BANGOR AND AROOSTOOK RAILROAD COMPANY
Northern Maine Junction Park RR 2 Bangor, Maine 04401 (207) 848-5711

October 11, 1977

7-286A067

The Honorable H. G. Homme, Jr.
Acting Secretary
Interstate C ommerce Commission
12th & Constitution Avenue, N. W.
Washington, D.C. 20423

RECORDATION NO. 9036 Filed & Recorded
OCT 13 1977 11 25 AM
INTERSTATE COMMERCE COMMISSION

50

Dear Secretary Homme:

Enclosed herewith for recordation, pursuant to Section 20(c) of the Interstate Commerce Act, is the original and five (5) copies of an Equipment Trust Agreement between United States Trust Company of New York, 130 John Street, New York, New York 10038, Trustee, and Bangor and Aroostook Railroad Company, Northern Maine Junction Park - RR 2, Bangor, Maine 04401.

Equipment covered by this agreement consists of the following:

Description of Equipment	Date Constructed or Remanufactured	Quantity	Company Road Numbers (inclusive)
50 foot, 70-ton cushioned underframe general service boxcars	1972	80	5920/5999
50 foot, 70-ton cushioned underframe general service boxcars	1977	20	9200/9219

A voucher in the amount of $50 is enclosed as recordation fee.

It is requested that ~~four~~ FIVE (~~4~~ (5)) copies of the stamped agreement be returned to the bearer.

Very truly yours,

Owen H. Bridgham

Owen H. Bridgham
Vice President-Finance

Christopher - Louis D. Thornhill

Interstate Commerce Commission
Washington, D.C. 20423

10/13/77

OFFICE OF THE SECRETARY

Owen H. Bridgham
Vice President-Fiance
Bangor & Aroostook RR. Co.
Northern Maine Junction Park
RR 2
Bangor, Maine 04401

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 10/13/77 at 11:25am, and assigned recordation number(s)

9038

Sincerely yours,

H.G. Homme, Jr.
Acting Secretary

Enclosure(s)

SE-30-T
(6/77)

9038
RECORDATION NO. ..... Filed & Recorded

OCT 13 1977 - 11 25 AM

INTERSTATE COMMERCE COMMISSION

BANGOR AND AROOSTOOK RAILROAD EQUIPMENT TRUST

DUE 1989

EQUIPMENT TRUST AGREEMENT

Dated as of August 1, 1977

Between

UNITED STATES TRUST COMPANY OF NEW YORK,
Trustee,

and

BANGOR AND AROOSTOOK RAILROAD COMPANY

EQUIPMENT TRUST AGREEMENT, dated as of August 1, 1977, between UNITED STATES TRUST COMPANY OF NEW YORK, as Trustee (hereinafter called the Trustee) and BANGOR AND AROOSTOOK RAILROAD COMPANY, a corporation duly organized and existing under the laws of the State of Maine (hereinafter called the Company).

WHEREAS the Company has agreed to cause to be sold, transferred and delivered to the Trustee the railroad equipment described herein; and

WHEREAS title to such railroad equipment is to be vested in and is to be retained by the Trustee, and such railroad equipment is to be leased to the Company hereunder until title is transferred under the provisions hereof; and

WHEREAS Bangor and Aroostook Railroad Company Equipment Trust Certificates due 1989 (hereinafter called Trust Certificates), are to be issued and sold in an aggregate principal amount not exceeding $2,480,000, and the net proceeds are to constitute a fund equal to the aggregate principal amount of Trust Certificates so issued and sold to be known as BANGOR AND AROOSTOOK RAILROAD COMPANY EQUIPMENT TRUST DUE 1989; and

WHEREAS the texts of the Trust Certificates and the guaranty to be endorsed thereon by the Company are to be substantially in the following forms, respectively:

[Form of Trust Certificate]

$ No.

BANGOR AND AROOSTOOK RAILROAD COMPANY
EQUIPMENT TRUST DUE 1989

Equipment Trust Certificate

Total Authorized Issue $2,480,000

United States Trust Company of New York, Trustee

UNITED STATES TRUST COMPANY OF NEW YORK, as Trustee under an Equipment Trust Agreement dated as of August 1, 1977 (hereinafter called the Trustee), between the Trustee and BANGOR AND AROOSTOOK RAILROAD COMPANY (hereinafter called the Company), hereby certifies that
or registered assigns, is entitled to an interest in the principal amount of $ in BANGOR AND AROOSTOOK RAILROAD COMPANY EQUIPMENT TRUST DUE 1989 payable in instalments as hereinafter provided, and to dividends on said principal amount payable quarterly on January 1, April 1, July 1 and October 1 in each year commencing January 1, 1978, at the rate of 9.25% per annum (computed on the basis of a 360-day year of twelve 30-day months) until such principal amount becomes due and payable, with interest on any overdue instalment of principal and dividends, to the extent legally enforceable, at the rate of 10.25% per annum. Payments of instalments of principal, dividends and interest shall be made by the Trustee to the registered holder hereof at the office of the Trustee at 130 John Street, New York, New York 10038, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, but payable only out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions of said Agreement. The principal amount of this certificate is payable in 48 equal quarterly instalments on January 1, April 1, July 1 and October 1 of each year, commencing January 1, 1978. Except to the extent payments are applied as provided in Section 4.9 of said Agreement to the prepayment of principal, prepayments of instalments of the principal amount of this Trust Certificate may not be made.

This Certificate is one of an issue of Certificates having an aggregate principal amount not exceeding $2,480,000, all issued or to be issued under and subject to the terms of said Agreement, under which certain railroad equipment leased to the Company (or, in lieu thereof, cash or obligations defined as "Investments" in said Agreement) is held by the Trustee in trust for the benefit of the holders of the interests represented by said Certificates, to which Agreement (a copy of which is on file with the Trustee at its corporate trust office in New York, New York) reference is made for a full statement of the rights and obligations of the Company, the duties and immunities of the Trustee and the rights of the holder hereof thereunder.

Subject to the restrictions set forth in the immediately preceding paragraph, this Certificate is transferable by the registered holder hereof in person or by duly authorized attorney on the books of the Trustee upon surrender to the Trustee at its said office of this Certificate accompanied by a written instrument of transfer, duly executed by the registered holder in person or by such attorney, in form satisfactory to the Trustee, and thereupon a new Certificate or Certificates in authorized denominations for the same aggregate principal amount will be issued to the transferee in exchange herefor and if less than the entire unpaid principal amount hereof is transferred, a balance piece therefor will be issued to the transferor. The Trustee and the Company may treat the person in whose name this Certificate is registered as the absolute owner hereof for the purpose of receiving payment of principal, dividends and interest and for all other purposes, and shall not be affected by any notice to the contrary.

In case of default in the performance or observance of any of the covenants of the Company in said Agreement contained, the principal amount represented by this Certificate may be declared due and payable, as provided in said Agreement.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be signed by the signature of one of its

Authorized Officers.

Dated as of:

UNITED STATES TRUST COMPANY OF NEW YORK, Trustee,

by

_____
Authorized Officer

[FORM OF GUARANTY]

BANGOR AND AROOSTOOK RAILROAD COMPANY, for a valuable consideration, hereby unconditionally guarantees to the registered holder of the within Certificate the prompt payment of the principal of said Certificate and of the dividends thereon specified in said Certificate, with interest at the rate of 10.25% per annum on any unpaid principal and on any unpaid dividends to the extent that it shall be legally enforceable, all in accordance with the terms of said Certificate and the Equipment Trust Agreement referred to therein.

BANGOR AND AROOSTOOK RAILROAD COMPANY,

by

_____

by

_____

WHEREAS it is desired to secure to the holders of the Trust Certificates the payment of the principal and dividends thereon, as hereinafter provided, and to evidence the rights of the holders of the Trust Certificates in substantially the form hereinbefore set forth;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto hereby agree as follows:

ARTICLE I

Definitions

For all purposes of this Agreement, unless the context otherwise requires:

"Affiliate" of the Company shall mean any corporation which directly or indirectly controls or is controlled by, or is under common control with, the Company. For the purposes of this definition, control (including controlled by and under common control with), as used with respect to any corporation, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities or by contract or otherwise.

