6-321A098

NOV 16 1976

Date

Fee $ 50

ICC Washington, D. C.

First Security State Bank
Main Street at Broadway
Salt Lake City, Utah 84111

Secretary
Interstate Commerce Commission
Washington, D. C. 20423

RECORDATION NO. 8577 Filed & Recorded

NOV 16 1976 3 50 PM

INTERSTATE COMMERCE COMMISSION

November 9, 1976

Dear Sir:

Herewith for recordation pursuant to Section 20c of the Interstate Commerce Act are counterparts of the following document:

Equipment Trust Agreement dated as of October 1, 1976, between First Security Bank of Utah, N.A., as trustee, and First Security State Bank, as owner-trustee.

The names and addresses of the parties to the aforementioned agreement are:

First Security Bank of Utah, N.A.
79 South Main Street
Salt Lake City, Utah 84111

First Security State Bank
Main Street at Broadway
Salt Lake City, Utah 84111

The equipment covered by the aforementioned agreement consists of one hundred and ninety-four (194) 89'4" 70-ton low level flat cars, AAR mechanical designation FC, bearing the road numbers of Trailer Train Company

851112 through 851197,
851223 through 851242,
851284 through 851300,
851318 through 851331,
700200 through 700215,
700250 through 700279, and
700374 through 700384,

Counterparts to Gentlemen

and also bearing the legend "Owned By a Bank or Trust Company Under a Security Agreement Filed Under the Interstate Commerce Act, Section 20c".

Enclosed is a check for $50 for the required recordation fee. Please accept for recordation two counterparts of the enclosed agreement, stamp the remaining counterparts with your recordation number and return them to the delivering messenger along with your fee receipt, addressed to the undersigned.

Please cross reference the document referred to in this letter to Trailer Train Company.

Very truly yours,

Authorized Officer

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

11/16/76

First Security State Bank

Main Street at Broadway
Salt Lake City, Utah 84111

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 11/16/76 at 3:50pm, and assigned recordation number(s)

8575	8576	8577
8575-A	8576-A	8577-A
8575-B	8576-B	8577-B
8575-C	8576-C	8577-C
8575-D	8576-D	8577-D
8575-E	8576-E	8577-E
8575-F	8576-F	8577-F

Sincerely yours,

Robert L. Oswald
Secretary

Enclosure(s)

SE-30
(5/76)

RECORDATION NO. 8577 Filed & Recorded
NOV 16 1976 -3 50 PM
INTERSTATE COMMERCE COMMISSION

EQUIPMENT TRUST AGREEMENT

Dated as of October 1, 1976

between

FIRST SECURITY BANK OF UTAH, N.A.,
Not in its individual capacity, but solely as Trustee

and

FIRST SECURITY STATE BANK,
Not in its individual capacity, but solely as Owner-Trustee

8-3/8% Equipment Trust Certificates Due January 1, 1985
8-3/4% Equipment Trust Certificates Due January 1, 1992

EQUIPMENT TRUST AGREEMENT dated as of October 1, 1976, between FIRST SECURITY BANK OF UTAH, N.A., a national banking association, not in its individual capacity, but solely as Trustee hereunder (hereinafter called the Trustee), and FIRST SECURITY STATE BANK, a Utah corporation, not in its individual capacity, but solely as Owner-Trustee (hereinafter together with its successors called the Owner-Trustee), acting as Trustee under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement), with Ford Motor Credit Company (hereinafter called the Owner):

WHEREAS Trust Certificates (as hereinafter defined) are to be issued and sold hereunder in an aggregate principal amount not exceeding $4,232,671.00 at any time outstanding, at a price equal to 100% of the principal amount thereof, and the proceeds of the issuance thereof are to be deposited with the Trustee to constitute a fund equal to the aggregate principal amount of Trust Certificates so issued and sold to be applied by the Trustee in part payment of the cost of the railroad equipment described in Schedule A hereto, the remainder of the cost thereof to be paid by the Owner-Trustee as provided herein;

WHEREAS a security interest in such railroad equipment is to be vested in and is to be retained by the Trustee as security for the obligations of the Owner-Trustee hereunder, such security interest to be created by the lease herein set forth pursuant to which such railroad equipment is to be leased by the Trustee to the Owner-Trustee until such obligations are performed;

WHEREAS the Owner-Trustee is entering into the Lease (as hereinafter defined) with Trailer Train Company (hereinafter called the Lessee) pursuant to which the Owner-Trustee will lease such railroad equipment to the Lessee;

WHEREAS the Lease is being assigned by the Owner-Trustee to the Trustee as security for the obligations of the Owner-Trustee hereunder pursuant to the Lease Assignment (as hereinafter defined); and

WHEREAS the text of the Trust Certificates is to be substantially in the following forms, respectively:

[FORM OF TRUST CERTIFICATE]

THE REGISTERED HOLDER HEREOF HAS REPRESENTED THAT IT HAS ACQUIRED THIS CERTIFICATE FOR INVESTMENT AND NOT WITH A VIEW TO, OR FOR SALE IN CONNECTION WITH, ANY DISTRIBUTION THEREOF. ACCORDINGLY, THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT IN COMPLIANCE WITH SUCH ACT.

$ No.

EQUIPMENT TRUST DUE JANUARY 1, 1985

SECURED BY LEASE OBLIGATIONS OF
TRAILER TRAIN COMPANY

EQUIPMENT TRUST CERTIFICATE

Total Authorized Issue
$4,232,671.00
FIRST SECURITY BANK OF UTAH, N.A., TRUSTEE
Interest at the Rate of 8-3/8% Per Annum Payable
January 1 and July 1, Commencing July 1, 1977

FIRST SECURITY BANK OF UTAH, N.A. (hereinafter called the Trustee), as trustee under an Equipment Trust Agreement dated as of October 1, 1976 (hereinafter called the Agreement), between the Trustee and FIRST SECURITY STATE BANK (hereinafter called the Owner-Trustee), acting as Owner-Trustee under a Trust Agreement dated as of October 1, 1976, with Ford Motor Credit Company (hereinafter called the Owner), hereby certifies that , or registered assigns, is entitled to an interest in the principal amount of $ in the EQUIPMENT TRUST DUE JANUARY 1, 1985, SECURED BY LEASE OBLIGATIONS OF TRAILER TRAIN COMPANY, payable in instalments as hereinafter provided, and to interest on the unpaid principal amount represented by this Certificate from the date hereof until the principal amount hereof is due and payable, at the rate of 8-3/8% per annum, payable semiannually on January 1 and July 1 in each year, commencing July 1, 1977, with interest at the rate of 9-3/8% per annum on any overdue principal and interest to the extent that it shall be legally enforceable. Payments of instalments of principal and interest shall be made by the Trustee to the registered holder hereof at the corporate trust office of the Trustee in the city of Salt Lake

City, Utah, 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 the Agreement. Interest due hereunder shall be calculated on the basis of a 360-day year of twelve 30-day months.

The principal amount of this Certificate is due and payable in semiannual instalments on January 1 and July 1 in each year, commencing July 1, 1977, and continuing to and including January 1, 1985, calculated in accordance with the Agreement so that such instalments of principal shall completely amortize the principal amount of this Certificate, subject to proportionate reduction in the event of prepayment out of moneys deposited with the Trustee on account of Casualty Occurrences (as defined in the Agreement). Any such prepayment of this Certificate shall be at 100% of the principal amount hereof to be prepaid, together with accrued interest to the date fixed for prepayment. This Certificate is also prepayable on December 30, 1976, out of any Deposited Cash (as defined in the Agreement) held by the Trustee and not applied to the cost of railroad equipment to be subject to the trust created by the Agreement; any such prepayment of this Certificate shall be at 100% of the principal amount hereof to be prepaid, without interest thereon.

This Certificate is one of an authorized issue of Certificates in an aggregate principal amount outstanding not exceeding the Total Authorized Issue set forth above, issued or to be issued under and subject to the terms of the Agreement, under which a security interest in certain railroad equipment leased by the Owner-Trustee to Trailer Train Company and certain moneys are and are to be held by the Trustee in trust for the equal and ratable benefit of the holders of Certificates, to which Agreement (a copy of which is on file with the Trustee at its said office) reference is made for a full statement of the rights and obligations of the Owner-Trustee, the duties and immunities of the Trustee and the rights of the holder hereof thereunder.

Neither the Owner nor the Owner-Trustee has any personal liability to the holders of the Certificates and the obligations of the Owner-Trustee under the Agreement are limited as provided therein. As more fully set forth in Section 5.04 of the Agreement, the liability of the Owner-Trustee under the Agreement may not exceed an amount equal to, and such amount is payable only out of, the "income and proceeds from the Trust Equipment", as defined in the Agreement.

The Certificates are issuable only as fully registered Certificates and are interchangeable without charge upon presentation thereof for that purpose at said office of the Trustee, but only in the manner and subject to the limitations provided in the Agreement.

Subject to the restrictions set forth above, the transfer of this Certificate in whole or in part may be registered on the books of the Trustee upon surrender to the Trustee, in person or by duly authorized attorney, 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 for the then aggregate unpaid principal amount hereof will be issued to the transferee in exchange herefor and, if less than the then entire unpaid principal amount hereof is transferred, a balance certificate therefor will be issued to the transferor. Prior to due presentment for registration of transfer, the Trustee may treat the person in whose name this Certificate is registered as the absolute owner hereof for the purpose of receiving payment of principal and interest and for all other purposes, and shall not be affected by any notice to the contrary.

In case of the occurrence of an Event of Default (as defined in the Agreement), the principal amount represented by this Certificate (and interest accrued thereon) may be declared due and payable, as provided in the Agreement.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be signed, manually or by facsimile, by one of its Vice Presidents and its corporate seal or a facsimile thereof to be hereunto imprinted and to be attested by one of its Trust Officers by his manual signature.

Dated as of:

FIRST SECURITY BANK OF UTAH, N.A.,
Not in its individual capacity,
but solely as Trustee,

by

_____
Authorized Officer

ATTEST:

_____
Authorized Officer

[FORM OF TRUST CERTIFICATE]

THE REGISTERED HOLDER HEREOF HAS REPRESENTED THAT IT HAS ACQUIRED THIS CERTIFICATE FOR INVESTMENT AND NOT WITH A VIEW TO, OR FOR SALE IN CONNECTION WITH, ANY DISTRIBUTION THEREOF. ACCORDINGLY, THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT IN COMPLIANCE WITH SUCH ACT.

$ No.

EQUIPMENT TRUST DUE JANUARY 1, 1992

SECURED BY LEASE OBLIGATIONS OF
TRAILER TRAIN COMPANY

EQUIPMENT TRUST CERTIFICATE

Total Authorized Issue
$4,232,671.00
FIRST SECURITY BANK OF UTAH, N.A., TRUSTEE
Interest at the Rate of 8-3/4% Per Annum Payable
January 1 and July 1, Commencing July 1, 1977

FIRST SECURITY BANK OF UTAH, N.A. (hereinafter called the Trustee), as trustee under an Equipment Trust Agreement dated as of October 1, 1976 (hereinafter called the Agreement), between the Trustee and FIRST SECURITY STATE BANK (hereinafter called the Owner-Trustee), acting as Owner-Trustee under a Trust Agreement dated as of October 1, 1976, with Ford Motor Credit Company (hereinafter called the Owner), hereby certifies that , or registered assigns, is entitled to an interest in the principal amount of $ in the EQUIPMENT TRUST DUE JANUARY 1, 1992, SECURED BY LEASE OBLIGATIONS OF TRAILER TRAIN COMPANY, payable in instalments as hereinafter provided, and to interest on the unpaid principal amount represented by this Certificate from the date hereof until the principal amount hereof is due and payable, at the rate of 8-3/4% per annum, payable semiannually on January 1 and July 1 in each year, commencing July 1, 1977, with interest at the rate of 9-3/4% per annum on any overdue principal and interest to the extent that it shall be legally enforceable. Payments of instalments of principal and interest shall be made by the Trustee to the registered holder hereof at the corporate trust office of the Trustee in the city of Salt Lake

City, Utah, 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 the Agreement. Interest due hereunder shall be calculated on the basis of a 360-day year of twelve 30-day months.

The principal amount of this Certificate is due and payable in semiannual instalments on January 1 and July 1 in each year, commencing July 1, 1977, and continuing to and including January 1, 1992, calculated in accordance with the Agreement so that such instalments of principal shall completely amortize the principal amount of this Certificate, subject to proportionate reduction in the event of prepayment out of moneys deposited with the Trustee on account of Casualty Occurrences (as defined in the Agreement). Any such prepayment of this Certificate shall be at 100% of the principal amount hereof to be prepaid, together with accrued interest to the date fixed for prepayment. This Certificate is also prepayable on December 30, 1976, out of any Deposited Cash (as defined in the Agreement) held by the Trustee and not applied to the cost of railroad equipment to be subject to the trust created by the Agreement; any such prepayment of this Certificate shall be at 100% of the principal amount hereof to be prepaid, without interest thereon.

