
242 St. John Street
Portland, Maine 04102
Attention: Vice President - Finance

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

23.2. Execution in Counterparts. This Lease, and any lease supplemental hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

23.3. Law Governing. This Lease shall be construed in accordance with the laws of Illinois; provided, however, that the parties shall be entitled to all rights conferred by any applicable federal statute, rule or regulation.

23.4. Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Lease shall not render any other provision or provisions herein contained unenforceable or invalid, provided that nothing contained in this Section 23.4 shall be construed to amend or modify the immunities of the Lessor or the Trustor in their respective personal or individual capacities provided for in Section 23.5 hereof, or to amend or modify any limitations or restrictions of the Lessee under said Section 23.5.

23.5. Limitations of Liability. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, covenants, undertakings and agreements herein made on the part of the Lessor, while in form purporting to be the representations, covenants, undertakings and agreements of Trust Company for USL, Inc., are nevertheless each and every one of them made and intended not as personal representations, covenants and undertakings and agreements of it in its individual corporate capacity or for the purpose or with the intention of binding it in its individual corporate capacity, but are made and intended for the purpose of binding only the Trust as that term is used in the Trust Agreement; such Trust is the Lessor hereunder, and this Lease is executed and delivered by Trust Company for USL, Inc., not in its own right but solely in the exercise of the powers conferred upon it as such Trustee; and no liability or responsibility in its individual corporate capacity is assumed by nor shall at any time be asserted or enforceable against such corporation or the Agent, or any incorporator or any past, present or future officer, director, shareholder or subscriber to the capital stock of, the Trustee or the Agent, on account of this Lease or on account of any representation, covenant, undertaking or agreement of such corporation or the Agent in this Lease contained, either expressed or implied, all such individual corporate liability, if any, being expressly waived and released by the Lessee; excepting, however, that the Lessee or any person claiming by, through or under it, making claim hereunder, may look to said Trust for satisfaction of the same.

23.6. Certain Expenses. The Lessee will reimburse any assignee pursuant to Section 16 hereof for any costs, expenses, damages or liabilities, including reasonable attorney's fees, incurred in connection with the enforcement of any security agreement and/or assignment pertaining to the Equipment of this Lease.

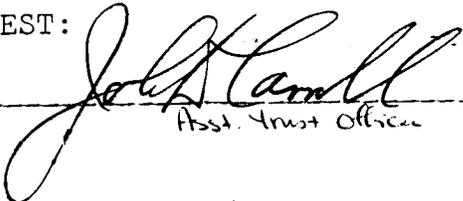
23.7. Headings. All Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Equipment Lease.

23.8. Severability. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized and their corporate seals to be hereto affixed as of the day and year first above written.

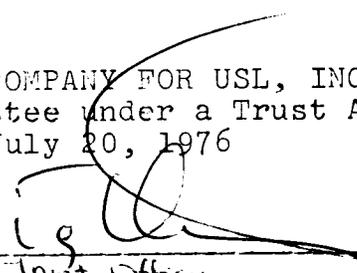
(Corporate Seal)

ATTEST:


Asst. Trust Officer

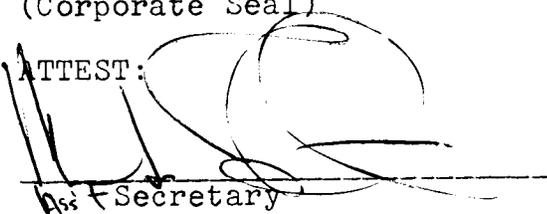
TRUST COMPANY FOR USL, INC.,
as Trustee under a Trust Agreement
dated July 20, 1976

By


Its Trust Officer LESSOR

(Corporate Seal)

ATTEST:


Asst. Secretary

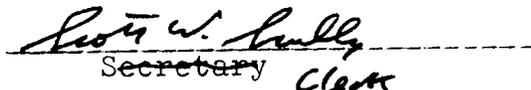
UNITED STATES LEASING INTERNATIONAL,
INC.

By


Its Vice-President
AGENT FOR LESSOR

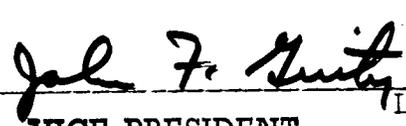
(Corporate Seal)

ATTEST:


Secretary Clerk

MAINE CENTRAL RAILROAD COMPANY

By


Its VICE PRESIDENT LESSEE

STATE OF Illinois)
) SS
COUNTY OF De Waele)

On this 26th day of October, 1976, before me personally appeared Thomas G. Thomson, to me personally known, who being by me duly sworn, says that he is ~~the~~ a Trust Officer of TRUST COMPANY FOR USL, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Joyce M. Anderson

Notarial Seal

My commission expires: 10/29

STATE OF MAINE)
) SS
COUNTY OF CUMBERLAND)

On this 26th day of October, 1976, before me personally appeared John G. Gentry, to me personally known, who being by me duly sworn, says that he is the Vice President of MAINE CENTRAL RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Walter T. Whitney