"Appraised Value" shall mean the value of the Trust Equipment as set forth in Schedule A hereto or, if such Trust Equipment is not described in Schedule A hereto, an amount equal to the lesser of (y) the cost thereof, if new or newly remanufactured, or, if not new or newly remanufactured, the cost thereof less 7.5% of such cost for each full year in service, and (z) the fair market value thereof. For the purposes of this definition fair market value shall be determined by an Officer's Certificate if the total amount of Trust Equipment in respect of which Appraised Value is to be determined is of a value less than $50,000 in any calendar year and shall be determined by a certificate of an independent appraiser to the extent such Trust Equipment has a value of $50,000 or more in any calendar year.

"Company" shall mean Bangor and Aroostook Railroad Company and any successor or successors to it complying with the provisions of Section 4.8.

"Deposited Cash" shall mean the aggregate of (a) cash on deposit with the Trustee as provided in the first sentence of Section 2.1 hereof, and (b) any sums restored to Deposited Cash from rentals pursuant to Section 4.4(1)(b) hereof and on deposit with the Trustee and (c) when required or indicated by the context, any Investments purchased by the use of Deposited Cash pursuant to the provisions of Section 7.8 hereof and held by the Trustee.

"Equipment" means standard-gauge railroad equipment other than passenger equipment or work equipment of types other than locomotives, constructed or remanufactured to new specifications no earlier than 1972.

The "Fair Value" of any unit of Trust Equipment at any time shall be deemed to be an amount in cash equal to the Appraised Value of such unit of Trust Equipment less an amount equal to 7.5% of the Appraised Value for each full calendar year from the date such unit is subjected to this Agreement to the date on which Fair Value is to be determined representing depreciation of such unit arising from reasonable wear and tear.

The word "holder", when used with respect to Trust Certificates, shall include the plural as well as the singular number and, unless otherwise indicated by the context, shall mean and include the registered owner of a Trust Certificate.

"Investments" shall mean bonds, notes or other direct obligations of the United States of America or obligations for which the full faith and credit of the United States are pledged to provide for the payment of the interest and principal, in each case maturing within one year after the date of investment therein.

"Officer's Certificate" shall mean a certificate signed by the President or any Vice-President of the Company.

"Opinion of Counsel" shall mean an opinion of counsel (who may be counsel to the Company).

"Owner" shall mean the manufacturer or other person (which may be the Company) transferring title to any of the Equipment to the Trustee.

"Overdue Rate" shall mean interest at the rate of 10.25% per annum.

"Request" shall mean a written request for the action therein specified signed on behalf of the Company by the President or a Vice-President of the Company and delivered to the Trustee.

"Trust Certificates" shall mean Bangor and Aroostook Railroad Company Equipment Trust Certificates due 1989), issued hereunder.

"Trust Equipment" shall mean all Equipment at the time subject to the terms of this Agreement.

"Trustee" shall mean United States Trust Company of New York, and any successor as trustee hereunder.

All references herein to Articles, Sections and other subdivisions refer to the corresponding Articles, Sections and other subdivisions of this Agreement; and the words herein, hereof, hereby, hereto, hereunder and words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

Trust Certificates and Issuance Thereof

SECTION 2.1. The net proceeds of the sale of any of the Trust Certificates shall forthwith upon issuance thereof be deposited in cash with the Trustee. Thereupon, the Trustee shall issue and deliver, as the Company shall direct by Request, Trust Certificates substantially in the forms set forth herein, and in the aggregate principal amount so sold. The aggregate principal amount of Trust Certificates which shall be executed and delivered by the Trustee shall not exceed the Total Authorized Issue set forth in the form of Trust Certificates, and the aggregate principal amount represented by all Trust Certificates shall be payable as hereinafter set forth.

SECTION 2.2. Each of the Trust Certificates shall represent an interest in the principal amount therein specified in the trust created hereunder. The aggregate principal amount of the Trust Certificates will be payable in 48 equal quarterly instalments as hereinafter provided on January 1, April 1, July 1 and October 1 in each year commencing January 1, 1978. The Trust Certificates will bear dividends from the date of issuance thereof on the unpaid principal amounts thereof at 9.25% per annum payable quarterly on

each January 1, April 1, July 1 and October 1 in each year commencing January 1, 1978. Interest shall be payable on any overdue instalment of principal and dividends to the extent legally enforceable, at the Overdue Rate. Interest and dividends payable hereunder shall be computed on the basis of a 360-day year of 12 30-day months. The Trust Certificates may be issued in denominations of $1,000 or any multiple thereof.

The principal of and dividends on the Trust Certificates shall be payable at the corporate trust office of the Trustee in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts, but only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions hereof. Notwithstanding the provisions of the preceding sentence of this paragraph, in the case of payments of principal and dividends to be made on a Trust Certificate not then to be paid in full, upon request and deposit of an agreement of the holder of such Trust Certificate (the responsibility of such holder to be satisfactory to the Trustee) obligating such holder, prior to any transfer or other disposition thereof, to surrender the same to the Trustee for notation thereon of the instalments of principal amount represented thereby theretofore paid in whole or in part, on the date each such payment is due the Trustee will mail its check (or on request of the holder the Trustee will make such payment by wire transfer, not later than 11:00 a.m. New York time, for such holder's account, to such bank as it may designate by notice in writing to the Trustee) to such registered holder at his address shown on the registry books maintained by the Trustee or at such other address as may be directed in writing by such holder (and the Company agrees to make its rental payments pursuant to Section 4.4 at such times and in such funds as will enable the Trustee to comply herewith); provided, however, that the deposit of an agreement pursuant to this paragraph shall not be required of any original purchaser of the Trust Certificates or of any other purchasers approved by the Company, who, at the time payments of principal or dividends are to be made, are holders of Trust Certificates, and the Trustee shall without the deposit of such agreement make payments of principal and dividends to such original purchasers of Trust Certificates or to any other purchaser so approved by the Company at the address of each supplied to the Trustee by the Company.

SECTION 2.3. The Trust Certificates and the guaranty to be endorsed on the Trust Certificates by the Company as provided in Section 6.2 hereof shall be in substantially the forms hereinbefore set forth.

SECTION 2.4. The Trust Certificates shall be signed in the name and on behalf of the Trustee by the signature of an Authorized Officer. In case any officer of the Trustee whose signature shall appear on any of the Trust Certificates shall cease to be such officer of the Trustee before such Trust Certificates shall have been issued and delivered by the Trustee, such Trust Certificates shall be adopted by the Trustee and be issued and delivered as though such person had not ceased to be such officer of the Trustee.

SECTION 2.5. Upon surrender and cancelation of any of the Trust Certificates, the Trustee shall issue and deliver in exchange therefor Trust Certificates of the same maturity of authorized denominations as shall equal the aggregate principal amount of the Trust Certificates so surrendered and canceled.

Trust Certificates to be exchanged pursuant to this Section 2.5 shall be surrendered at the corporate trust office of the Trustee in New York, New York, and canceled by the Trustee. The Company shall execute its guaranty on all Trust Certificates issued in exchange for Trust Certificates so surrendered and canceled.

The Trust Certificates shall be registered, as to both principal and dividends, in the name of the holder; shall, subject to the conditions set forth in the form of Trust Certificate, be transferable upon presentation and surrender thereof for transfer at the corporate trust office of the Trustee in New York, New York, accompanied by appropriate instruments of assignment and transfer, duly executed by the registered holder of the surrendered Trust Certificate or Certificates or by duly authorized attorney, in form satisfactory to the Trustee; and shall be dated as of the date of issue, or, if issued after January 1, 1978, as of the dividend payment date next preceding the date of issue, unless issued on a dividend payment date, in which event they shall be dated as of the date of issue, or unless issued in exchange for another Trust Certificate or Certificates bearing unpaid dividends from an earlier date, in which case they shall be dated as of such earlier date, and in any case shall entitle the registered holder to dividends from the date thereof.

The parties hereto may deem and treat the registered holder of any Trust Certificate as the absolute owner

of such Trust Certificate for all purposes and shall not be affected by any notice to the contrary.