This Certificate is one of an authorized issue of Certificates in an aggregate principal amount outstanding not exceeding the Total Authorized Issue set forth above, issued or to be issued under and subject to the terms of the Agreement, under which a security interest in certain railroad equipment leased by the Owner-Trustee to Trailer Train Company and certain moneys are and are to be held by the Trustee in trust for the equal and ratable benefit of the holders of Certificates, to which Agreement (a copy of which is on file with the Trustee at its said office) reference is made for a full statement of the rights and obligations of the Owner-Trustee, the duties and immunities of the Trustee and the rights of the holder hereof thereunder.

Neither the Owner nor the Owner-Trustee has any personal liability to the holders of the Certificates and the obligations of the Owner-Trustee under the Agreement are limited as provided therein. As more fully set forth in Section 5.04 of the Agreement, the liability of the Owner-Trustee under the Agreement may not exceed an amount equal to, and such amount is payable only out of, the "income and proceeds from the Trust Equipment", as defined in the Agreement.

The Certificates are issuable only as fully registered Certificates and are interchangeable without charge upon presentation thereof for that purpose at said office of the Trustee, but only in the manner and subject to the limitations provided in the Agreement.

Subject to the restrictions set forth above, the transfer of this Certificate in whole or in part may be registered on the books of the Trustee upon surrender to the Trustee, in person or by duly authorized attorney, 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 for the then aggregate unpaid principal amount hereof will be issued to the transferee in exchange herefor and, if less than the then entire unpaid principal amount hereof is transferred, a balance certificate therefor will be issued to the transferor. Prior to due presentment for registration of transfer, the Trustee may treat the person in whose name this Certificate is registered as the absolute owner hereof for the purpose of receiving payment of principal and interest and for all other purposes, and shall not be affected by any notice to the contrary.

In case of the occurrence of an Event of Default (as defined in the Agreement), the principal amount represented by this Certificate (and interest accrued thereon) may be declared due and payable, as provided in the Agreement.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be signed, manually or by facsimile, by one of its Vice Presidents and its corporate seal or a facsimile thereof to be hereunto imprinted and to be attested by one of its Trust Officers by his manual signature.

Dated as of:

FIRST SECURITY BANK OF UTAH, N.A.,
Not in its individual capacity,
but solely as Trustee,

by

_____
Authorized Officer

ATTEST:

_____
Authorized Officer

WHEREAS it is desired to secure for the holders of the Trust Certificates the payment of the principal thereof with interest thereon, as hereinafter provided, and to evidence the rights of the holders of the Trust Certificates in substantially the forms hereinbefore set forth;

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

ARTICLE ONE

Definitions

SECTION 1.01. Definitions. The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement shall have the respective meanings hereinafter specified:

Assignments shall mean the Assignments of Manufacturing Agreements each dated as of October 1, 1976, among the Lessee, the Owner-Trustee and Pullman Incorporated (Pullman Standard Division) and Bethlehem Steel Corporation, respectively, substantially in the form of Annex C to each Manufacturing Agreement.

The term Business Day shall mean any calendar day, excluding Saturday, Sunday and legal holidays or days on which banking institutions are authorized by law to be closed in Chicago, Illinois, or Salt Lake City, Utah.

Casualty Occurrence shall mean any occurrence specified in Section 5.07 hereof to be a Casualty Occurrence.

The Closing Date, with respect to a unit of Trust Equipment, shall mean the date of settlement for such Unit of Trust Equipment pursuant to Article Four hereof.

Consent shall mean the Lessee's Consent and Agreement, dated as of the date hereof, in the form annexed to the Lease Assignment.

Corporate Trust Office shall mean the office of the Trustee in Salt Lake City, Utah, at which the corporate trust business of the Trustee shall, at the time in question, be principally administered, which office is, at the date of execution of this Agreement, located at 79 South Main Street, Salt Lake City, Utah 84111.

Cost, when used with respect to Equipment, shall mean the Purchase Price of such Equipment, as evidenced by a Manufacturer's invoice with respect to such Equipment.

Deposited Cash shall mean the aggregate of the proceeds from the sale of the Trust Certificates deposited with the Trustee pursuant to Section 2.01.

Equipment shall mean new standard gauge railroad equipment first put into service no earlier than the date of delivery and acceptance under the Lease, including any accessions thereto, but shall not include any special devices, racks (including, but not limited to, auto racks), or assemblies at any time attached or affixed to any such equipment, the cost or purchase price of which is not included in the Cost of such equipment and the title to which is in a person other than the Owner-Trustee.

Event of Default shall mean any event specified in Section 6.01 hereof to be an Event of Default.

The Fair Value of any unit of Trust Equipment on any date shall be deemed to be an amount computed by multiplying the unpaid principal amount of the Trust Certificates outstanding on such date (after giving effect to any payment in respect thereof due on such date pursuant to Section 5.04 hereof) by a fraction of which the numerator shall be the Cost of such unit and the denominator shall be the Cost of all units (including such unit) subject to the trust on such date.

The term holder, when used with respect to Trust Certificates, shall mean the registered owner of a Trust Certificate.

Lease shall mean the Lease of Railroad Equipment dated as of the date hereof, between the Owner-Trustee and the Lessee, substantially in the form of Annex I hereto, as the same may be further supplemented or amended as contemplated hereby or thereby.

Lease Assignment shall mean the Assignment of Lease and Agreement dated as of the date hereof, between the Owner-Trustee and the Trustee, substantially in the form of Annex II hereto.

Manufacturers shall mean Pullman Incorporated (Pullman Standard Division) and Bethlehem Steel Corporation.

Manufacturing Agreements shall mean the Manufacturing Agreements each dated as of October 1, 1976, between the Lessee and the Manufacturers, respectively, covering the Trust Equipment, as the same may be supplemented or amended as contemplated hereby or thereby.

Officer's Certificate shall mean a certificate signed by the President, a Vice President, the Secretary, the Treasurer, an Assistant Treasurer or an authorized officer of either Manufacturer, the Owner-Trustee or the Lessee, as the case may be.

Opinion of Counsel shall mean an opinion of counsel (who may be counsel to the Owner-Trustee or the Lessee) satisfactory to the Trustee.

Participation Agreement shall mean the Participation Agreement dated as of the date hereof among the Lessee, the Owner, the Owner-Trustee and the Purchasers named therein.

Penalty Rate, in the case of any Trust Certificate, shall mean the interest rate specified therein plus 1% per annum.

The term person shall mean any individual, corporation, partnership, joint venture, association, joint-stock

company, trust, unincorporated organization or government or any agency or political subdivision thereof.

1985 Trust Certificates shall mean Trust Certificates under which principal and interest thereon will be amortized in sixteen consecutive substantially equal semi-annual instalments on each January 1 and July 1 of each year commencing on July 1, 1977, to and including January 1, 1985.

1992 Trust Certificates shall mean Trust Certificates under which principal and interest thereon will be amortized in thirty consecutive substantially equal semi-annual instalments on January 1 and July 1 of each year commencing on July 1, 1977, to and including January 1, 1992.

Purchaser shall mean any Purchaser of the Trust Certificates under the Participation Agreement.

The Purchase Price of a unit of Equipment shall mean the Purchase Price thereof as defined in the Manufacturing Agreements.

Request shall mean a written request for the action therein specified signed on behalf of the Owner-Trustee or the Lessee by the President, any Vice President, the Treasurer, an Assistant Treasurer, or other Authorized Officer of the Owner-Trustee or the Lessee, as the case may be, and delivered to the Trustee.

Trust Agreement shall mean the Trust Agreement between the Owner-Trustee and the Owner.

Trust Certificates shall mean the Equipment Trust Certificates issued hereunder.

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

Trustee shall mean First Security Bank of Utah, N.A., a national banking association, 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 TWO

Trust Certificates and Issuance Thereof

SECTION 2.01. Issuance of Trust Certificates. The proceeds of the sale of the Trust Certificates shall, forthwith upon the issuance thereof, be deposited with the Trustee as provided in the Participation Agreement. Simultaneously, the Trustee shall issue and deliver, in accordance with the Participation Agreement or in accordance with a Request of the Owner-Trustee, Trust Certificates substantially in the form set forth herein in the aggregate principal amount so sold.

The aggregate principal amount of the 1985 and 1992 Trust Certificates which shall be executed and delivered by the Trustee hereunder and shall be outstanding at any time shall not exceed $578,595.27 and $3,654,075.73, respectively.

If the conditions specified in the proviso to the first sentence of the second paragraph of Article 3 of the Manufacturing Agreements shall occur, the Trustee shall, upon receipt of a Request of the Owner-Trustee or the Lessee, and against receipt of funds equal to the full principal amount thereof, issue and sell to any person or persons designated in such Request additional trust certificates (hereinafter called Substitute Trust Certificates). Such Substitute Trust Certificates shall be in substantially the form hereinbefore set forth; provided, however, that the interest rates specified therein may be higher, equal to or lower than the interest rates specified in the Trust Certificates (and if such interest rates are higher or lower an appropriate supplement hereto shall be entered into by the Trustee and the Owner Trustee reflecting the same). Such Substitute Trust Certificates shall represent an interest in the principal amount thereof in the trust herein created, and the holder or holders thereof shall be deemed to be holders of Trust Certificates and shall in all respects have the same rights as the holders of the Trust Certificates.

SECTION 2.02. Interests Represented by Trust Certificates; Interest on Trust Certificates; Maturity.

Each of the Trust Certificates shall represent an interest in the principal amount therein specified in the trust created hereunder. Each Trust Certificate shall bear interest on the unpaid principal amount thereof at the rate per annum set forth in the form of Trust Certificate contained herein payable semiannually on January 1 and July 1 in each year, commencing July 1, 1977, with interest payable on any overdue principal and interest at the Penalty Rate, to the extent that it shall be legally enforceable. Interest on the Trust Certificates shall be calculated on the basis of a 360-day year of twelve 30-day months.

Subject to the provisions of Article Three hereof respecting prepayment of Trust Certificates, (i) the aggregate principal amount of the 1985 Trust Certificates shall be payable in sixteen semiannual instalments on January 1 and July 1 in each year, commencing July 1, 1977, to and including January 1, 1985, calculated so that the aggregate of principal and interest payments payable on each such date shall be substantially equal and such instalments of principal shall completely amortize the principal amount of the 1985 Trust Certificates, and (ii) the aggregate principal amount of the 1992 Trust Certificates shall be payable in thirty semiannual instalments on January 1 and July 1 in each year, commencing July 1, 1977, to and including January 1, 1992, calculated so that the aggregate of principal and interest payments payable on each such date shall be substantially equal and such instalments of principal shall completely amortize the principal amount of the 1992 Trust Certificates. The Trustee shall furnish to each holder of Trust Certificates and to the Owner-Trustee an amortization schedule setting forth the respective amounts of principal and interest payable on each such date.

The principal of and interest on the Trust Certificates shall be payable at the Corporate Trust Office 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 interest to be made on a Trust Certificate not then to be paid in full, upon request and deposit of an agreement (or, if approved by the Trustee, a copy 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 a new Trust Certificate for the unpaid principal amount represented thereby on the date of such surrender, the Trustee will, subject to timely receipt of the necessary funds, mail its check, or on ten days' prior request of the holder, wire by 11:00 a.m., Salt Lake City time, funds immediately available to such holder on such date, to such 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 without requiring the surrender of such Trust Certificate; provided, however, that the deposit of an agreement pursuant to this paragraph shall not be required of any original purchaser of Trust Certificates.

SECTION 2.03. Form, Execution and Characteristics of Trust Certificates.

(a) The Trust Certificates shall be in substantially the form hereinbefore set forth.

(b) The Trust Certificates shall be signed in the name and on behalf of the Trustee by the manual or facsimile signature of one of its Vice Presidents or one of its Assistant Vice Presidents and its corporate seal or a facsimile thereof shall be affixed or imprinted thereon and attested by the manual signature of one of its Trust Officers. In case any officer of the Trustee whose signature, whether facsimile or not, shall appear on any Trust Certificate shall cease to be such officer of the Trustee before such Trust Certificate shall have been issued and delivered by the Trustee or shall not have been acting in such capacity on the date of such Trust Certificate, such Trust Certificate shall be adopted by the Trustee and be issued and delivered as though such person had at all times been such officer of the Trustee.

(c) The Trust Certificates (i) shall be registered, as to both principal and interest, in the names of the holders; (ii) shall be registrable as to transfer in whole or in part upon presentation and surrender thereof for registration of transfer at the Corporate Trust Office, accompanied by appropriate instruments of assignment and transfer, duly executed by the holder of the surrendered Trust Certificate or Certificates or by duly authorized attorney, in form satisfactory to the Trustee; (iii) shall be dated as of the date of issue, or if issued in exchange

for or upon the transfer of another Trust Certificate or Certificates bearing unpaid interest from an earlier date, dated as of such earlier date; (iv) shall entitle the holders to interest from the date thereof; and (v) shall be exchangeable at the Corporate Trust Office for an equal aggregate principal amount of Trust Certificates of like tenor.