Notarial Seal

My commission expires: November 1, 1977

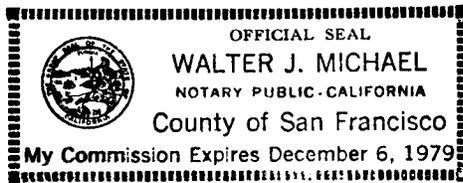
STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

On this 25th day of October, 1976, before me personally appeared Robert M. Tibbits, to me personally known, who being by me duly sworn, says that he is a Vice President of UNITED STATES LEASING INTERNATIONAL, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Walter J. Michael

Notarial Seal

My commission expires:



CERTIFICATE OF ACCEPTANCE

TO: TRUST COMPANY FOR USL, INC., as Trustee under Trust Agreement dated as of July 20, 1976.

UNITED STATES LEASING INTERNATIONAL, INC., as Agent for the Trustee.

FMC CORPORATION

I, duly appointed and authorized representative of the Lessee under the Equipment Lease dated as of July 20, 1976 between the Trustee, the Lessee and Agent for the Trustee, all as named in such Equipment Lease, do hereby certify that I inspected, received, approved and accepted delivery under the Equipment Lease of the following Items of Equipment:

TYPE OF EQUIPMENT: 50 foot 6 inch 75-ton single sheathed plate "C" boxcars

PLACE ACCEPTED:

DATE ACCEPTED:

NUMBER OF UNITS:

NUMBERED:

I do further certify that each Item of Equipment described above is in good order and condition, and appears to conform to the specifications applicable thereto and to all applicable Canadian Transport Commission, United States Department of Transportation and Interstate Commerce Commission and other Canadian or United States agency requirements and specifications, and that each Item has been marked in accordance with Section 4.2 of the Equipment Lease.

EXHIBIT A
(to Lease)

I do further certify that each Item of Equipment described above has been labeled by means of a plate or a stencil printed in contrasting colors upon each side of the Item in letters not less than one inch in height as follows:

"Ownership Subject to a Security Agreement Filed
Under the Interstate Commerce Act, Section 20c"

The execution of this Certificate will in no way relieve or decrease the responsibility of FMC Corporation for any warranties it has made with respect to the Equipment.

DATED: , 1976.

Inspector and Authorized Representative
of Maine Central Railroad Company

SCHEDULE A

MANUFACTURER: FMC Corporation

DESCRIPTION OF EQUIPMENT: 200 50 $\frac{1}{2}$ " 75-ton single sheathed plate "C" boxcars bearing Maine Central Railroad Company identifying numbers MEC 31250 to 31449, both inclusive.

SPECIFICATIONS: Building Specification for Job No. 17660 dated April 28, 1976

ESTIMATED PRICE: \$30,000 per Item of Equipment

ESTIMATED TOTAL PRICE: \$6,000,000 for all 200 Items of Equipment

PURCHASE PRICE : \$29,394.45 per Item of Equipment or the price per Item set forth in the invoice delivered by the Manufacturer on the date on which an Item is to be paid for pursuant to the Acquisition Agreement if such invoice is in fact delivered

OUTSIDE DELIVERY DATE: December 15, 1976

DELIVER TO: Maine Central Railroad Company (as designated by the Railroad)

FIXED RENTAL PAYMENTS: Thirty (30) semiannual rental payments in arrears each equal to 5.30175% of the Purchase Price of each Item of Equipment

SCHEDULE OF CASUALTY VALUE

CASUALTY VALUE: The following per cent of Purchase Price to the Lessor of an Item of Equipment, including all taxes and delivery charges, is to be paid on a Fixed Rental payment date pursuant to Section 11.3 of the Equipment Lease as the result of an Item becoming the subject of a Casualty Occurrence, depending upon when the Casualty Value is paid:

<u>Interim Rental or Fixed Rental Payment Date on which Casualty Value is Paid (Payment in Addition to Rent Payment)</u>	<u>Casualty Value Payable Per Item [in addition to Fixed Rental payment for such Item due on such date]</u>
January 15, 1977	103.269
July 15, 1977	105.012
January 15, 1978	107.201
July 15, 1978	107.364
January 15, 1979	107.266
July 15, 1979	106.902
January 15, 1980	106.260
July 15, 1980	98.736
January 15, 1981	97.659
July 15, 1981	96.360
January 15, 1982	94.832
July 15, 1982	86.473
January 15, 1983	84.622
July 15, 1983	82.612
January 15, 1984	80.445
July 15, 1984	71.525
January 15, 1985	69.199
July 15, 1985	66.646
January 15, 1986	63.890
July 15, 1986	60.922
January 15, 1987	57.766
July 15, 1987	54.414
January 15, 1988	50.891
July 15, 1988	47.192
January 15, 1989	43.343
July 15, 1989	39.410
January 15, 1990	35.417
July 15, 1990	31.381
January 15, 1991	27.320
July 15, 1991	23.376
January 15, 1992	20.000

SCHEDULE B

(Maine Central Trust No. 3)