For any exchange or transfer the Trustee shall require the payment of a sum sufficient to cover reimbursement for any stamp tax or other governmental charge connected therewith.

Each Trust Certificate delivered, pursuant to any provision of this Agreement, in exchange or substitution for, or upon the transfer of, the whole or any part of one or more other Trust Certificates shall carry all the rights to dividends accrued and unpaid, and to accrue, which were carried by the whole or such part of such one or more other Trust Certificates, and notwithstanding anything contained in this Agreement, such Trust Certificate shall be so dated that neither gain nor loss in dividends shall result from such exchange, substitution or transfer.

The Trustee shall not be required to issue, transfer or exchange Trust Certificates for a period of ten days next preceding any dividend payment date.

SECTION 2.6. In case any Trust Certificate shall become mutilated or defaced or be lost, stolen or destroyed, then on the terms herein set forth, and not otherwise, the Trustee, upon request, (a) shall execute and deliver a new Trust Certificate, and the Company shall execute its guaranty thereon, of like maturity, tenor and date as the one mutilated, defaced, lost, stolen or destroyed, in exchange and substitution for, and upon cancelation of, the mutilated or defaced Trust Certificate, or in lieu of or in substitution for the same if lost, stolen or destroyed and (b) shall make payment of any matured and unpaid Trust Certificate. The applicant for a new Trust Certificate for such payment shall furnish to the Trustee and to the Company evidence to their satisfaction of the mutilation, defacement, loss, theft or destruction of such Trust Certificate alleged to have been mutilated, defaced, lost, stolen or destroyed, and of the ownership and authenticity of such mutilated, defaced, lost, stolen or destroyed Trust Certificate, and also such security and indemnity as may be required by the Trustee and by the Company, in their discretion (it being understood and agreed that in the case of any original purchaser of the Trust Certificates or of any other purchasers approved by the Company, their agreement to indemnify the Company and Trustee shall be accepted by the Company and Trustee), and the Company shall pay all expenses and charges of such substitution or exchange. All Trust Certificates shall be issued, held and owned upon the

express condition that the foregoing provisions are exclusive in respect of the replacement of mutilated, defaced, lost, stolen or destroyed Trust Certificates, and shall preclude any and all other rights and remedies, any law or statute now existing or hereafter enacted to the contrary notwithstanding.

ARTICLE III

Acquisition of Trust Equipment by Trustee; Deposited Cash

SECTION 3.1. The Company, as speedily as may be, shall cause to be sold, assigned, transferred and set over unto the Trustee, as trustee for the holders of the Trust Certificates, all the Equipment described in Schedule A hereto, all of which the Company represents and warrants, is Equipment as herein defined.

Such Equipment shall be delivered to the Company, which is hereby designated by the Trustee as its agent to receive such delivery, and an Officer's Certificate as to such delivery shall be conclusive evidence of such delivery.

In the event that it may be deemed necessary or desirable to procure for the transportation services of the Company, and to include in the trust hereby created, other Equipment in lieu of any of the Equipment specifically described herein, the Company may cause such other Equipment of the same type and having a remaining useful life and Appraised Value equal to or greater than the Equipment for which it is being substituted to be sold, assigned, transferred and set over to the Trustee, to be substituted under the trust.

SECTION 3.2. From time to time, when and as any of the Equipment referred to in Section 3.1 hereof shall have been delivered to the Trustee or its agent, the Trustee shall (subject to the provisions of Sections 3.3 and 3.4 hereof) pay, upon Request, to the Owner or Owners of the delivered Equipment out of Deposited Cash then held by the Trustee an amount which, together with all payments previously made out of Deposited Cash upon deliveries of Equipment, will equal the lesser of 80% of the aggregate Appraised Value thereof or the aggregate of the Deposited Cash.

SECTION 3.3. The Trustee shall not pay out any Deposited Cash against the delivery of any of the Equipment unless and until it shall have received:

(a) an Officer's Certificate stating that (i) such Equipment is Equipment as herein defined, (ii) the Equipment described and specified therein by number or numbers has been delivered to the Company, as agent for the Trustee, (iii) the Appraised Value thereof, (iv) no event of default, or event which with the lapse of time and/or demand provided for in this Agreement could constitute an event of default, shall have occurred and is then continuing, and (v) no tax liens (including tax liens filed pursuant to Section 6323 of the Internal Revenue Code of 1954, as amended) have been filed and are currently in effect which would adversely affect the security interest in the Trust Equipment;

(b) a bill or bills of sale of such Equipment from the Owner or Owners to the Trustee, which bill or bills of sale shall contain a warranty or guaranty to the Trustee that the title to the Equipment described therein is free from all liens, security interests and encumbrances and that the Trustee has a first and superior lien on such Equipment;

(c) an Opinion of Counsel that such bill or bills of sale are valid and effective, either alone or in connection with any other instrument referred to in such opinion, to vest in the Trustee title to such Equipment free from all liens, security interests and encumbrances and that the Trustee has a first and superior lien on such Equipment; and

(d) in case of any Equipment not specifically described herein, an Opinion of Counsel that a proper settlement hereto in respect of such Equipment has been duly executed by the Trustee and the Company and duly filed, recorded and deposited in accordance with Section 6.4 hereof.

If the aggregate Appraised Value of the Trust Equipment shall be less than 125% of the aggregate principal amount of Trust Certificates issued pursuant to Section 2.1 hereof, the Company will cause to be transferred to the Trustee, pursuant to a proper settlement hereto, additional Equipment in such amount and of such value that the aggregate Appraised Value of the Trust Equipment will be at least 125% of the aggregate principal amount of Trust Certificates issued hereunder, and will concurrently deliver to the Trustee the documents specified in this Section 3.3.

SECTION 3.4. Interest, if any, allowed by the Trustee upon any moneys received by it under the provisions hereof and any interest (in excess of accrued interest paid from Deposited Cash at the time of purchase) or other profit accruing upon any investment of Deposited Cash as permitted by Section 7.8 hereof shall belong to the Company and be paid to it by the Trustee, as long as the Company shall not be known to the Trustee to be in default hereunder.

ARTICLE IV

Lease of Trust Equipment to the Railroad

SECTION 4.1. The Trustee does hereby let and lease all the Trust Equipment to the Company for a term ending October 1, 1989, and the Company agrees that such lease is a net lease and noncancelable by the Company.

SECTION 4.2. In the event that the Company shall, as provided in Sections 3.1, 3.3 and 4.9 hereof, cause to be transferred to the Trustee other Equipment in addition or in substitution for any of the Equipment herein specifically described, such other Equipment shall be included as part of the Trust Equipment by supplement hereto and shall be subject to all the terms and conditions hereof in all respects as though it had been part of the Trust Equipment herein specifically described; provided, however, that such other Equipment shall have been constructed or remanufactured to new specifications no earlier than the Equipment for which it is substituted as evidenced by an Officer's Certificate.

SECTION 4.3. As and when any Equipment shall from time to time be transferred and delivered to the Company as agent for the Trustee, the same shall, ipso facto and without further instrument of lease or transfer, pass under and become subject to all the terms and provisions hereof.

SECTION 4.4. The Company hereby accepts the lease of all the Trust Equipment and covenants and agrees to accept delivery and possession hereunder of the Trust Equipment as hereinbefore provided; and the Company covenants and agrees to pay to the Trustee (or, in the case of taxes, to the proper taxing authority), in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, rent which shall be sufficient to pay and discharge the following items, when and as the same shall become due and payable (whether or not any of such items shall become due and pay-

able prior to the delivery and lease to the Company of any of the Trust Equipment):

(1) (a) The necessary and reasonable expenses of the trust hereby created, including compensation and expenses provided for herein, and (b) an amount equal to any expenses incurred or loss of principal (including interest accrued thereupon at time of purchase) in connection with any purchase, sale or redemption by the Trustee of Investments;

(2) Any and all taxes, assessments and governmental charges upon or on account of the income or property of the trust, or of this Agreement, which the Trustee as such may be required to pay;

(3) (a) The amounts of the dividends payable on the Trust Certificates, when and as the same shall become payable, and (b) interest at the Overdue Rate from the due date, upon the amount of any instalments of rental payable under this subparagraph (3) and the following subparagraph (4) which shall not be paid when due, to the extent legally enforceable; and

(4) The principal of the Trust Certificates, when and as the same shall become payable, whether upon the respective stated dates of maturity thereof or otherwise under the provisions thereof or of this Agreement.