(d) Anything contained herein to the contrary notwithstanding, prior to due presentment for registration of transfer, the parties hereto may deem and treat the 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.

(e) The Trustee shall cause to be kept at the Corporate Trust Office books for the registration of the Trust Certificates and the registration of transfers of the Trust Certificates and upon presentation of any Trust Certificate for such purpose, the Trustee shall register any transfer as hereinabove provided, under such reasonable regulations as it may prescribe and subject to the provisions of subparagraph (h) of this Section 2.03.

(f) No service charge shall be made for any registration of transfer or exchange of Trust Certificates, but the Trustee shall require the payment by the transferor or transferee of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such transfer or exchange.

(g) Each Trust Certificate delivered pursuant to any provision of this Agreement in exchange or substitution for, or upon the registration of transfer of the whole or any part, as the case may be, of one or more other Trust Certificates, shall be issued in principal amount equal to the unpaid principal amount or amounts of such one or more other Trust Certificates, shall carry all the rights to interest accrued and unpaid and to accrue which were carried by the whole or such part, as the case may be, 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 interest shall result from such exchange, substitution or transfer.

(h) The Trustee shall not be required (i) to register the transfer of or exchange any Trust Certificate for a period of ten Business Days next preceding any inter-

est payment date, (ii) to issue, register the transfer of or exchange any Trust Certificate during a period beginning at the opening of business 15 days before any selection of Trust Certificates to be prepaid and ending at the close of business on the day of the mailing of the relevant notice of prepayment, (iii) to register the transfer of or exchange any Trust Certificate so selected for prepayment in whole or in part until after the date fixed for prepayment or (iv) to register any transfer of Trust Certificates unless the Trustee is satisfied that, or has received an Opinion of Counsel to the effect that, such transfer is exempt from the registration requirements of the Securities Act of 1933, as amended.

SECTION 2.04. Replacement of Mutilated, Defaced, Lost, Stolen or Destroyed Trust Certificates. 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 shall execute and deliver a new Trust Certificate of like tenor and date as the mutilated, defaced, lost, stolen or destroyed Trust Certificate, in exchange and substitution for, and upon cancelation of, the mutilated or defaced Trust Certificate, or in lieu of and in substitution for the same if lost, stolen or destroyed. The applicant for a new Trust Certificate shall furnish to the Trustee evidence to its satisfaction of the loss, theft or destruction of such Trust Certificate alleged to have been lost, stolen or destroyed, and of the ownership and authenticity of such mutilated, defaced, lost, stolen or destroyed Trust Certificate, and shall furnish such security or indemnity as may be required by the Trustee (except in the case of the original holder of Trust Certificates), and shall pay all expenses and charges of such exchange or substitution. 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.

SECTION 2.05. Legal Holidays. If the date fixed for payment of principal of or interest on any Trust Certificates is not a Business Day, then (notwithstanding any other provision of this Agreement or the Trust Certificates) such payment need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the nominal payment date and no interest shall

be paid on such next succeeding Business Day for the period from and after such nominal payment date.

ARTICLE THREE

Prepayment of Trust Certificates

SECTION 3.01. Right of Prepayment. The Trust Certificates are required to be prepaid in part (a) on July 1, 1977, and any January 1 or July 1 thereafter, through the application of moneys paid to the Trustee pursuant to Section 5.07 hereof, at 100% of the principal amount thereof to be prepaid, together with accrued interest to the date fixed for prepayment and (b) on December 30, 1976, through the application of Deposited Cash to be applied thereto pursuant to the last paragraph of Section 4.01 hereof, at 100% of the principal amount thereof to be prepaid, without interest thereon. Except as provided in this Article Three and Article Six hereof, Trust Certificates may not be prepaid prior to the maturity thereof.

SECTION 3.02. Selection of Trust Certificates for Prepayment; Notice of Prepayment.

(a) On or before the tenth day next preceding a date on which Trust Certificates are to be prepaid pursuant to Section 3.01 hereof, the Trustee shall select for prepayment, subject to the provisions of the next succeeding sentence, a principal amount of Trust Certificates so as to exhaust (i) any amount in cash to be paid to it pursuant to Section 5.07 hereof and (ii) any Deposited Cash to be applied thereto pursuant to the last paragraph of Section 4.01 hereof, on the next succeeding January 1 or July 1, as the case may be; provided, however, that with respect to the payment to be made pursuant to Section 3.01(b) hereof such selection shall be made on or at any time prior to the date for such payment. The Trustee shall select for prepayment on each prepayment date a principal amount of Trust Certificates registered in the name of each holder which bears the same ratio to the aggregate principal amount of Trust Certificates to be prepaid on such prepayment date as (y) the aggregate principal amount of Trust Certificates registered in the name of such holder on a date selected by the Trustee not more than 15 days prior to the selection by the Trustee of Trust Certificates for prepayment on such prepayment date bears to (z) the aggregate principal amount of Trust Certificates outstanding on such date.

(b) The Trustee shall send a statement of prepayment by registered mail, postage prepaid, on or prior to each prepayment date to the holders of Trust Certificates to be prepaid in whole or in part, at their last addresses as they shall appear upon the registry books. Failure to furnish such statement, or any defect therein, as to any Trust Certificate shall not affect the validity of the proceedings for the prepayment of any other Trust Certificate. Any statement which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder receives the statement.

(c) The statement of prepayment to each holder shall (i) specify the date for prepayment, (ii) state that prepayment of the principal amount of the Trust Certificates or portions thereof to be prepaid will be made by the Trustee only from and out of Deposited Cash or moneys paid to the Trustee by the Owner-Trustee or the Lessee and applicable thereto and, unless such prepayment is to be made pursuant to the second sentence of the third paragraph of Section 2.02 hereof, that such prepayment will be made at the Corporate Trust Office, upon presentation and surrender of Trust Certificates so to be prepaid, (iii) state the aggregate principal amount of Trust Certificates to be prepaid in whole or in part and the distinctive numbers of the Trust Certificates of such holder to be prepaid and, in the case of any such Trust Certificates to be prepaid in part, the principal amount thereof to be so prepaid, and (iv) state that from and after such prepayment date interest on such Trust Certificates or on the portions thereof to be prepaid will cease to accrue. The holders of Trust Certificates prepaid in part may, at their option and upon surrender thereof, receive new Trust Certificates for the principal amounts remaining unpaid without charge to such holders.

SECTION 3.03. Payment of Trust Certificates Selected for Prepayment. The Trust Certificates or portions thereof to be prepaid shall become due and payable on such prepayment date and from and after such prepayment date interest on such Trust Certificates or portions thereof shall cease to accrue, and there having been deposited with the Trustee on or before the prepayment date specified in the statement of prepayment, an amount in cash equal to the aggregate principal amount of all the Trust Certificates or portions thereof then to be prepaid and accrued interest, such Trust Certificates or portions thereof shall no longer be deemed to be outstanding hereunder and shall cease to be

entitled to the benefits of this Agreement except to receive payment from the moneys reserved therefor in the hands of the Trustee. The Trustee shall hold the prepayment moneys in trust for the holders of the Trust Certificates or portions thereof to be prepaid and (subject to the provisions of the second sentence of the third paragraph of Section 2.02 hereof) shall pay the same to such holders respectively upon presentation and surrender of such Trust Certificates.

Except as provided in Sections 2.02 and 3.02 hereof, all Trust Certificates prepaid under this Article Three shall be canceled by the Trustee and no Trust Certificates shall be issued hereunder in place thereof.

ARTICLE FOUR

Acquisition of Trust Equipment by Trustee; Deposited Cash

SECTION 4.01. Acquisition of Equipment by Trustee. The Owner-Trustee shall cause to be transferred to the Trustee, as trustee for the holders of the Trust Certificates, and as security for the payment thereof, such of the Equipment described and set forth in Schedule A hereto as is settled for pursuant to this Article Four. Such Equipment will be delivered to the Lessee, which is hereby designated by the Trustee as its agent to receive such delivery, and an Officer's Certificate of the Lessee to such delivery shall be conclusive evidence of such delivery.

In the event that it may be deemed necessary or desirable to include in the trust created hereby other Equipment in lieu of any of the Equipment specifically described in Schedule A hereto prior to the delivery of such Equipment described in Schedule A to the Lessee, the Owner-Trustee may, in its discretion, cause such other Equipment to be transferred to the Trustee, to be substituted under such trust; provided, however, that such substituted Equipment shall be new standard gauge railroad equipment of the same general type as described in Schedule A hereto. In the event of any such substitution, the Owner-Trustee and the Trustee shall execute an agreement supplemental hereto providing for the inclusion of such Equipment in this Agreement.

The Equipment shall be settled for in one or more groups, the first such settlement date is on December 30,

1976, or, if the conditions specified in the proviso to the first sentence of the second paragraph of Article 3 of the Manufacturing Agreements shall occur, in two groups on December 30, 1976, and the Second Closing Date as defined in said sentence of the Manufacturing Agreements (each such date being hereinafter called a Closing Date).

Any units of Equipment not delivered at the time the Manufacturers are required by the second proviso to the first sentence and by the second sentence of Paragraph 2 of each of the Assignments to cease deliveries of Assigned Equipment (as defined in the Assignments) thereunder shall be excluded from this Agreement and not included in the term Trust Equipment. All other units of the Assigned Equipment delivered in accordance with the Assignments shall be included in this Agreement and in the term Trust Equipment. If, prior to the settlement for all of the units of the Equipment pursuant to this Article Four, the Trustee or the Owner-Trustee shall have actual knowledge of any of the events specified in clauses (i) through (iv) in the first proviso to the first sentence of Paragraph 2 of the Assignments, the Trustee or the Owner-Trustee shall forthwith give written notice thereof to the Manufacturers and each party to the Participation Agreement. Neither the Trustee nor the Owner-Trustee shall be deemed to have such actual knowledge unless it receives written notice thereof from any party to the Participation Agreement unless brought to the actual attention of any responsible officer of the Trustee or the Owner-Trustee, respectively. For the purposes of this Section, a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Trustee or the Owner-Trustee in this Equipment Trust Agreement contained, any authorized officer of the Trustee or the Owner-Trustee who in the normal performance of his operational responsibilities would have knowledge of such matter and the requirements of this Agreement with respect thereto.

In the event of any such exclusion the Owner-Trustee and the Trustee shall execute an agreement supplemental hereto limiting this Agreement to the Trust Equipment not excluded from this Agreement and the Owner-Trustee and the Trustee shall execute for recordation in public offices such instrument or instruments in writing in order to make clear upon public records such exclusion.

If (a) any units of Equipment shall be settled for on the Second Closing Date and (b) the Cost of such units

shall be paid entirely out of funds other than funds obtained by the sale of Substitute Trust Certificates, then the units so settled for shall be excluded hereunder and shall not be deemed to be Equipment subject to this Agreement and the security interest of the Trustee created hereby, and the Owner-Trustee and the Trustee shall execute for recordation in public offices such instrument or instruments in writing in order to make clear upon public records such exclusion.

In the event that on December 30, 1976, any Deposited Cash shall remain in the possession of the Trustee, the Trustee shall apply any such Deposited Cash to the prepayment of Trust Certificates on December 30, 1976, as provided in Article Three hereof.

SECTION 4.02. Payment of Deposited Cash. On each Closing Date the Trustee agrees for the benefit of the Owner-Trustee, the Manufacturers and the Owner, as third party beneficiaries, subject to the provisions of the fourth paragraph of Section 4.01 hereof and compliance with the provisions of Article 4 of the Manufacturing Agreements, to pay, upon Request of the Owner-Trustee, to the Manufacturer of the Equipment then being settled for out of Deposited Cash an amount specified in such Request not exceeding 68.0459% of the aggregate Cost of such Equipment; provided, however, that the provisions of Paragraph 7 of the Participation Agreement have been satisfied and the Owner-Trustee makes the payment referred to in Section 4.03 hereof.

SECTION 4.03. Payment of Deficiency. The Owner-Trustee covenants and agrees for the benefit of the Trustee and the Manufacturers, as third party beneficiaries, that, contemporaneously with any payment by the Trustee pursuant to Section 4.02 hereof with respect to any Equipment transferred to the Trustee by the Owner-Trustee, but subject to the provisions of the fourth paragraph of Section 4.01 hereof and compliance with the provisions of Article 4 of the Manufacturing Agreements it will pay to the Trustee for the account of such Manufacturer that portion of the Cost of such Equipment not paid out of Deposited Cash as provided for in Section 4.02 hereof, not exceeding the amount set forth below; provided, however, that the provisions of Paragraph 8 of the Participation Agreement have been satisfied and the total Cost of all such Equipment settled for under this

Agreement shall not exceed $6,220,317.46. If on the Closing Date the aggregate Cost of Equipment for which settlement has theretofore been and is then being made under this Agreement would, but for the provisions of this Section 4.03, exceed $6,220,317.46, the parties hereto shall enter into an agreement excluding from this Agreement such unit or units of Equipment then proposed to be settled for and specified by the Owner-Trustee, as will, after giving effect to such exclusion, reduce such aggregate Cost to not more than $6,220,317.46, and the Trustee and the Owner-Trustee shall execute instruments in respect thereof as set forth in Section 4.01 hereof.