Nothing herein or in the Trust Certificates contained shall be deemed to impose on the Trustee or on the Company any obligation to pay to the holder of any Trust Certificate any tax, assessment or governmental charge required by any present or future law of the United States of America, or any state, county, municipality or other taxing authority thereof to be paid in behalf of, or withheld from the amount payable to, the holder of any Trust Certificate. The Company shall not be required to pay any tax, assessment or governmental charge so long as it shall in good faith and by appropriate legal proceedings contest the validity thereof, unless in the judgment of the Trustee the rights or interests of the Trustee or of the holders of the Trust Certificates may be materially endangered thereby.

SECTION 4.5. At the termination of the lease provided herein and after all payments due or to become due from the Company hereunder shall have been completed and fully

made to the Trustee, (1) such payments shall be applied and treated as purchase money and as the full purchase price of the Trust Equipment, (2) any moneys remaining in the hands of the Trustee after providing for all outstanding Trust Certificates and after paying the expenses of the Trustee, including its reasonable compensation, shall be paid to the Company, (3) title to all the Trust Equipment shall vest in the Company, and (4) the Trustee shall execute for record in public offices, at the expense of the Company, such instrument or instruments in writing as reasonably shall be requested by the Company in order to make clear upon public records the title of the Company to all the Trust Equipment under the laws of any jurisdiction; provided, however, that until that time title to the Trust Equipment shall not pass to or vest in the Company, but title to and ownership of all the Trust Equipment shall be and remain in the Trustee, notwithstanding the delivery of the Trust Equipment to and the possession and use thereof by the Company.

Section 4.6. The Company agrees that as soon as reasonably practicable after the delivery to the Company of each unit of the Trust Equipment, there shall be plainly, distinctly, permanently and conspicuously marked on each side of such unit, in letters not less than one inch in height:

"UNITED STATES TRUST COMPANY OF NEW YORK,
TRUSTEE, OWNER, LESSOR"

Such marks shall be such as to be readily visible and as to indicate plainly the Trustee's ownership of each unit of the Trust Equipment. In case, prior to the termination of the lease provided for herein, any of such marks shall at any time be removed, defaced or destroyed, the Company shall as soon as reasonably practicable thereafter cause the same to be replaced. The Company shall not change or permit to be changed, the numbers of any of the Trust Equipment at any time covered hereby (or any numbers which may have been substituted as herein provided) except in accordance with a statement of new numbers to be submitted therefor which previously shall have been filed by the Company with the Trustee and filed, recorded and deposited in accordance with the provisions of Section 6.4.

The Trust Equipment may be lettered with the names or initials or other insignia customarily used by the Company or any Affiliate which, as hereinafter provided, is permitted to use the Trust Equipment, or in some other appropriate manner, for convenience of identification of the leasehold

interest of the Company therein. During the continuance of the lease provided for herein, the Company shall not allow the name of any person, association or corporation to be placed on any of the Trust Equipment as a designation which might be interpreted as a claim of ownership thereof by the Company or by any person, association or corporation other than the Trustee.

SECTION 4.7. The Company agrees that it will maintain and keep all the Trust Equipment in good order and proper repair at its own cost and expense, unless and until worn out, unsuitable for use, lost or destroyed. Whenever any of the Trust Equipment shall be worn out, lost or destroyed or become unsuitable for use, the Company shall forthwith deliver to the Trustee an Officer's Certificate describing such Trust Equipment and stating the then Fair Value thereof. When the total Fair Value of all the Trust Equipment having become worn out, unsuitable for use, lost or destroyed (exclusive of Trust Equipment in respect of which a payment shall have been made to the Trustee pursuant to this Section 4.7), shall amount to $50,000 (or such lesser amount as the Company may elect), the Company shall, within 30 days after it shall have knowledge thereof, deposit with the Trustee an amount in cash equal to 80% of such Fair Value. The rights and remedies of the trustee to enforce or to recover any of the rental payments shall not be affected by reason of such wearing out, unsuitableness for use, loss or destruction. Cash deposited with the Trustee pursuant to this Section 4.7 shall be held and applied as provided in Section 4.9 hereof.

The Company covenants and agrees to furnish to the Trustee, whenever required by the Trustee, and at least once in every calendar year following the calendar year in which occurs the first delivery of any of the Trust Equipment and during the continuance of the lease provided for herein, an Officer's Certificate stating (1) the amount, description and numbers of the Trust Equipment then covered hereby and showing the Trust Equipment then in actual service, (2) the amount, description and numbers of all that may have become worn out, or that may have become unsuitable for use or lost or destroyed by accident or otherwise since the date of the last preceding statement, and (3) the amount, description and numbers of all then undergoing repairs, other than running repairs, or then withdrawn from use for such repairs, and stating that in the case of all Trust Equipment repainted or repaired since the date of the last preceding statement the plates or marks required by Section 4.6 hereof have been preserved, or that the same when repainted or repaired have been again plated or marked as required thereby. The Trustee,

by its agents, shall have the right once in each calendar year, but shall be under no duty, to inspect, at the expense of the Company, the Trust Equipment and the Company covenants in that event to furnish to the Trustee all reasonable facilities for the making of such inspection.

SECTION 4.8. The Company, so long as it is not in default hereunder, shall be entitled to the possession of the Trust Equipment from and after delivery thereof to the Company, and the use thereof upon the lines of railroad owned or operated by the Company (either alone or jointly with another) or by any Affiliate, or upon lines over which the Company or any Affiliate shall have trackage or other operating rights, and the Company shall also be entitled to permit the use of the Trust Equipment upon other carriers in the usual interchange of traffic and upon other carriers over which service may from time to time be afforded, but only upon and subject to all the terms and conditions of this Agreement.

The Company shall not, without first obtaining the written consent of the Trustee, assign or transfer its rights hereunder, or transfer or sublet the Trust Equipment or any part thereof except to an Affiliate; and the Company shall not, without such written consent, except as provided in this Section 4.8, part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment. An assignment or transfer to a railroad company which shall acquire all or substantially all the lines of railroad of the Company, and which, by execution of an appropriate instrument satisfactory to the Trustee, shall assume and agree to perform each of and all the obligations and covenants of the Company hereunder and under the guaranty endorsed on the Trust Certificates, shall not be deemed a breach of this covenant; provided, however, that unless 66-2/3% of the holders of the outstanding Trust Certificates otherwise agree in writing, such successor company shall not, at the time of such transfer, have a net worth less than the Company. The appointment of a receiver or receivers in equity or reorganization or a trustee or trustees in bankruptcy or reorganization for the Company or for its property shall be deemed an unauthorized assignment unless, prior to any action by the Trustee to exercise the remedies herein provided, such receiver or receivers or trustee or trustees shall be discharged or such receiver or receivers or trustee or trustees shall, pursuant to court order or decree, in writing duly assume and agree to pay or perform each of and all the obligations and covenants of the Company hereunder and under the guaranty endorsed on the Trust Certificates, in such manner

that such obligations shall have the same status as obligations incurred by such receiver or receivers or trustee or trustees. The Trustee shall have the right to declare the lease provided for herein terminated in case of any unauthorized assignment or transfer of its rights hereunder or in case of any unauthorized transfer or sublease of any of the Trust Equipment. The election of the Trustee to terminate the lease provided for herein shall have the same effect as the retaking of the Trust Equipment by the Trustee as hereinafter provided.

SECTION 4.9. Any units of the Trust Equipment which shall have become unsuitable in any respect for the use of the Company may be released and sold by the Company, and it is hereby mutually agreed that at any time hereafter until title thereto shall become vested in the Company the Trustee will release any such units of the Trust Equipment upon the filing with it of a Request and an Officer's Certificate which shall describe such units, shall state the date when each of such units was first put into service, shall state that such units have become unsuitable for the use of the Company, shall state the selling price thereof, and shall specify the then Fair Value thereof. No such release shall be made unless and until the Company shall have paid to the Trustee an amount equal to 80% of such selling price or 80% of such Fair Value, whichever shall be greater.

Any moneys paid to the Trustee pursuant to this Section 4.9 or Section 4.7 hereof (all of such moneys being herein called Replacement Funds) shall be received and held by the Trustee in trust hereunder pending delivery of additional Equipment or the Company may direct in a Request filed with the Trustee that any such moneys be applied on or before the next instalment date for the payment of the Trust Certificates occurring more than 90 days following the date of such payment to the Trustee (hereinafter called the Prepayment Date), in whole or in part, to prepay instalments of principal. Upon the filing with it of a Request and an Officer's Certificate which shall specify the kind and number of units of Equipment to be purchased, such moneys shall, upon receipt by the Trustee of certificates, bills of sale and Opinions of Counsel, all in like manner as is provided in Section 3.3 hereof, be applied by the Trustee to the purchase of such Equipment at 80% of the Appraised Value thereof and the Company shall pay the balance of the cost thereof. In the event no Request is so received by the Trustee so to purchase Equipment within five days prior to the Prepayment Date, any Replacement Funds held by the Trustee shall be applied by the Trustee to the prepayment of principal on the Trust Certificates as aforesaid. In case any Replacement Funds are applied to prepay indebtedness, they shall be so applied to

reduce pro rata each instalment thereafter falling due.

SECTION 4.10. The Company covenants and agrees to indemnify the Trustee against any and all claims arising out of or connected with the ownership or use of any of the Trust Equipment, and particularly against any and all claims arising out of the use of any patented inventions in and about the Trust Equipment, and to comply in all respects with the laws of the United States of America and of all the states and other jurisdictions in which the Trust Equipment, or any thereof may be operated, and with all lawful acts, rules, regulations and orders of all ministries, commissions, boards and other legislative, executive, administrative or judicial bodies or officers having power to regulate or supervise any of the Trust Equipment, including without limitation all lawful acts, rules, regulations and orders of any body having competent jurisdiction relating to automatic coupler devices or attachments, air brakes or other appliances; provided, however, that the Company may in good faith contest the validity of any such law, act, rule, regulation or order, or the application thereof to the Trust Equipment or any part thereof, in any reasonable manner which will not in the judgment of the Trustee materially endanger the rights or interests of the Trustee or of the holders of the Trust Certificates. The Company shall not be relieved from any of its obligations hereunder by reason of the assertion or enforcement of any such claims or the commencement or prosecution of any litigation in respect thereof.

ARTICLE V

Events of Default and Remedies

SECTION 5.1. The Company covenants and agrees that in case

(a) the Company shall default in the payment of any part of the rental payable hereunder (including advance rental) for more than 10 days after the same shall have become due and payable, or

(b) the Company shall make or suffer any unauthorized assignment or transfer of its rights hereunder or shall make any unauthorized transfer or sublease of (including, for the purpose of this clause, any contract for the use of) any of the Trust Equipment (as provided in Section 4.8 hereof or otherwise) or, except as herein authorized, shall part with the possession of any of the

Trust Equipment, and shall fail or refuse either to cause such assignment or transfer or sublease to be canceled by agreement of all parties having any interest therein and recover possession of such Trust Equipment within 30 days after the Trustee shall have demanded in writing such cancelation and recovery of possession, or within said 30 days to deposit with the Trustee a sum in cash equal to the Fair Value, as of the date of such unauthorized action, of the Trust Equipment so assigned or transferred or subleased or the possession of which shall have been parted with otherwise than as herein authorized (any sum so deposited to be returned to the Company upon cancelation of such assignment, transfer or sublease and the recovery of possession by the Company of such Trust Equipment), or

(c) the Company shall, for more than 30 days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants hereof on its part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance, or

(d) the lease provided for herein shall be terminated by operation of law or pursuant to the last paragraph of Section 4.8 hereof,

then, in any such case (herein sometimes called an event of default), the Trustee in its discretion may, and upon the written request of the holders of not less than 25% in principal amount of the then outstanding Trust Certificates shall, by notice in writing delivered to the Company, declare to be due and payable forthwith the entire amount of the rentals (including any unpaid advance rental, but not including rentals required for the payment of dividends accruing after the date of such declaration) payable by the Company as set forth in Section 4.4 hereof and not theretofore paid. Thereupon the entire amount of such rentals shall forthwith become and shall be due and payable immediately without further demand, together with interest at the Overdue Rate, to the extent legally enforceable, on any portion thereof overdue; and the Trustee shall be entitled to recover judgment for the total amount so becoming payable by the Company, together with interest thereon at the Overdue Rate to the extent legally enforceable, and to collect such judgment out of any property of the Company wherever situated. The Company shall promptly notify the Trustee of any event which has come to its attention which constitutes, or which with the giving of notice and/or lapse of time could constitute, an event of default under this Agreement.

In addition, in case one or more events of default shall happen, the Trustee in its discretion may, and upon the written request of the holders of not less than 25% in principal amount of the then outstanding Trust Certificates shall, by notice in writing delivered to the Company, declare the principal of all the Trust Certificates then outstanding to be due and payable, and thereupon the same shall become and be immediately due and payable.

SECTION 5.2. In case of the happening of any event of default, the Trustee may, subject to compliance with any mandatory requirements of law, by its agents enter upon the railroad and premises of the Company and of any Affiliate and take possession of all or any part of the Trust Equipment and withdraw the same from said railroad and premises, retaining all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and shall be entitled to collect, receive and retain all unpaid per diem, mileage or other charges of any kind earned by the Trust Equipment of any part thereof, and may lease the Trust Equipment or any part thereof, or with or without retaking possession thereof (but only after declaring due and payable the entire amount of rentals payable by the Company as provided in Section 5.1 hereof) may sell the same or any part thereof, free from any and all claims of the Company at law or in equity, in one lot and as an entirety or in separate lots, in so far as may be necessary to perform and fulfill the trust hereunder, at public or private sale, for cash or upon credit, in its discretion, and may proceed otherwise to enforce its rights and the rights of the holders of interests hereunder in the manner herein provided. Upon any such sale, the Trustee itself may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Trustee may specify, or as may be required by law, and without gathering at the place of sale the Trust Equipment to be sold, and in general in such manner as the Trustee may determine, but so long as such sale shall be held in a commercially reasonable manner and so that the Company may and shall have a reasonable opportunity to bid at any such sale. Upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Company shall cease to have any rights or remedies in respect of the Trust Equipment hereunder, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Company, and no payments theretofore made by the Company for the rent or use of the Trust Equipment or any of it shall, in case of the happening of any event of default and such taking possession, withdrawal, lease or sale by the Trustee, give to the Company any legal or equitable interest or title in or to the Trust Equipment or any of it

or any cause or right of action at law or in equity in respect of the Trust Equipment against the Trustee or the holders of interests hereunder. No such taking possession, withdrawal, lease or sale of the Trust Equipment by the Trustee shall be a bar to the recovery by the Trustee from the Company of rentals then or thereafter due and payable, and the Company shall be and remain liable for the same until such sums shall have been realized as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all the items mentioned in Section 4.4 hereof (other than dividends not then accrued), whether or not they shall have then matured. The holders of a majority in principal amount of the then outstanding Trust Certificates shall have the right from time to time to direct which of the proceedings above provided for shall be taken for enforcement of the remedies contained herein.

SECTION 5.3. If, in case of the happening of any event of default, the Trustee shall exercise any of the powers conferred upon it by Sections 5.1 and 5.2 hereof, all payments made by the Company to the Trustee hereunder after such event of default, and the proceeds of any judgment collected hereunder from the Company by the Trustee, and the proceeds of every sale or lease by the Trustee of any of the Trust Equipment, together with any other sums which may then be held by the Trustee under any of the provisions hereof (other than sums held in trust for the payment of specific Trust Certificates), shall be applied by the Trustee to the payment in the following order of priority: (a) of all proper charges, expenses or advances made or incurred by the Trustee in accordance with the provisions of this Agreement, (b) of the dividends then due, with interest on overdue dividends at the Overdue Rate to the extent legally enforceable, and (c) of the principal of all the outstanding Trust Certificates, with interest thereon at the Overdue Rate to the extent legally enforceable from the last preceding dividend payment date, whether such Trust Certificates shall have then matured by their terms or not.