Section 4.04. Absence of Title Encumbrances. The Owner-Trustee hereby represents and warrants to the Trustee that upon delivery of the Equipment and payment therefor as provided in this Article 4 such Equipment shall then be free from all claims, liens, security interests and other encumbrances of any nature arising from or through the Owner or the Owner-Trustee except as created by this Agreement and except for the rights of the Lessee under the Lease.

ARTICLE FIVE

Lease of Trust Equipment to the Owner-Trustee

SECTION 5.01. Lease of Trust Equipment. The Trustee does hereby let and lease, as herein provided, all the units of Trust Equipment to the Owner-Trustee, for a term ending on January 1, 1992.

SECTION 5.02. Substituted Equipment Subject Hereto. In the event that the Owner-Trustee shall, as provided in Section 4.01 hereof, cause to be transferred to the Trustee other Equipment 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 to be executed by the Trustee and the Owner-Trustee 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.

SECTION 5.03. Equipment Automatically Subjected. As and when any Equipment shall from time to time be accepted under a Manufacturing Agreement which is not excluded from the corresponding Assignment, the same shall be deemed accepted hereunder immediately and shall at that time, ipso

facto and without further instrument or lease, transfer or acceptance except as expressly provided herein, pass under and become subject to all the terms and provisions hereof.

SECTION 5.04. Rental Payments. The Owner-Trustee hereby accepts the lease of the units of Trust Equipment and covenants and agrees to accept delivery and possession hereunder of such Trust Equipment as hereinbefore provided; and subject to the provisions of the last paragraph of this Section 5.04 the Owner-Trustee 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, amounts (herein called "rent" or "rentals") 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 payable prior to the delivery and lease to the Owner-Trustee of any of the Trust Equipment):

(a) subject to the provisions of Section 9.05 hereof, from time to time upon demand of the Trustee the necessary and reasonable expenses of the trust hereby created, including compensation and expenses described herein;

(b) from time to time upon demand of the Trustee any and all amounts due pursuant to Sections 5.09 and 5.11 hereof;

(c)(i) the amount of the interest payable on the Trust Certificates, when and as the same shall become payable, and (ii) interest at the Penalty Rate from the due date, upon the amount of any instalments of rental payable under this subparagraph (c) and the following subparagraph (d) which shall not be paid when due, to the extent legally enforceable; and

(d) the instalments of principal of the Trust Certificates, when and as the same shall become payable, whether upon the stated date of maturity thereof or otherwise under the provisions thereof or of this Agreement.

Notwithstanding any other provisions of this Agreement, including, without limitation, Articles Six and Seven hereof, it is understood and agreed by the Trustee on behalf of itself and the holders of the Trust Certificates that the liability of the Owner-Trustee for all payments to be made by it under and pursuant to this Agreement and for all performance obligations (other than the payments called for by Section 4.03 hereof and as provided in the proviso to the last paragraph of Section 7.01), shall not exceed an amount equal to, and shall be payable only out of, the income and proceeds from the Trust Equipment. As used herein the term "income and proceeds from the Trust Equipment" shall mean (i) if an Event of Default shall have occurred and while it shall be continuing so much of the following amounts as are indefeasibly received by the Owner-Trustee (or any assignee of the Owner-Trustee) at any time after any Event of Default and during the continuance thereof: (a) all amounts of rental and amounts in respect of Casualty Occurrences paid for or with respect to such Trust Equipment pursuant to the Lease and (b) any and all other payments or proceeds received pursuant to the Lease (except sums which by the express terms of the Lease are payable directly to the Owner or the Owner-Trustee pursuant to Sections 6 and 9 of the Lease) or for or with respect to such Trust Equipment as the result of the sale, lease or other disposition thereof, after deducting all costs and expenses of such sale, lease or other disposition and (ii) at any other time only that portion of the amounts referred to in the foregoing clauses (a) and (b) or otherwise payable to the Owner-Trustee pursuant to the Lease as are indefeasibly received by the Owner-Trustee or any assignee of the Owner-Trustee and as shall equal the rental payments specified in the first paragraph of this Section 5.04 due and payable by the Owner-Trustee on the date such amounts so received were required to be paid pursuant to the Lease or as shall equal any other payments (including payments in respect of Casualty Occurrences) then due and payable under this Agreement; it being understood that "income and proceeds from the Trust Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Owner-Trustee or any assignee of the Owner-Trustee prior to the existence of such an Event of Default which exceeded the amounts required to make the rental payments specified in the first paragraph of this Section 5.04 due and payable by the Owner-Trustee on the date on which amounts with respect thereto received by the Owner-Trustee or any assignee of the Owner-Trustee were required to be paid pursuant to the Lease or which exceeded any other payments due and payable under this Agreement at the time such amounts were payable under the Lease. The Trustee agrees that if it obtains a judgment

against the Owner-Trustee for an amount in excess of the amounts payable by the Owner-Trustee pursuant to the limitations set forth in this paragraph, it will, accordingly, limit its execution of such judgment to such amount and it will not bring suit against the Owner-Trustee for any sums in addition to the amounts payable by the Owner-Trustee pursuant to said limitations (or obtain a judgment, order or decree against the Owner-Trustee for any relief other than the payment of money) except as may be required by applicable rules of procedure to enforce against the Trust Equipment, the Lessee and the Lease (rather than against the Owner-Trustee personally), by appropriate proceedings against the Owner-Trustee at law or in equity or otherwise, the obligation to make the payments to be made pursuant to this Section 5.04 or any other payments or performance obligations due to the Trustee under this Agreement. Nothing contained herein limiting the liability of the Owner-Trustee shall derogate from the right of the Trustee to proceed against the Trust Equipment or the Lessee as provided for herein or in the Lease or the Consent for the full unpaid principal amount of the Trust Certificates and interest thereon.

SECTION 5.05. Termination. The transfer to the Trustee of the units of Trust Equipment by the Owner-Trustee and the lease of such units to the Owner-Trustee by the Trustee pursuant to this Agreement are intended solely to create a security interest in such units in order to secure the performance by the Owner-Trustee of its obligations under this Agreement and the payment of all sums payable pursuant to this Agreement (without regard to the provisions of the last paragraph of Section 5.04 hereof or Section 10.06 hereof) and ownership of such units of Trust Equipment shall be and remain in the Owner-Trustee. Accordingly, after all payments due or to become due hereunder shall have been completed and fully made to or for the account of the Trustee and the Owner-Trustee shall have performed all its other obligations hereunder (without regard to the provisions of the last paragraph of Section 5.04 hereof or Section 10.06 hereof), (a) such payments shall be deemed to represent the discharge in full of the Trustee's security interest in the Trust Equipment at such time, (b) 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 subject to the provisions of Section 5.04(a) hereof, shall be paid to the Owner-Trustee, and (c) the Trustee shall execute for record in public offices such instrument or instruments in writing as reasonably shall be requested

by the Owner-Trustee in order to discharge of record the security interest of the Trustee in, and to make clear upon public records the Owner-Trustee's full title to, such units of the Trust Equipment under the laws of any jurisdiction; provided, however, that until that time a security interest in the Trust Equipment shall be and remain in the Trustee, notwithstanding the possession and use thereof by the Owner-Trustee pursuant to the terms of this Agreement.

SECTION 5.06. Marking of Trust Equipment. The Owner-Trustee agrees that it will cause each unit of the Trust Equipment to be kept plainly, distinctly, permanently and conspicuously marked on each side of such unit, in letters not less than one inch in height, the following words:

> "OWNED BY A BANK OR TRUST COMPANY UNDER A SECURITY AGREEMENT FILED UNDER THE INTERSTATE COMMERCE ACT, SECTION 20c"

or other appropriate words designated by the Trustee, with appropriate changes thereof and additions thereto as from time to time may be required by law or reasonably requested in order to protect the security interest of the Trustee in such unit and the rights of the Trustee under this Agreement.

The Owner-Trustee will not place or permit any unit of the Trust Equipment to be placed in operation or exercise any control or dominion over the same until such words have been so marked on both sides thereof and will replace or cause to be replaced promptly any such words which may be removed, defaced, obliterated or destroyed. The Owner-Trustee shall not change, or permit to be changed, the identifying number of any unit of the Trust Equipment except in accordance with a statement of new identifying numbers to be substituted therefor, which statement previously shall have been filed with the Trustee and filed, recorded or deposited in all public offices where this Agreement shall have been filed, recorded or deposited.

Except as above provided, the Owner-Trustee will not allow the name of any person to be placed on the units of the Trust Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Owner-Trustee may permit the Trust Equipment to be lettered with the names, trademarks, 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 con-

venience of identification of its right to use the Trust Equipment under the Lease, and the Trust Equipment may be lettered in an appropriate manner for convenience of identification of the interest of the Lessee therein.

The obligations of the Owner-Trustee under this Section 5.06 are subject to the limitations contained in Section 10.06 hereof.

SECTION 5.07. Maintenance; Casualty Occurrences; Insurance. Subject to the limitations contained in Section 10.06 hereof, the Owner-Trustee agrees that, at its own cost and expense, it will maintain and keep each unit of the Trust Equipment in good order and proper repair.

In the event that any unit of the Trust Equipment shall be or become worn out, lost, stolen, destroyed, irreparably damaged or permanently rendered unfit for use from any cause whatsoever, or taken or requisitioned by condemnation or otherwise resulting in loss of possession by the Lessee for a period of 90 consecutive days, except requisition for use by the United States Government for a period not in excess of the then remaining term of this lease (any of such occurrences being herein called Casualty Occurrences) during the term of this lease the Owner-Trustee shall, promptly after it shall have received notice from the Lessee or otherwise been informed that such unit has suffered a Casualty Occurrence cause the Trustee to be fully informed in regard thereto. If such notice from the Owner-Trustee shall have been received by the Trustee at least 15 days prior to the January 1 or July 1 next succeeding the event with respect to which such notice is given, then on such next January 1 or July 1 the Owner-Trustee shall, subject to the limitations contained in the last paragraph of Section 5.04 hereof, pay to the Trustee an amount equal to the Fair Value of such unit suffering a Casualty Occurrence as of the date of such payment. If such notice shall have been received by the Trustee within 15 days of the January 1 or July 1 next succeeding the event with respect to which such notice is given or subsequent to such date, then on the January 1 or July 1 next succeeding such January 1 or July 1, the Owner-Trustee shall, subject to the limitations contained in the last paragraph of Section 5.04 hereof, pay to the Trustee an amount equal to the Fair Value of such unit suffering a Casualty Occurrence as of the date of such payment. All references herein to January 1 or July 1 shall be deemed to refer to whichever such date shall occur soonest. On the date of any such

payment, the Owner-Trustee shall file, or cause to be filed, with the Trustee a certificate setting forth the Fair Value of such unit and the method of determination thereof. Any money paid to the Trustee pursuant to this paragraph shall be applied to prepay Trust Certificates as provided in Article Three hereof. In the event of the requisition for use by the United States Government of any unit of Trust Equipment, unless such requisition shall at the time of such requisition be scheduled to extend beyond the then necessary term of this lease, all of the Owner-Trustee's obligations hereunder with respect to such unit shall continue to the same extent as if such requisition had not occurred.

Upon payment by the Owner-Trustee to the Trustee of the Fair Value of any unit of the Trust Equipment having suffered a Casualty Occurrence, the security interest of the Trustee in such unit shall terminate without further transfer or action on the part of the Trustee, except that the Trustee, if requested by the Owner-Trustee, will execute and deliver, to the Owner-Trustee, at the expense of the Owner-Trustee, an appropriate instrument confirming such termination to the Owner-Trustee, in recordable form, in order that the Owner-Trustee may make clear upon the public records the full title of the Owner-Trustee to such unit.

Any insurance proceeds or condemnation payments received and retained by the Trustee in respect of units suffering a Casualty Occurrence shall be deducted from the amounts payable by the Owner-Trustee to the Trustee in respect of Casualty Occurrences pursuant to this Section. If the Trustee shall receive any insurance proceeds or condemnation payments in respect of such units suffering a Casualty Occurrence either after the Owner-Trustee shall have made payments pursuant to this Section without deduction for such insurance proceeds or condemnation payments, or in excess of the Fair Value (after taking into account payments by the Owner-Trustee under this Section) of such units, the Trustee shall promptly pay such insurance proceeds or condemnation payments to the Owner-Trustee. All insurance proceeds or condemnation payments or such excess received by the Trustee in respect of any unit or units of Trust Equipment not suffering a Casualty Occurrence shall be paid to the Owner-Trustee upon proof satisfactory to the Trustee that any damage to such unit in respect of which such proceeds were paid has been fully repaired.

The Owner-Trustee covenants and agrees to furnish to the Trustee, on or before April 1 in each year, commencing

with the calendar year 1977, an Officer's Certificate, as of the preceding December 31, (i) showing the amount, description and numbers of all of its respective units of Trust Equipment then subject hereto and the amount, description and numbers of all such units of Trust Equipment that may have suffered a Casualty Occurrence during the preceding calendar year or, to the knowledge of the Owner-Trustee, have been withdrawn from use pending repair (other than normal running repairs), and such other information regarding the condition and state of repair of such units of Trust Equipment as the Trustee may reasonably request and (ii) stating that in the case of all such units of Trust Equipment repainted or repaired during the period covered thereby the marks required by Section 5.06 hereof have been preserved or replaced. The Trustee, by its agents, shall have the right once in each calendar year, but shall be under no duty, to inspect the records of the Owner-Trustee with respect to the Trust Equipment, and the Owner-Trustee covenants in that event to furnish to the Trustee all reasonable facilities for the making of such inspection.

The obligations of the Owner-Trustee under this Section are subject to the limitations contained in the last paragraph of Section 5.04 and in Section 10.06 hereof.

SECTION 5.08. Possession of Trust Equipment. So long as no Event of Default has occurred and is continuing hereunder, the Owner-Trustee shall be entitled to the possession and use of the Trust Equipment and also to enter into the Lease, and to permit the use of the Trust Equipment as provided in the Lease. The Owner-Trustee hereby agrees that the Lease and the rights of the Owner-Trustee to receive rentals and other payments due and to become due thereunder, shall be subject and subordinate to this Agreement and to the rights of the Trustee and the holders of Trust Certificates under the Consent.

Except as permitted by the Trust Agreement, the Owner-Trustee will not sell, assign or transfer its rights under this Agreement or, except as provided in this Section 5.08, transfer the right to possession of any unit of the Trust Equipment. The Owner-Trustee will not amend or consent to any change in the Trust Agreement without the prior written consent of the Trustee.

SECTION 5.09. Indemnity. The Owner-Trustee shall pay, and shall protect, indemnify and hold the Trustee, any assignee thereof, the holders of the Trust Certificates, and

their respective successors, assigns, agents and servants (hereinafter called Indemnified Persons), harmless from and against any and all causes of action, suits, penalties, claims, demands or judgments, of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements, expenses [including without limitation attorneys' fees and expenses of any Indemnified Person] relating thereto) in any way relating to or arising or alleged to arise out of this Agreement or the Trust Equipment, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale, return or other disposition of any unit of Trust Equipment or portion thereof; (ii) any latent and other defects whether or not discoverable by the Owner-Trustee or any Indemnified Person; (iii) any claim for patent, trademark or copyright infringement; (iv) any claims based on strict liability in tort; (v) any injury to or the death of any person or any damage to or loss of property on or near the Trust Equipment or in any manner growing out of or concerned with, or alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Trust Equipment or of any other equipment in connection with the Trust Equipment (whether owned or under the control of the Owner-Trustee, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; (vi) any violation, or alleged violation, of any provision of this Agreement or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Trust Equipment or the leasing, ownership, use, replacement, adaptation or maintenance thereof; or (vii) any claim arising out of the Trustee's holding of a security interest under this Agreement or the Lease Assignment. The Owner-Trustee shall be obligated under this Section, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Owner-Trustee under this Section without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any claim indemnified against hereunder, the Owner-Trustee may and, upon such Indemnified Person's request will, at the Owner-Trustee's expense, resist and defend such action, suit or proceeding,

or cause the same to be resisted or defended by counsel selected by the Owner-Trustee and approved by such Indemnified Person and, in the event of any failure by the Owner-Trustee to do so, the Owner-Trustee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Owner-Trustee is required to make any payment under this Section, the Owner-Trustee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes), shall be equal to the amount of such payment. The Trustee and the Owner-Trustee each agree to give each other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against. Upon the payment in full of any indemnities as contained in this Section by the Owner-Trustee, and provided that no Event of Default set forth in Article Six hereof (or other event which with lapse of time or notice or both would constitute such an Event of Default) shall have occurred and be continuing, it shall be subrogated to any right of such Indemnified Person in respect of the matter against which indemnity has been given. Any payments received by such Indemnified Person from any person as a result of any matter with respect to which such Indemnified Person has been indemnified by the Lessee pursuant to the Lease shall be paid over to the Owner-Trustee to the extent necessary to reimburse the Owner-Trustee for indemnification payments previously made in respect of such matter.

The indemnities contained in this Section shall survive the expiration or termination of this Agreement with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of, and shall be enforceable by any Indemnified Person. None of the indemnities in this Section shall be deemed to create any rights of subrogation in any insurer or third party against the Owner-Trustee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

The Owner-Trustee will bear the responsibility for and risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of any unit of or all the Trust Equipment.

The obligations of the Owner-Trustee under this Section 5.09 are subject to the limitations contained in the last paragraph of Section 5.04 hereof and in Section 10.06 hereof.

SECTION 5.10. Compliance with Laws and Rules. During the term of this Agreement, the Owner-Trustee will comply, and will cause every lessee or user of the Trust Equipment to comply, in all respects (including, without limitation, with respect to the use, maintenance and operation of the Trust Equipment) with all laws of the jurisdictions in which its or such lessees' or users' operations involving the Trust Equipment may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the title, operation or use of the Trust Equipment, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any unit of the Equipment, the Owner-Trustee will, or will cause the Lessee to, conform therewith at no expense to the Trustee; provided, however, that the Owner-Trustee or the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Trustee, adversely affect the property or rights of the Trustee under this Agreement.

The obligations of the Owner-Trustee under this Section are subject to the limitations contained in Section 10.06 hereof.

SECTION 5.11. Taxes. Whether or not any of the transactions contemplated hereby are consummated, the Owner-Trustee agrees to pay, and to indemnify and hold the Trustee harmless from, all taxes, assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon the Owner-Trustee, the Owner, the Trustee, the holders of the Trust Certificates, the Lessee, the trust estate created by the Trust Agreement or

otherwise, by any federal, state or local government or governmental subdivision in the United States or by any foreign country or subdivision thereof, upon or with respect to: any unit of the Equipment or any part thereof; the purchase, ownership, delivery, leasing, possession, use, operation, transfer of title, return or other disposition thereof; the rentals, receipts or earnings arising therefrom; or this Agreement, the Lease, the Lease Assignment, the Participation Agreement, the Trust Agreement, any payment made pursuant to any such agreement, or the property, the income or other proceeds received with respect to the Trust Equipment (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes"); excluding, however: (i) Taxes of the United States or of any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is entitled to a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the holders of Trust Certificates or the Trustee, other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Agreement, provided that such Taxes of any foreign country or subdivision thereof incurred as a result of the indemnified party being taxed by such foreign country or jurisdiction on its world-wide income without regard to the transactions contemplated by this Agreement shall be excluded whether or not the indemnified party is entitled to a credit against its United States Federal income taxes; (ii) any Taxes imposed on or measured by any fees or compensation received by the Trustee; (iii) any Taxes imposed as a direct result of a voluntary transfer or other voluntary disposition or any transfer or disposition of any Trust Certificate resulting from bankruptcy or other proceedings for the relief of creditors whether voluntary or involuntary; and (iv) Taxes which are imposed on or measured solely by the net income of the Trustee or the holders of the Trust Certificates if and to the extent that such Taxes are in substitution for or reduce the Taxes payable by any other person which the Owner-Trustee has not agreed to pay or indemnify against pursuant to this Section 5.11; provided, however, that the Owner-Trustee shall not be required to pay any Taxes during the period it or the Lessee may be contesting the same in the manner provided in the next succeeding paragraph or the Lease, as the case may be.

If claim is made against the Trustee for any Taxes

indemnified against under this Section 5.11, the Trustee or the holders of the Trust Certificates shall promptly notify the Owner-Trustee. If reasonably requested by the Owner-Trustee in writing, the Trustee or the holders of the Trust Certificates, as the case may be, shall, upon receipt of any indemnity satisfactory to it or them, as the case may be, for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Owner-Trustee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. The Owner-Trustee may also contest, at its own expense, the validity, applicability or amount of such Taxes in the name of the Trustee or the holders of the Trust Certificates as the case may be; provided that no proceeding or actions relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of the Trustee or the holders of the Trust Certificates as the case may be, in any such proceeding or action) without the prior written consent of the Trustee. If the Trustee or the holders of the Trust Certificates, as the case may be, shall obtain a refund of all or any part of such Taxes previously reimbursed by the Owner-Trustee in connection with any such contest or an amount representing interest thereon, the Trustee or the holders of the Trust Certificates as the case may be, shall pay the Owner-Trustee the amount of such refund or interest net of expenses; provided, however, that no event of default set forth in Article Six hereof and no event which with notice or lapse of time or both would constitute such an event of default shall have occurred and be continuing.

In case any report or return is required to be made with respect to any obligation of the Owner-Trustee under this Section 5.11 or arising out of this Section 5.11, the Owner-Trustee shall either make such report or return in such manner as will show the interest of the Trustee in the Trust Equipment or shall promptly notify the Trustee of such requirement and shall make such report or return in such manner as shall be satisfactory to the Trustee. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Owner-Trustee.

All of the obligations of the Owner-Trustee under

this Section 5.11 shall survive and continue, notwithstanding payment in full of all amounts due under this Agreement, but only with respect to periods included in the term of this Agreement. Payments due from the Owner-Trustee to the Trustee or the holders of Trust Certificates under this Section 5.11 shall be made directly to the Indemnified Person.

The obligations of the Owner-Trustee under this Section 5.11 are subject to the limitations contained in the last paragraph of Section 5.04 hereof and in Section 10.06 hereof.

ARTICLE SIX

Events of Default and Remedies

SECTION 6.01. Events of Default. The Owner-Trustee covenants and agrees that in case one or more of the following events (each such event being hereinafter sometimes called an Event of Default) shall occur and be continuing:

(a) the Owner-Trustee shall default in the payment of any part of the rental payable under Sections 5.04(c) and (d) hereof or payment in respect of a Casualty Occurrence under Section 5.07 hereof, and such default shall continue for more than ten business days after the same shall have become due and payable, without regard to any limitation of liability contained in Section 5.04 or 10.06 hereof, or

(b) the Owner-Trustee shall, without regard to any limitation of liability contained in Section 5.04 or 10.06 hereof, 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 of this Agreement or the Lease Assignment on its part to be kept and performed (except as provided in clause (d) of this Section 6.01), or to make provision satisfactory to the Trustee for such compliance, or

(c) the Lessee shall, for more than 30 days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any term, covenant, agreement or provision of the Participation Agreement made expressly for the benefit of the holders of Trust Certificates, on its part to be kept or performed, or the Lessee or the Owner-Trustee shall not make provision satisfactory for such compliance, or

(d) the Owner-Trustee, except as herein authorized or contemplated, shall make or suffer any unauthorized transfer or sublease (including, for the purpose of this clause, contracts for the use thereof) of any unit of the Trust Equipment and shall fail or refuse either to cause such transfer or sublease to be canceled by agreement of all parties having any interest therein or recover possession of such Trust Equipment, as the case may be, within 30 days after the Trustee shall have demanded in writing such cancelation or recovery of possession, or within said 30 days to deposit with the Trustee a sum in cash equal to the Fair Value of such unit of Trust Equipment (any sum so deposited to be returned to the Owner-Trustee upon the cancelation of such transfer or sublease or the recovery of possession by the Owner-Trustee of such Trust Equipment), or

(e) any proceeding shall be commenced by or against the Owner or 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 hereunder or under the Lease, the Lease Assignment, the Consent or the Participation Agreement of the Owner, the Owner-Trustee or the Lessee, as the case may be) 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 Owner, the Owner-Trustee or the Lessee under this Agreement, the Lease, the Lease Assignment, the Consent and/or the Participation Agreement, as the case may be, 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 (whether or not subject to ratification) for the Owner or the Lessee, as the case may be, or for its or their property in connection with any such proceedings in such manner that such obligations have the same status as expenses of administration and obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier,

then, in any such case, the Trustee in its discretion may, and upon the written request of the holders of not less than 50% in principal amount of the then outstanding Trust Certificates shall, by five business days' notice in writing delivered to the Owner-Trustee, declare to be due and payable forthwith the entire amount of the rentals (including any unpaid rental then due, but not including rentals required for the payment of interest pursuant to Section 5.04(c) hereof accruing after the date of such declaration) payable by the Owner-Trustee as set forth in Section 5.04 hereof for the entire remaining term of the lease evidenced hereby 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 Penalty Rate, to the extent legally enforceable, on any portion thereof overdue.