After all such payments shall have been made in full, the title to any of the Trust Equipment remaining unsold shall be conveyed by the Trustee to the Company free from any further liabilities or obligations to the Trustee hereunder. If after applying all such sums of money realized by the Trustee as aforesaid there shall remain any amount due to the Trustee under the provisions hereof, the Company agrees to pay the amount of such deficit to the Trustee. If after applying as aforesaid, the sums of money realized by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Company.

SECTION 5.4. If at any time after the principal of all the Trust Certificates shall have been declared and become due and payble or if at any time after the entire amount of rentals shall have been declared and become due and payable, all as in Section 5.1 hereof provided, but before October 1, 1989, all arrears of rent (with interest at the Overdue Rate upon any overdue instalments to the extent legally enforceable), the expenses and reasonable compensation of the Trustee, together with all expenses of the trust occasioned by the Company's default, and all other sums which shall have become due and payable by the Company hereunder (other than the principal of Trust Certificates and any other rental instalments which shall not at the time have matured according to their terms), shall be paid by the Company before any sale or lease by the Trustee of any of the Trust Equipment, and every other default in the observance or performance of any covenant or condition hereof shall be made good or secured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall be made therefor, then, and in every such case, the Trustee, if so requested by the holders of a majority in principal amount of the Trust Certificates then outstanding, shall by written notice to the Company waive the default by reason of which there shall have been such declaration or declarations and the consequences of such default, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 5.5. No retaking of possession of the Trust Equipment by the Trustee, or any withdrawal, lease or sale thereof, nor any action or failure or omission to act against the Company or in respect of the Trust Equipment, on the part of the Trustee or on the part of the holder of any Trust Certificate, nor any delay or indulgence granted to the Company by the Trustee or by any such holder, shall affect the obligations of the Company hereunder or the obligations of the Company under the guaranty endorsed on the Trust Certificates. The Company hereby waives presentation and demand in respect of any of the Trust Certificates and waives notice of presentation, of demand and of any default in the payment of the principal of and dividends on the Trust Certificates.

SECTION 5.6. In case the Trustee shall demand possession of the Trust Equipment pursuant to the provisions hereof and shall reasonably designate a point or points upon the railroad of the Company or of any Affiliate for the delivery of the Trust Equipment to it, the Company shall at its own expense forthwith and in the usual manner cause the Trust Equipment to be moved to such point or points on such rail-

road as shall be designated by the Trustee and shall there deliver or cause to be delivered the same to the Trustee, or the Trustee may at its option keep the Trust Equipment on any of the lines of railroad or premises of the Company or of any Affiliate until the Trustee shall have leased, sold or otherwise disposed of the same, and for such purpose the Company agrees to furnish without charge for rent or storage the necessary facilities at any convenient point or points selected by the Trustee. It is hereby expressly convenanted and agreed that the performance of this covenant is of the essence of this Agreement and that upon application to any court having jurisdiction in the premises, the Trustee shall be entitled to a decree against the Company requiring the specific performance thereof.

SECTION 5.7. The remedies in this Agreement provided in favor of the Trustee and the holders of the Trust Certificates, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity. Such remedies shall be subject in all respects to any mandatory requirements of law at the time applicable thereto, to the extent such requirements may not be waived on the part of the Company.

ARTICLE VI

Additional Covenants and Agreements By The Company

SECTION 6.1. The Company hereby covenants and agrees to make payment of the reasonable expenses and compensation of the Trustee, and of all taxes, assessments and governmental charges herein mentioned for which the Trustee, as such, may be liable and of the rentals and of the other amounts provided for herein.

SECTION 6.2. The Company covenants, agrees and guarantees that the holder of each of the Trust Certificates shall receive the principal sum thereof, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, when and as the same shall become due and payable, in accordance with the provisions thereof or of this Agreement (and, if not so paid, with interest thereon at the Overdue Rate to the extent legally enforceable), and shall receive dividends thereon in like money at the rate specified therein from the date thereof, to the date of maturity of such Trust Certificate, at the times and places and otherwise

as expressed in the Trust Certificates (and, if not so paid, with interest thereon at the Overdue Rate to the extent legally enforceable); and the Company further covenants and agrees to endorse upon each of the Trust Certificates, at or before the issuance and delivery thereof by the Trustee, its guaranty of the prompt payment of the principal thereof and of the dividends thereon, in substantially the form hereinbefore set forth. Said guaranty so endorsed shall be signed in the name and on behalf of the Company by the signature of its Chairman, President or Vice President-Finance, and the Clerk or an Assistant Clerk of the Company. In case any officer of the Company whose signature shall appear on said guaranty shall cease to be such officer before the Trust Certificates shall have been issued and delivered by the Trustee, or shall not have been acting in such capacity on the date of the Trust Certificates, such guaranty shall nevertheless be as effective and binding upon the Company as though the person who signed said guaranty had at all times been such officer.

SECTION 6.3. The Company covenants and agrees that it will pay and discharge, or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge of, any debt, tax, charge, assessment, obligation or claim which if unpaid might become a lien or charge upon or against any of the Trust Equipment, except upon the leasehold interest of the Company therein; but this provision shall not require the payment of any such debt, tax, charge, assessment, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, unless such contest will in the judgment of the Trustee materially endanger the rights or interests of the Trustee or of the holders of the Trust Certificates.

SECTION 6.4. The Company covenants and agrees to pay the expenses incident to the preparation and execution of the Trust Certificates to be issued hereunder, or connected with the preparation, execution, recording, filing and depositing hereof and of any instruments executed under the provisions hereof with respect to the Trust Equipment. The Company with all convenient speed will cause this Agreement, all supplements hereto and all statements of new numbers of the Trust Equipment to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and duly deposited in the Office of the Registrar General of Canada in accordance with Section 86 of the Railway Act of Canada (and notice

of such deposit has been duly published, or adequate provision has been made therefor, in The Canada Gazette as provided in said Section 86). The Company will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments required by law or reasonably requested by the Trustee for the purposes of proper protection of the title of the Trustee and the rights of the holders of the Trust Certificates and of fully carrying out and effectuating this Agreement and the intent hereof; and the Company will promptly furnish to the Trustee certificates or other evidences of filing, recording and depositing pursuant to the last preceding sentence, and of any other such filing, registration, recording and depositing, and an Opinion or Opinions of Counsel with respect thereto.

SECTION 6.5. The Company covenants and agrees from time to time to do all such acts and execute all such instruments of further assurance as it shall be reasonably requested by the Trustee to do or execute for the purpose of fully carrying out and effectuating this Agreement and the intent hereof.

SECTION 6.6. The Company covenants that it will make payment of the rentals on account of the Trust Equipment as provided in this Agreement notwithstanding that any of the Trust Certificates shall have been acquired by the Company or shall not have been presented for payment.

ARTICLE VII

The Trustee

SECTION 7.1. The Trustee hereby accepts the trusts imposed upon it by this Agreement, and covenants and agrees to perform the same as herein expressed.

SECTION 7.2. The Trustee covenants and agrees to apply and distribute the rentals received by it under Section 4.4 hereof (other than sums restored to Deposited Cash from rentals pursuant to Section 4.4(1) hereof) when and as the same shall be received, and to the extent that such rentals shall be sufficient therefor, for the purposes specified in said Section 4.4.

SECTION 7.3. The Trustee shall cause to be kept in New York, New York, books for the registration and transfer of the Trust Certificates; and upon presentation for such purpose, the Trustee will register or cause to be registered as hereinbefore provided, under such reasonable regulations as it may prescribe, any of the Trust Certificates.

SECTION 7.4. The Trustee shall not be required to undertake any act or duty in the way of insuring,taking care of or taking possession of the Trust Equipment or to undertake any other act or duty under this Agreement until fully indemnified by the Company or by one or more of the holders of the Trust Certificates against all liability and expenses. The Trustee shall not be responsible for the filing or recording or refiling or rerecording of this Agreement, of any supplement hereto or of any statement of new numbers. In accepting delivery of and making payment for the Trust Equipment hereunder, or in accepting any cash payable hereunder in respect of Trust Equipment, the Trustee may rely upon and shall be fully protected by the certificates, bills of sale and Opinions of Counsel to be furnished to it under Sections 3.3, 4.7 or 4.9 hereof, as the case may be, and shall not be required to make any further investigation of or inquiry concerning the matters covered thereby.

SECTION 7.5. The Trustee shall be under no obligation to take any action for the execution or enforcement of the trust hereby created unless requested thereunto in writing by the holders of not less than 25% in principal amount of the then outstanding Trust Certificates and unless indemnified to its satisfaction against expense and liability with respect thereto, and unless also furnished with proof satisfactory to it as to the ownership of the Trust Certificates in respect of which any such request may be made; but this provision, in the absence of such request, shall not affect any discretion herein given to the Trustee to determine whether it shall take action in respect of any default hereunder or what action it shall take.

SECTION 7.6. No holder of any Trust Certificate shall have any right to institute any suit, action or proceeding for the execution and enforcement of the trust hereby created unless, after the aforesaid request in writing by the holders of not less than 25% in principal amount of the then outstanding Trust Certificates shall have been made to the Trustee, and after indemnity satisfactory to it shall have

been provided, and after 90 days shall have elapsed after receipt by the Trustee of such request, it shall decline, fail or neglect to institute any proceedings pursuant thereto. Neither the provisions of this Section 7.6 nor the provisions of Section 7.5 hereof shall affect or limit in any way the obligations of the Company under its guaranty hereinabove provided or the rights of the holders of Trust Certificates to institute suit for the enforcement of payments due under said guaranty in respect of the Trust Certificates.

SECTION 7.7. The Trustee may for all purposes conclusively assume that the Company is not in default under the terms hereof (except a default in the payment of rental) until notified in writing to the contrary by the holders of at least 10% in principal amount of the then outstanding Trust Certificates, which notice shall distinctly specify the event of default desired to be brought to the attention of the Trustee. As to any fact or matter the manner of determining which is not specifically prescribed herein, the Trustee may for all purposes rely upon an Officer's Certificate as to such fact or matter. The Trustee shall not incur any liability to anyone in relying conclusively on, and in acting upon, any notice, consent, order, certificate, warrant or other paper or instrument believed by it to be genuine or authentic and to be signed by the proper party or parties.

SECTION 7.8. Any money at any time paid to or held by the Trustee hereunder until paid out by the Trustee as herein provided may be carried as a general deposit and need not be segregated from other funds except to the extent required by law. The Trustee shall not be under any liability for interest on any moneys received by it hereunder except such as it may agree with the Company to pay thereon.

At any time, and from time to time, if at the time there shall be no default under the terms of this Agreement or of any supplement hereto, the Trustee, on Request, shall invest and reinvest Deposited Cash and Replacement Funds held by it in such Investments as are set forth in such Request, such Investments to be held by the Trustee in trust for the benefit of the holders of the Trust Certificates.

The Trustee may, and on Request shall, in the event funds are required for payment against delivery of any Equipment, sell such Investments, or any portion thereof, and restore to Deposited Cash or Replacement Funds, as the case may be, the proceeds of any such sale up to the amount paid

for such Investments, including accrued interest.

The Trustee shall restore to Deposited Cash or Replacement Funds, as the case may be, out of rent received by it for that purpose under the provisions of Section 4.4(1) hereof, an amount equal to any expenses incurred in connection with any purchase or sale of Investments and also an amount equal to any loss of principal incident to the sale or redemption of any Investments for a sum less than the amount paid therefor, including accrued interest. The Company, if not in default under the terms hereof or any supplement hereto, shall be entitled to receive any interest or profit which may be realized from any sale or redemption of Investments or any portion thereof.

SECTION 7.9. The Trustee shall not be liable to anyone for any delay in the delivery of any of the Trust Equipment, or for any default on the part of the Owners or manufacturers thereof or of the Company, or for any defect in any of the Trust Equipment or in the title thereto, nor shall anything herein be construed as a warranty of merchantability or fitness on the part of the Trustee in respect thereof or as a representation in respect of the value thereof or in respect of the title thereto.

The Trustee may perform its powers and duties hereunder by or through such attorneys, agents and servants as it shall appoint, and shall be entitled to rely upon the advice of counsel (who may be counsel to the Company), and shall be answerable only for its own negligence and wilful defaults and not for the default or misconduct or any attorney, agent or servant appointed by it with reasonable care. The Trustee shall not be responsible in any way for the recitals herein contained or for the execution or validity of this Agreement or of the Trust Certificates (except for its own execution thereof), or for the guaranty by the Company, or for any mistake of fact or law.

The Trustee shall be entitled to receive payment of all its expenses and disbursements hereunder, including reasonable counsel fees, and to receive reasonable compensation for all services rendered by it in the execution of the trust hereby created, all of which shall be paid by the Company.

The Trustee in its individual capacity may own, hold and dispose of Trust Certificates with the same rights which

it would have if it were not Trustee.

Any moneys at any time held by the Trustee hereunder shall, until paid out or invested by the Trustee as herein provided, be held by it in trust as herein provided for the benefit of the holders of the Trust Certificates.

SECTION 7.10. If at any time the Trustee or any successor to it in the trust hereby created shall desire to divest itself of title to the Trust Equipment, and to terminate its duties and obligations and rights hereunder and under the Trust Certificates, or if the holders of a majority in principal amount of the then outstanding Trust Certificates shall so request, the Trustee shall so notify the Company and each holder of a Trust Certificate in writing, and the Company shall thereupon designate in writing to the Trustee a bank or a trust company, qualified as below specified, to serve until a successor is appointed by the holders of Trust Certificates as hereinafter provided, to which may be assigned the entire right, title and interest of the Trustee or such successor in the Trust Equipment, and in which may be vested the rights, powers, duties and obligations of the Trustee hereunder and under the Trust Certificates. Upon the transfer and delivery of all moneys and Trust Equipment held by the retiring trustee, and the execution by the retiring trustee of such instruments of transfer as may be reasonably requested by the successor trustee, and upon acceptance by the successor trustee of the assignment and of the trust, the retiring trustee shall be relieved and discharged of all the title, rights, powers, duties and obligations of the trust hereunder and under the Trust Certificates, and the same shall become vested in such successor trustee, and every provision hereof applicable to the retiring trustee shall apply to such successor trustee with like effect as if such successor trustee had been originally named herein in the place and stead of the retiring trustee. In the event that the Company shall fail to designate such a successor trustee by instrument in writing delivered to the retiring trustee within two weeks from the time of receiving such notice in writing from the retiring trustee, the retiring trustee may thereupon designate such successor trustee. The foregoing provisions are, however, subject to the right of the holders of the majority in principal amount of the then outstanding Trust Certificates by an instrument in writing to appoint any successor trustee, if such appointment is made within one year from the date of the giving of such notice to the Company. The Company shall execute all writings recognizing the transfer of title as aforesaid and all instruments of

further assurance or otherwise as reasonably may be requested by the successor trustee in the premises, and will do and perform any and all acts necessary to establish and maintain the title and rights of the successor trustee in and to the Trust Equipment. Every successor trustee shall be a bank or a trust company doing business in the continental United States having a capital and surplus aggregating at least $50,000,000, if there be such a bank or trust company willing and able to accept the trust upon reasonable and customary terms and duly qualified to act as such trustee.

SECTION 7.11. Any corporation resulting from any merger or consolidation to which the Trustee or any successor to it shall be a party, or any corporation in any manner succeeding to all or substantially all the business of the Trustee or any successor trustee, provided such corporation shall be a bank or a trust company doing business in the continental United States, and shall have a capital and surplus aggregating at least $50,000,000, shall be the successor trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 7.12. Notwithstanding any provision of this Agreement, any moneys paid to the Trustee which are applicable to the payment of the principal of or dividends on any Trust Certificates which remain unclaimed for five years after the day when such moneys were due and payable shall then be repaid to the Company upon Request, and the holders of such Trust Certificates shall thereafter be entitled to look only to the Company for payment thereof and all liability for the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Company as aforesaid, the Trustee may first publish a notice, in such form as may be deemed appropriate by the Trustee, in respect of the Trust Certificates so payable and not presented and in respect of the provisions hereof relating to the repayment to the Company of the moneys held for the payment thereof.