In addition, in case one or more Events of Default shall have happened and be continuing, the Trustee in its discretion may, and upon the written request of the holders of not less than 50% in principal amount of the then outstanding Trust Certificates shall, by five business days' notice in writing delivered to the Owner-Trustee, 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.

In case the Owner-Trustee shall fail to pay any instalment of rental payable pursuant to Section 5.04(c) or (d) hereof when and as the same shall have become due and payable hereunder, and such default shall have continued for a period of ten business days, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the rentals so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Owner-Trustee and collect in the manner provided by law out of the property of the Owner-Trustee (including the Trust Equipment), wherever situated, the moneys adjudged or decreed to be payable (subject to the provisions of the last paragraph of Section 5.04 hereof).

The Trustee, irrespective of whether the rental payments hereunder or the principal amount of the Trust Certificates shall then be due and payable as herein or therein expessed whether by declaration or otherwise and

irrespective of whether the Trustee shall have made any demand or declaration pursuant to the provisions of this Section 6.01, shall be entitled and empowered to file and prove a claim or claims for the entire unpaid amount of the rentals and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee, its agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee) and of the holders of the Trust Certificates allowed in bankruptcy or reorganization proceedings which would affect the interests of the Trustee hereunder or under the Lease and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the holders of the Trust Certificates and of the Trustee on their behalf; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the holders of the Trust Certificates to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to the holders of the Trust Certificates, to pay to the Trustee such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee.

All rights of action and to assert claims under this Agreement, or under any of the Trust Certificates, may be enforced by the Trustee without the possession of any of the Trust Certificates or the production thereof on any trial or other proceedings relative thereto, and any such action or proceeding instituted by the Trustee shall be brought in its own name and as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the holders of the Trust Certificates. In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Agreement to which the Trustee shall be a party) the Trustee shall be held to represent all the holders of the Trust Certificates, and it shall not be necessary to make any holders of the Trust Certificates parties to such proceedings.

SECTION 6.02. Remedies. In case an Event of Default shall occur and be continuing and the Trustee shall have declared due and payable the entire unpaid amount of the rentals as provided in Section 6.01 hereof, the Trustee may,

upon five business days' notice and subject to any mandatory requirements of law, by its agents enter upon the premises where any of the Trust Equipment may be and take possession of all or any part of the Trust Equipment and withdraw the same from said 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, retain and apply in accordance with Section 6.03 hereof all unpaid per diem, mileage or other charges of any kind earned by the Trust Equipment or any part thereof, and may lease the Trust Equipment or any part thereof; or the Trustee may with or without retaking possession sell all or any part of the Trust Equipment, free from any and all claims of the Owner-Trustee at law or in equity, in one lot and as an entirety or in separate lots, 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 the outstanding Trust Certificates in the manner herein provided; provided, however, that if, prior to such sale or the making of a contract therefor, or within 30 days after the Trustee shall have notified the Owner-Trustee of its intention to take possession, withdraw, or lease the Trust Equipment (which notice the Trustee agrees to furnish in case it intends to take possession, withdraw, or lease), the Owner-Trustee should tender full payment of the total unpaid principal of all the Trust Certificates then outstanding, together with interest thereon accrued and unpaid and all other amounts due under this Agreement as well as all expenses of the Trustee in taking possession of, storing, preparing the Trust Equipment for, and otherwise arranging for, the sale or leasing of the Trust Equipment, including reasonable attorneys' fees, then in such event absolute right to the possession of, title to and property in the Trust Equipment shall pass to and vest in the Owner-Trustee. Upon any such public sale, the Trustee itself or any holder of Trust Certificates 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 that any sale is held in a commercially reasonable manner and the Owner-Trustee has received ten days' notice by telegram or registered mail of and has a reasonable opportunity to bid at any such sale. Upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Owner-Trustee shall cease to

have any rights or remedies in respect of the Trust Equipment hereunder (except as provided in Section 6.03 hereof), but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Owner-Trustee, and no payments theretofore made by the Owner-Trustee 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 Owner-Trustee 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 the outstanding Trust Certificates. 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 Owner-Trustee of rentals then or thereafter due and payable, and the Owner-Trustee (subject to the provisions of the last paragraph of Section 5.04 hereof) shall be and remain liable for the same until such sums shall have been received by the Trustee 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 5.04 hereof (other than interest not then accrued), whether or not they shall have then matured.

SECTION 6.03. Application of Proceeds. If an Event of Default shall occur and be continuing and the Trustee shall exercise any of the powers conferred upon it by Sections 6.01 and 6.02 hereof, all payments made by the Owner-Trustee to the Trustee hereunder after such Event of Default, and the proceeds of any judgment collected hereunder from the Owner-Trustee 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 pursuant to Section 3.03 hereof), 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, and (b) of the interest then due, with interest on overdue interest at the Penalty Rate to the extent legally enforceable, and of the principal of all the outstanding Trust Certificates, with interest thereon at the Penalty Rate to the extent legally enforceable from the last preceding interest payment date, whether such Trust Certificates shall have then matured by their terms or not,

all such payments to be in full if such proceeds shall be sufficient, and if not sufficient, first to the payment of interest then due, with interest on overdue interest to the extent legally enforceable, and second to the principal then outstanding.

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 Owner-Trustee (subject to the provisions of the last paragraph of Section 5.04 hereof) 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 Owner-Trustee.

SECTION 6.04. Waivers of Default. If at any time after the principal of all the Trust Certificates shall have been declared and become due and payable or if at any time after the entire amount of rentals shall have been declared and become due and payable, all as in Section 6.01 hereof provided, but before January 1, 1992, all arrears of rent (with interest at the Penalty 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 Owner-Trustee's default, and all other sums which shall have become due and payable by the Owner-Trustee 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 Owner-Trustee (irrespective of the provisions of the last paragraph of Section 5.04 hereof) 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 or consented to by the holders of two-thirds of the principal amount of Trust Certificates then outstanding, shall by written notice to the Owner-Trustee 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 6.05. Obligations of Owner-Trustee Not

Affected by Remedies. 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 Owner-Trustee 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 Owner-Trustee by the Trustee or by any such holder shall affect the obligations of the Owner-Trustee hereunder. Except as provided herein, the Owner-Trustee 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 interest on the Trust Certificates.

SECTION 6.06. Owner-Trustee to Deliver Trust Equipment to Trustee. In case the Trustee shall demand possession of the Trust Equipment pursuant to the provisions hereof, the Owner-Trustee shall, subject to the provisions of Section 10.06 hereof and the Lease, at its own expense promptly cause the Trust Equipment to be transported to such point or points as shall reasonably 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, without expense to the Trustee, on any lines of railroad or premises approved by the Trustee until the Trustee shall have leased, sold or otherwise disposed of the same. It is hereby expressly covenanted and agreed that the performance of the aforesaid 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 Owner-Trustee requiring the specific performance thereof.

SECTION 6.07. Trustee to Give Notice of Default. The Trustee shall give to the holders of the Trust Certificates notice of each Event of Default hereunder known to the Trustee, within 30 days after it learns of the same, unless remedied or cured before the giving of such notice.

SECTION 6.08. Control by Holders of Trust Certificates. The holders of a majority in aggregate unpaid principal amount of the then outstanding Trust Certificates, by an instrument or instruments in writing executed and delivered to the Trustee, shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that the Trustee

shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action so directed would be in conflict with any other provision of this Agreement or any rule of law.

SECTION 6.09. Unconditional Right of Holders of Trust Certificates to Sue for Principal and Interest. Notwithstanding any other provision in this Agreement, the right of any holder of any Trust Certificate to receive payment of the principal of, and interest on, such Trust Certificate, on or after the respective due dates expressed in such Trust Certificate, or to institute suit (subject to the provisions of the last paragraph of Section 5.04) for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder, except that no such suit shall be instituted if and to the extent that the institution or prosecution thereof or the entry therein would, under applicable law, result in the surrender, impairment, waiver or loss of the security title reserved under this Agreement upon any property subject hereto.

SECTION 6.10. Remedies Cumulative; Subject to Mandatory Requirements of Law. 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 and such remedies so provided in this Agreement 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 Owner-Trustee.

ARTICLE SEVEN

Additional Covenants and Agreements by the Owner-Trustee

SECTION 7.01. Discharge of Liens. The Owner-Trustee will pay or discharge any and all sums claimed by any party from, through or under the Owner-Trustee, the Owner or their successors or assigns which, if unpaid, might become a lien, charge or security interest on or with respect to the Trust Equipment, or any unit thereof, or the "income and proceeds from the Trust Equipment" (as defined in Section 5.04 hereof), and will promptly discharge any such lien,

charge or security interest which arises, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Trustee, adversely affect the interest of the Trustee in the Trust Equipment, its interest in said income and proceeds from the Trust Equipment, or otherwise under this Agreement. Any amounts paid by the Trustee in discharge of liens, charges or security interests upon the Trust Equipment shall be secured by and under this Agreement.

This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

The obligations of the Owner-Trustee under this Section are subject to the limitations contained in Section 10.06 hereof; provided, however, that the Owner-Trustee will pay or discharge any and all claims, liens, charges or security interests claimed by any party from, through or under the Owner-Trustee or the Owner or the successors or assigns of either of them, not arising out of the transactions contemplated hereby (but including any tax liens arising out of the receipt of rentals and other payments under the Lease or the Participation Agreement), but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not adversely affect the security interest of the Trustee in the Equipment, its interest in said income and proceeds from the Equipment, or otherwise under this Agreement.

SECTION 7.02. Recording. Subject to the provisions of Section 10.06 hereof and the proviso contained in § 15 of the Lease, the Owner-Trustee will, (a) promptly after the execution and delivery of this Agreement, the Lease, the Lease Assignment and each supplement hereto and thereto, respectively, cause this Agreement, the Lease, the Lease Assignment and each such supplement to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, (b) from time to time do and perform any other act and will execute,

acknowledge, deliver and file, register and record any and all further instruments required by law or reasonably requested by the Trustee for the purposes of proper protection of the security interest of the Trustee and the rights of the holders of the Trust Certificates, and (c) furnish an Opinion or Opinions of Counsel of the Lessee in connection with such filing, registration, and recordation.

SECTION 7.03. Further Assurances. The Owner-Trustee covenants and agrees from time to time to execute all such instruments of further assurance as shall be reasonably requested by the Trustee for the purpose of fully carrying out and effectuating this Agreement and the intent hereof.

ARTICLE EIGHT

Concerning the Holders of Trust Certificates

SECTION 8.01. Evidence of Action Taken by Holders of Trust Certificates. Whenever in this Agreement it is provided that the holders of a specified percentage in aggregate principal amount of the outstanding Trust Certificates may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by any instrument or any number of instruments of similar tenor executed by holders of Trust Certificates in person or by agent or proxy appointed in writing.

SECTION 8.02. Proof of Execution of Instruments and of Holding of Trust Certificates. Proof of the execution of any instrument by a holder of Trust Certificates or his agent or proxy and proof of the holding by any person of any of the Trust Certificates shall be sufficient if made in the following manner:

The fact and date of the execution by any such person of any instrument may be proved by the certificate of any notary public or other officer of any jurisdiction within the United States of America authorized to administer oaths or to take acknowledgments of deeds to be recorded in such jurisdiction that the person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other

such officer.

The ownership of Trust Certificates may be proved by the register of such Trust Certificates to be kept as provided in Section 2.03(e) hereof.

SECTION 8.03. Trust Certificates Owned by the Owner, the Owner-Trustee or the Lessee. In determining whether the holders of the requisite principal amount of the Trust Certificates have concurred in any direction, request or consent under this Agreement, Trust Certificates which are owned by the Owner, by the Owner-Trustee, by the Lessee or by an affiliate of the Owner, the Owner-Trustee or the Lessee 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, and except that this Section 8.03 shall not be applicable to the Owner or an affiliate of the Owner if all the Trust Certificates are owned by the Owner or by one or more affiliates of the Owner.

SECTION 8.04. Right of Revocation of Action Taken. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01 hereof, of the taking of any action by the holders of the required percentage in aggregate principal amount of the outstanding Trust Certificates specified in this Agreement, any holder of a Trust Certificate may, by filing written notice with the Trustee at the Corporate Trust Office and upon proof of holding as provided in Section 8.02 hereof, revoke such action in so far as such action concerns such Trust Certificate. Except as aforesaid, any such action taken by the holder of any Trust Certificate shall be conclusive and binding upon such holder and upon all future holders and owners of such Trust Certificate and of any Trust Certificate issued in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon such Trust Certificate. Any action taken by the holders of the required percentage in aggregate principal amount of the outstanding Trust Certificates specified in this Agreement shall be conclusive and binding upon the Owner-Trustee, the Trustee and the holders of all the Trust Certificates.