SECTION 7.13. Appointment of Cotrustee or Separate Trustees. If at any time or time it shall be necessary or prudent in order to conform to any law of any jurisdiction in which the Trust Equipment or any thereof is located, or the Trustee being advised by counsel shall determine that it is so necessary or prudent in the interest of the holders of the Trust Certificates, the Trustee and the Company shall execute

and deliver all instruments and agreements necessary or proper to constitute another bank or trust company or one or more persons approved by the Trustee and the Company, either to act as cotrustee or cotrustees, jointly with the Trustee, or to act as separate trustee or trustees hereunder (any such cotrustee or separate trustee being herein sometimes referred to as an additional trustee). In the event the Company shall have not joined in the execution of such instruments and agreements within ten days after the receipt of a written request from the Trustee so to do, or in case an event of default shall happen and be continuing, the Trustee may act under the foregoing provisions of this Section 7.13 without the concurrence of the Company; and the Company hereby appoints the Trustee its agent and attorney to act for it under the foregoing provisions of this Sections 7.13 in either of such contingencies.

Every additional trustee hereunder shall, to the extent permitted by law, be appointed and act, and the Trustee and its successors shall act, subject to the following provisions and conditions:

(1) the Trust Certificates shall be executed and delivered, and all powers, duties, obligations and rights conferred upon the Trustee in respect of the custody, control and management of moneys, papers or securities shall be exercised, solely by the corporation designated as Trustee in the first paragraph of this Agreement, or its successors as Trustee hereunder;

(2) all other rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the corporation designated as Trustee in the first paragraph of this Agreement or its successor as Trustee, and such additional trustee or trustees jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event other such rights, powers, duties and obligations shall be exercised and performed by such additional trustee or trustees;

(3) no power given to, or which it is provided hereby may be exercised by, any such additional trustee or trustees shall be exercised by such additional trustee or trustees, except jointly with, or with the consent in

writing of, the corporation designated as Trustee in this Agreement or its successor as Trustee, anything herein contained to the contrary notwithstanding;

(4) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(5) the Company and the Trustee, at any time, by an instrument in writing, executed by them jointly, may remove any such additional trustee. In the event that the Company shall not have joined in the execution of any such instrument within ten days after the receipt of a written request from the Trustee so to do, the Trustee shall have the power to remove any such additional trustee without the concurrence of the Company; the Company hereby appointing the Trustee its agent and attorney to act for it in such connection in such contingency.

ARTICLE VIII

Miscellaneous

SECTION 8.1. Any request or other instrument provided by this Agreement to be signed or executed by holders of Trust Certificates may be in any number of concurrent instruments of similar tenor, and may be executed by such holders in person or by an agent or attorney appointed by an instrument in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent or attorney, or of the holding by any person of Trust Certificates, shall be sufficient for any purpose hereof and shall be conclusive in favor of the Trustee with regard to any action taken by the Trustee under such request or other instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such request or of any other instrument in writing may be proved by the affidavit of a witness to such execution, or by the certificate of any notary public or of any other officer authorized to take acknowledgments of deeds to be recorded in the state where the acknowledgment may be taken, certifying that the person signing such request or other instrument acknowledged to him the execution thereof.

(b) The ownership of the Trust Certificates shall be determined by the registry books to be kept as provided in Section 7.3 hereof.

(c) In determining whether the holders of the requisite unpaid principal amount of the Trust Certificates have concurred in any direction, request or consent under this Agreement, Trust Certificates which are owned by the Company or by any other obligor on the Trust Certificates or by an Affiliate of the Company or any such other obligor shall be disregarded, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, request or consent, only Trust Certificates which the Trustee knows are so owned shall be disregarded.

SECTION 8.2. Nothing expressed or implied herein is intended or shall be construed to confer upon or to give to any person, firm or corporation, other than the parties hereto and the holders of the Trust Certificates, any right, remedy or claim under or by reason of this Agreement or of any term, covenant or condition hereof, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and of the holders of the Trust Certificates.

SECTION 8.3. Except as otherwise provided herein, the provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

Any provision of this Agreement prohibited by any applicable law of any jurisdiction (which is not overridden by applicable federal law) shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Company to the full extent permitted by law.

Except as otherwise provided in this Agreement, the Company, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Equipment, or any one or more units thereof, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with

respect to the enforcement of the Trustee's rights under this Agreement and any and all rights of redemption.

SECTION 8.4. Amendment or Waiver. Any provision of this Agreement may be amended or waived with the written consent of the holders of not less than 66-2/3% of the aggregate unpaid principal amount of the Trust Certificates then outstanding; provided, however, that without the consent of the holders of 100% of the aggregate unpaid principal amount of Trust Certificates then outstanding, no such amendment or waiver shall (1) reduce the amount of principal, change the waiver or dates of payment of instalments of principal or reduce the rate or extend the time of payment of dividends or interest with respect to the Trust Certificates without the consent of the holders of each Trust Certificate so affected, (2) reduce the amount of or extend the time of payment of any rentals payable under this Agreement or release or provide for the release of any of the Trust Equipment or any other property or cash held by the Trustee in trust, otherwise than as expressly permitted by the present terms of this Agreement, or (3) reduce the percent of the aggregate unpaid principal amount of Trust Certificates then outstanding, the holders of which are required to approve any amendment or to effect any waiver.

SECTION 8.5. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered or mailed by registered mail (a) to the Company at Northern Maine Junction Park, R.R. 2, Bangor, Maine 04401, or at such other address as may hereafter be furnished to the Trustee in writing by the Company and (b) to the Trustee, 130 John Street, New York, New York 10038, Attention of Corporate Trust Department, or at such other address as may hereafter be furnished to the Company in writing by the Trustee. An affidavit by any person representing or acting on behalf of the Company or the Trustee, as to such mailing, having the registry receipt attached, shall be conclusive evidence of the giving of such demand, notice or communication.

SECTION 8.6. This Agreement has been executed in several counterparts, each of which shall be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

SECTION 8.7. This Agreement shall be deemed to have been executed on the date of the acknowledgment thereof by the officer of the Trustee who signed it on behalf of the

Trustee.

SECTION 8.8. The provisions of this Agreement, and all the rights and obligations of the parties hereunder, shall be governed by the laws of the State of Maine.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective corporate seals, duly attested, to be hereunto affixed as of the day and year first written.

UNITED STATES TRUST COMPANY OF NEW YORK, Trustee,

by _____
Assistant Vice President

[Seal]

Attest:

_____
Assistant Secretary

BANGOR AND AROOSTOOK RAILROAD COMPANY,

by _____
Vice President-Finance

[Seal]

by _____
Assistant Clerk

STATE OF MAINE,)
) ss.:
COUNTY OF PENOBSCOT,)

On this 11TH day of ~~September~~ OCTOBER 1977, before me personally appeared OWEN H BRIDGHAM, to me personally known, who, being by me duly sworn, says that he is Vice President of BANGOR AND AROOSTOOK 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.

Notary Public

[Notarial Seal]

My Commission expires My Commission Expires February 11, 1983

STATE OF NEW YORK,)
) ss.:
COUNTY OF NEW YORK,)

On this 9th day of September 1977, before me personally appeared IRENE R. SCOCCA, to me personally known, who, being by me duly sworn, says that she is an Asst Vice Pres of UNITED STATES TRUST COMPANY OF NEW YORK, 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 Trustees and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission expires

CHRISTINE C. COLLINS
Notary Public, State of New York
No. 31-4624735
Qualified in New York County
Certificate filed in New York County
Commission Expires March 30, 1978

SCHEDULE A

Description of Equipment	Date Constructed or Remanufactured	Quantity	Company Road Numbers (inclusive)	Value Per Unit
50-foot, 70-ton Cushioned Underframe General Service Boxcars, AAR Mechanical Designation	1972	80	5920-5999	$30,000
50-foot, 70-ton Cushioned Underframe General Service Boxcars, AAR Mechanical Designation	1977	20	9200-9219	$35,000