ARTICLE NINE

The Trustee

SECTION 9.01. Acceptance of Trust. The Trustee hereby accepts the trust imposed upon it by this Agreement and covenants and agrees to perform the same as herein expressed.

SECTION 9.02. Duties and Responsibilities of the Trustee. The Trustee shall exercise such of the rights and powers vested in it by this Agreement, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(a) prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Agreement, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement;

(b) the Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts or that its action or inaction was contrary to the express provisions of this Agreement;

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of a majority in aggregate unpaid principal amount of the then outstanding Trust Certificates relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust power conferred upon the Trustee, under this Agreement;

(d) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, Trust Certificate, guaranty or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(e) the Trustee may consult with counsel, and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with such Opinion of Counsel and not contrary to any express provision of this Agreement;

(f) the Trustee shall be under no obligation to exercise any of its rights or powers vested in it by this Agreement at the request, order or direction of any of the holders of the Trust Certificates, pursuant to the provisions of this Agreement, unless such holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby to the extent such reasonable security or indemnity shall not be furnished by the Owner-Trustee or the Lessee pursuant to the provisions hereof or of the Lease; and

(g) the Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the reasonable discretion or rights or powers conferred upon it by this Agreement.

SECTION 9.03. Application of Rentals; Responsibility of Trustee to Insure or Record. The Trustee covenants and agrees to apply and distribute the rentals received by it under Section 5.04 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 5.04.

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 (except pursuant to express provisions hereof) until fully indemnified to its satisfaction by the Owner-Trustee or by one or more of the holders of the Trust Certificates against all liability, costs and expenses; and the Trustee shall not be responsible for the filing or recording or refiling or rerecording of this Agreement or of any supplement hereto.

SECTION 9.04. Funds May be Held by Trustee. Any moneys 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, it being understood, however, that all moneys received by the Trustee shall be deemed received and held in trust by the Trustee. 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 Owner-Trustee to pay thereon.

If, to the knowledge of the Trustee, the Lessee shall not be in default under the Lease and no event which, with the lapse of time and/or giving of notice would constitute such a default shall have occurred and be continuing, the Lessee shall be entitled to receive any interest allowed as provided in the first paragraph of this Section 9.04.

SECTION 9.05. Trustee Not Liable for Delivery Delays or Defects in Equipment or Title. 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 Manufacturer thereof or of the Owner-Trustee, or for any defect in any of the Trust Equipment or in the title thereto, nor shall anything herein be construed as a warranty 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 an Opinion of Counsel, and shall be answerable for only its own acts, negligence and willful defaults and not for the default or misconduct of any attorney, agent or servant appointed by it with reasonable care and in good faith. 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 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 Thayer, Ringoen & Macdonald, the Leasing Division of Great American Management Services, Inc., pursuant to the provisions of Paragraph 11 of the Participation Agreement.

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 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 9.06. Resignation and Removal; Appointment of Successor Trustee. (a) The Trustee may resign and be discharged of the trust created by this Agreement by giving 30 days' written notice to the Owner-Trustee, the Lessee and the holders of the then outstanding Trust Certificates, but such resignation shall not take effect until receipt by the Trustee of an instrument of acceptance executed by a successor trustee as hereinafter provided in Section 9.07 hereof.

(b) The Trustee may be removed at any time by an instrument in writing signed by the holders of a majority in principal amount of the Trust Certificates then outstanding, delivered to the Trustee and to the Owner-Trustee.

(c) If at any time the Trustee shall resign or be removed or otherwise become incapable of acting or if at

any time a vacancy shall occur in the office of the Trustee for any other cause, a successor trustee may be appointed by the holders of a majority of the aggregate principal amount of the then outstanding Trust Certificates by an instrument in writing delivered to the Owner and the Trustee. Until a successor trustee shall be appointed by the holders of Trust Certificates as herein authorized, the Owner-Trustee, by an instrument in writing, shall appoint a trustee to fill such vacancy. A successor trustee so appointed by the Owner-Trustee shall immediately and without further act be superseded by a successor trustee appointed by the holders of Trust Certificates in the manner provided above. Every successor trustee appointed pursuant to this Section 9.06 shall be a national bank, or a bank or trust company incorporated under the laws of a State of the United States of America, and having capital and surplus of not less than $50,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms. In the event any successor trustee is appointed hereunder, the fees theretofore paid to the Trustee shall be prorated between the Trustee and the successor trustee for any unexpired portion of the period to which such fees relate.

(d) The Owner-Trustee shall give notice of each resignation, removal or incapacity of the then Trustee or of a vacancy occurring in the office of the Trustee for any other cause and of each appointment by the Owner-Trustee of a successor trustee pursuant to paragraph (c) of this Section 9.06 by mailing written notice of such event by first class mail, postage prepaid, to the holders of all outstanding Trust Certificates. The then Trustee shall supply the Owner-Trustee with a register of the current holders of the Trust Certificates for the purpose of giving such notice.

SECTION 9.07. Acceptance of Appointment by Successor Trustee. Any successor trustee appointed as provided in Section 9.06 hereof shall execute, acknowledge and deliver to the Owner-Trustee and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, on the written request of the Owner-Trustee or of the successor trustee,

upon payment of its charges then unpaid, the trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee all the rights, powers, records and deposited cash, if any, of the trustee so ceasing to act. Upon request of any such successor trustee, the Owner-Trustee shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it, if any, pursuant to the provisions of Section 9.05 hereof.

SECTION 9.08. Merger or Consolidation of Trustee. Any corporation into which the Trustee may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Trustee shall be a party or any corporation succeeding to all or substantially all the corporate trust business of the Trustee shall be the successor of the Trustee hereunder, provided that such corporation shall be qualified under the provisions of Section 9.06 hereof, 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.

ARTICLE TEN

Miscellaneous

SECTION 10.01 Rights Confined to Parties and Holders. Nothing expressed or implied herein is intended or shall be construed to confer upon or to give to any person, other than the parties hereto, the holders of the Trust Certificates and the third party beneficiaries specified herein, 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, the holders of the Trust Certificates and such third party beneficiaries.

SECTION 10.02. No Recourse. No recourse under or upon any obligation, covenant or agreement of this Agreement, or for any claim based thereon or otherwise in respect thereof shall be had against the Owner or any stockholder, officer

or director, as such, past, present or future, of the Owner, the Owner-Trustee or the Trustee, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or constitution or otherwise; it being expressly agreed and understood that this Agreement is solely a corporate obligation, and that no personal liability whatever shall attach to or be incurred by the stockholders, officers or directors, as such, of the Owner-Trustee or the Trustee, under or by reason of any of the obligations, covenants and agreements contained in this Agreement, or implied therefrom, and that any and all personal liability, either at common law or in equity, or by statute or constitution, of every such stockholder, officer or director is hereby expressly waived as a condition of and consideration for the execution of this Agreement.

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each of and all the representations, covenants, undertakings and agreements herein made on the part of the Owner-Trustee, are made and intended not as personal representations, covenants, undertakings and agreements by First Security State Bank, or for the purpose or with the intention of binding such corporation personally but are made and intended for the purpose of binding only the Trust Estate as such terms are used in the Trust Agreement, and this Agreement is executed and delivered by First Security State Bank, not in its own right but solely in the exercise of the powers expressly conferred on it as trustee under the Trust Agreement. The term Owner-Trustee, as used herein, shall refer to any successor trustee appointed pursuant to the Trust Agreement.

SECTION 10.03. Binding Upon Assigns. 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.

SECTION 10.04. Notices. 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 Owner-Trustee at the address set forth for the Owner-Trustee in the Lease or such other address as may hereafter be furnished to the Trustee in writing by the Owner-Trustee, with a copy thereof to the Owner, and (b) to the Trustee at the Corporate Trust Office,

or at such other address as may hereafter be furnished to the Owner-Trustee in writing by the Trustee. An affidavit by any person representing or acting on behalf of the Owner-Trustee or the Trustee, as the case may be, as to such mailing, having the registry receipt attached, shall be conclusive evidence of the giving of such demand, notice or communication.

SECTION 10.05. Amendment or Waiver. Any provision of this Agreement may be amended, by an instrument executed by the parties hereto, or waived, in either case with the written consent of the holders of not less than 66-2/3% of the aggregate unpaid principal amount of Trust Certificates then outstanding; provided, however, that no such amendment or waiver shall (a) reduce the amount of principal, change the amount or dates of payment of instalments of principal or reduce the rate or extend the time of payment of interest with respect to the Trust Certificates without the consent of the holder of each Trust Certificate so affected, (b) 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, without the consent of the holders of 100% of the aggregate unpaid principal amount of Trust Certificates then outstanding, or (c) reduce the percentage 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.

The Trustee may consent to any amendment or waiver in respect of the Lease, without the approval of the holders of the Trust Certificates, if such amendment or waiver does not adversely affect the interests of the holders of the Trust Certificates. Any other amendment or waiver in respect of the Lease may be consented to by the Trustee with the written approval of the holders of not less than 66-2/3% of the aggregate principal amount of the Trust Certificates then outstanding; provided, however, that, if such amendment or waiver would reduce the amount of or extend the time for payment of any rentals or other obligations under the Lease in a manner so as to affect the due and punctual payment of the principal of and interest on the Trust Certificates and the other obligations of the Owner-Trustee hereunder, the Trustee shall not consent thereto without the prior written approval of the holders of 100% of the aggregate unpaid prin-

cipal amount of Trust Certificates then outstanding. The holders shall receive 30 days' prior written notice of any amendment pursuant to this Section 10.05.

SECTION 10.06. Satisfaction of Obligations. The obligations of the Owner-Trustee under Sections 5.06, 5.07 (other than the second paragraph thereof), 5.09, 5.10, 5.11, 6.06, 7.01 and 7.02, but excluding any provisions requiring the execution of any instrument by the Owner-Trustee, shall be deemed in all respects satisfied (except, in the case of Section 7.01 hereof, as set forth in the last paragraph thereof) by the execution and delivery of the Lease; the Trustee agrees to look solely to the Lessee for the performance of such obligations under such Sections regardless of whether the Lease provides for the discharge of such obligations or is in effect and the Owner-Trustee shall not have any responsibility for the Lessee's failure to perform such obligations; provided, however, that such covenants and obligations shall be deemed covenants of the Owner-Trustee within the meaning of subparagraphs (a), (b) and (d) of the first paragraph of Section 6.01 hereof (it being the intention of the parties hereto that neither the Owner-Trustee nor any of its properties shall be subject to any liability for any breach or alleged breach by it of any such covenant or obligation [or any breach or alleged breach under the second paragraph of Section 5.07 hereof] except out of the "income and proceeds from the Trust Equipment", but that any such breach may be made the basis of an Event of Default under said Section 6.01). No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Trustee.

SECTION 10.07. Effect of Headings; Counterparts; Date Executed; Governing Law. (a) The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

(b) This Agreement may be 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.

(c) 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.

(d) 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 Utah.

(e) Any provision of this Agreement 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 provision in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be duly executed as of the date first above written.

FIRST SECURITY BANK OF UTAH, N.A.,
Not in its individual capacity, but
solely as Trustee,

by _____
Authorized Officer

[Seal]

Attest:

_____
Authorized Officer

FIRST SECURITY STATE BANK,
Not in its individual capacity, but
solely as Owner-Trustee,

by _____
Authorized Officer

[Corporate Seal]

Attest:

_____
Authorized Officer

STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this 10th day of November 1976, before me personally appeared Robert S. Clark, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY BANK OF UTAH, N.A., that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association 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 national banking association.

Ronda J. Olsen
Notary Public

[NOTARIAL SEAL]

My Commission Expires 11-18-79

STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this 8th day of November 1976, before me personally appeared Fred L. Kapp to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY STATE BANK, 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 By-laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Ronda J. Olsen
Notary Public

[NOTARIAL SEAL]

My Commission Expires 11-18-79

Schedule A to the Equipment Trust Agreement

Type	Quantity	Company Car Numbers (inclusive)	Unit Base Price	Total Base Price	Estimated Time of Delivery	Specification Contract No.
Pullman Incorporated (Pullman Standard Division)						
89'4" 70-ton low level flat cars for auto rack service	137	851112-851197 851223-851242 851284-851300 851318-851331	$32,000	$4,384,000	Prior to December 30, 1976	T-2076-P, T-3076-P, T-4076-P
Bethlehem Steel Corporation						
89'4" 70-ton low level flat cars for auto rack service	57	700200-700215 700250-700279 700374-700384	$32,000	$1,824,000	Prior to December 30, 1976	T-3076-B, T-4076-B
	194			$6,208,000		

Annex I to the
Equipment Trust Agreement

LEASE OF RAILROAD EQUIPMENT

Dated as of October 1, 1976,

between

TRAILER TRAIN COMPANY

and

FIRST SECURITY STATE BANK,
not in its individual capacity, but solely as Owner-Trustee

LEASE OF RAILROAD EQUIPMENT dated as of October 1, 1976, between TRAILER TRAIN COMPANY, a Delaware corporation (hereinafter called the Lessee), and FIRST SECURITY STATE BANK, a Utah corporation, acting not in its individual capacity but solely as Trustee (hereinafter, together with its successors and assigns, called the Owner-Trustee) under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement), with Ford Motor Credit Company (hereinafter called the Owner).

WHEREAS the Lessee has entered or will enter into two manufacturing agreements (hereinafter called the Manufacturing Agreements) with Pullman Incorporated (Pullman Standard Division) and Bethlehem Steel Corporation, respectively (hereinafter individually called a Builder and collectively referred to as the Builders), pursuant to which the Lessee has agreed to purchase and take delivery of certain railroad equipment; and

WHEREAS, under assignments (hereinafter called the Assignments) of the Manufacturing Agreements, the Lessee is assigning to the Owner-Trustee its rights under the Manufacturing Agreements to purchase and take delivery of those units of railroad equipment described in Schedule A hereto (such railroad equipment being hereinafter sometimes called the Equipment); and

WHEREAS the Lessee agrees to lease from the Owner-Trustee all the units of the Equipment, or such lesser number of units as are delivered and accepted under the Manufacturing Agreements and the Assignments, at the rentals and for the term and upon the conditions hereinafter provided (each such unit being hereinafter called a Unit); and

WHEREAS the Owner-Trustee is entering into an equipment trust agreement (hereinafter called the Security Document) with First Security Bank of Utah, N.A. (hereinafter, together with its successors and assigns as trustee under the Security Document, called the Trustee), pursuant to which equipment trust certificates (hereinafter called the Trust Certificates) will be sold to finance a portion of the purchase price of the Equipment, the Owner-Trustee will be obligated to make payments equal to principal and interest thereon out of the rentals received hereunder and a security

interest in the Units and this Lease will be conveyed to the Trustee until the Owner-Trustee fulfills all its obligations under the Security Document; and

WHEREAS the Owner-Trustee will assign this Lease for security to the Trustee pursuant to an Assignment of Lease and Agreement (hereinafter called the Lease Assignment) and the Lessee will consent to the Lease Assignment pursuant to a Lessee's Consent and Agreement (hereinafter called the Consent);

NOW, THEREFORE, in consideration of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Owner-Trustee hereby leases the Units to the Lessee upon the following terms and conditions:

§ 1. Net Lease. This Lease is a net lease. The Lessee's obligation to pay all rentals and other amounts hereunder shall be absolute and unconditional and, except as herein provided, the Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Owner-Trustee or the Owner under this Lease or under the Security Document, including the Lessee's rights by subrogation thereunder against either Builder or the Trustee or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Owner-Trustee or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or the bankruptcy, reorganization or similar proceeding against the Lessee, 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 in the manner and at the times herein provided unless the obligation

to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Owner-Trustee, the Owner, any holder of the Trust Certificates or the Trustee for any reason whatsoever.

§ 2. Delivery and Acceptance of Units. The Owner-Trustee hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the Manufacturing Agreements and the Assignments; provided, however, that such acceptance shall be in accordance with the provisions of Article Four of the Security Document. Each delivery of a Unit to the Owner-Trustee under the Manufacturing Agreements and Assignments shall be deemed to be a delivery hereunder to the Lessee at the point or points within the United States of America at which such Unit is delivered to the Owner-Trustee under the Manufacturing Agreements. Upon such delivery, the Lessee will cause an employee or agent of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such unit on behalf of the Owner-Trustee under the Manufacturing Agreements and Assignments and itself hereunder and execute and deliver to the Owner-Trustee a certificate of acceptance (hereinafter called the Certificate of Acceptance) in accordance with the provisions of Article 2 of the Manufacturing Agreements, stating that such Unit has been inspected and accepted on behalf of the Lessee and the Owner-Trustee on the date of such Certificate of Acceptance and is marked in accordance with § 5 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease. The Lessee hereby represents and warrants to the Owner-Trustee that no Unit shall be put into service earlier than the date of delivery to and acceptance by the Lessee as agent for the Owner-Trustee hereunder.

§ 3. Rentals. The Lessee agrees to pay to the Owner-Trustee, as rental for each Unit subject to this Lease, one payment on December 30, 1976, and thereafter 32 consecutive semiannual payments, payable on January 1 and July 1 in

each year, commencing July 1, 1977. The first rental payment shall be in an amount equal to interest (computed on the basis of a 360-day year of twelve 30-day months) based on the Purchase Price (as defined in the Manufacturing Agreements) of each Unit from the thirtieth day following the date of acceptance thereof pursuant to § 2 hereof to the Closing Date (as defined in the Security Document), at a rate per annum equal to the rate which Manufacturers Hanover Trust Company, New York, New York, charges for 90-day unsecured loans to large corporate borrowers of the highest credit standing from time to time in effect for the period such interest is payable; provided, however, that changes in such prime rate occurring during the ten business days preceding the Closing Date shall be disregarded; and provided, further, that such amount in respect of any Unit shall be the amount of interest on the Purchase Price thereof due the Builders thereof pursuant to the Manufacturing Agreements. The first sixteen semiannual rental payments shall each be in an amount equal to 4.4970% of the Purchase Price of each Unit subject to this Lease on the date of such payment; provided, however, that the rental payment due on July 1, 1977, shall include an additional amount equal to the interest accrued on the Trust Certificates (other than those prepaid on December 30, 1976) from the date or dates of issuance thereof through January 1, 1977. The remaining 16 semiannual rental payments shall each be in an amount equal to 3.6690% of the Purchase Price of each Unit subject to this Lease on the date of such payment. The foregoing amounts and rental rates have been calculated on the assumption that 68.0459% of the Purchase Price of the Units will be provided out of the proceeds of the sale on the Closing Date, of Trust Certificates in the aggregate principal amount of $578,595.27 due January 1, 1985, having an interest rate of 8-3/8% per annum, and Trust Certificates in the aggregate principal amount of $3,654,075.73 due January 1, 1992, having an interest rate of 8-3/4% per annum. If for any reason all of the Trust Certificates are not sold as contemplated, and the Owner-Trustee pays more than 31.9541% of the Purchase Price of any Unit pursuant to Section 4.03 of the Security Document on any Closing Date or if Trust Certificates are sold at interest rates other than those hereinabove specified, the Owner-Trustee and the Lessee agree that the rentals payable hereunder and the Casualty Value percentages set forth in Schedule B hereto will be appropriately adjusted in order that the Owner's net return (computed on the same assumptions, including, without limitation, tax rates, as were utilized by the Owner in originally evaluating the transaction) will not be increased or decreased by reason thereof; provided,

however, that the rentals and Casualty Value percentages, as so adjusted, shall not be reduced in any case from the amounts set forth herein other than to reflect any reduction in the interest rate on any Trust Certificate as aforesaid. The Lessee agrees that it will not have the right to inspect the tax returns or related documents of the Owner, the Owner-Trustee or any affiliate of the Owner or the Owner-Trustee in order to confirm any calculation made by the Owner pursuant to the immediately preceding sentence; provided, however, the Lessee shall have the right, upon demand, to have Thayer, Ringoen & Macdonald, or another independent party selected by the Lessee and approved by the Owner, which approval shall not be unreasonably withheld, review any calculations made by the Owner to determine the consistency of the methods and the assumptions used in such calculations with those used by the Owner in originally evaluating this transaction and the accuracy of such computations based on such methods and assumptions.

If any of the semiannual rental payment dates referred to above is not a Business Day (as such term is defined in the Security Document) the semiannual rental payment otherwise payable on such date shall then be payable on the next succeeding Business Day, and no interest shall be payable for the period from and after the nominal date for payment thereof to such next succeeding Business Day.

For so long as the Security Document shall remain in effect, the Owner-Trustee irrevocably instructs the Lessee to make all the payments due the Owner-Trustee provided for in this Lease to the Trustee, for the account of the Owner-Trustee, in care of the Trustee, with instructions to the Trustee (a) first to apply such payments to satisfy the obligations of the Owner-Trustee under the Security Document known to the Trustee to be due and payable on the date such payments are due and payable hereunder and (b) second, so long as no Event of Default under the Security Document shall have occurred and be continuing, to pay any balance promptly to the Owner-Trustee or to the order of the Owner-Trustee in immediately available funds at such place as the Owner-Trustee shall specify in writing.

The Lessee agrees to make each payment provided for herein as contemplated by this § 3 in immediately available or federal funds at or prior to 11:00 a.m. Salt Lake City time at the Corporate Trust Office (as defined in the Security Document) on the date due, or if the Security Document shall no longer be in effect, at the office of the

Owner-Trustee.

§ 4. Term of Lease. The term of this Lease as to each Unit shall begin on the date of delivery and acceptance of such Unit hereunder and, subject to the provisions of §§ 7, 10 and 13 hereof, shall terminate on January 1, 1993. Except for obligations of the Lessee hereunder which are not specifically stated to terminate at a fixed time, the obligations of the Lessee hereunder (including, but not limited to, the obligations under §§ 3, 6, 7, 9 and 14 hereof) shall survive the expiration of the term of this Lease.

Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights of the Trustee under the Security Document. If an Event of Default should occur under the Security Document, the Trustee may terminate this Lease (or rescind its termination), all as provided therein.

§ 5. Identification Marks. The Lessee will cause each Unit to be kept numbered with the identifying number set forth in Schedule A hereto, or in the case of any Unit not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words, "Owned by a Bank or Trust Company under a Security Agreement Filed under the Interstate Commerce Act, Section 20c", or other appropriate words designated by the Owner-Trustee, with appropriate changes thereof and additions thereto as from time to time may be required by law or reasonably requested in order to protect the Owner-Trustee's title to and the Trustee's security interest in such Unit and the rights of the Owner-Trustee under this Lease and of the Trustee under the Security Document. The Lessee will not place or permit any such Unit to be placed in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace or cause to be replaced promptly any such name and words which may be removed, defaced, obliterated or destroyed. The Lessee will not change or permit to be changed the identifying number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Trustee and the Owner-Trustee

and filed, recorded and deposited by the Lessee in all public offices where this Lease and the Security Document shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Trustee and the Owner-Trustee an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Trustee's and the Owner-Trustee's interests in such Units and no filing, recording, deposit or giving of notice with or to any other federal, state or local government or agency thereof is necessary to protect the interests of the Trustee and the Owner-Trustee in such Units.

Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may permit the Equipment to be lettered with the names, trademarks, initials or other insignias 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 of its rights to use the Equipment under this Lease, and the Equipment may be lettered in an appropriate manner for convenience of identification of the interest of the Lessee therein.

§ 6. Taxes. Whether or not any of the transactions contemplated hereby are consummated, the Lessee agrees to pay, and to indemnify and hold the Owner-Trustee, the Owner, the Trustee, the holders of Trust Certificates and the respective estates held in trust by the Owner-Trustee under the Trust Agreement and by the Trustee under the Security Document harmless from all taxes (income, gross receipts, franchise, sales, use, property [real or personal, tangible or intangible] and stamp taxes), assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon the Owner-Trustee, the Owner, the Trustee, the holders of Trust Certificates, the Lessee, the trust estates created by the Trust Agreement, the Builders (except for those taxes which are the responsibility of each Builder pursuant to Article 11 of such Builder's respective Manufacturing Agreement) or otherwise, by any federal, state or local government or governmental subdivision in the United States or by any foreign country or subdivision thereof, upon or with respect to: any Unit or any part thereof; the manufacture, the purchase, ownership, delivery, leasing, possession, use, operation, transfer of title, return or other disposition thereof; the rentals, receipts or

earnings arising therefrom or value added thereto; this Lease, the Lease Assignment, the Consent, the Trust Agreement, the Participation Agreement, the Security Document, the Manufacturing Agreements, the Assignments, the Trust Certificates or the issuance thereof under the Security Document, any payment made pursuant to any such agreement, or the property, the income or other proceeds received with respect to property held in trust by the Owner-Trustee under the Trust Agreement or by the Trustee under the Security Document (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes"); excluding, however: (i) Taxes of the United States or of any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is currently allowed a credit therefor against its United States Federal income taxes or is indemnified by the Lessee pursuant to Paragraph 9 of the Participation Agreement) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the Owner-Trustee (in its individual capacity), the Owner, the holders of Trust Certificates or the Trustee (in its individual capacity), other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Lease, provided that such Taxes of any foreign country or subdivision thereof incurred as a result of the indemnified party being taxed by such foreign country or jurisdiction on its worldwide income without regard to the transactions contemplated by this Lease shall be excluded whether or not the indemnified party is currently allowed a credit against its United States Federal income taxes; (ii) any Taxes imposed as a direct result of a voluntary transfer or other voluntary disposition by the Owner or any transfer or disposition by the Owner resulting from bankruptcy or other proceedings for the relief of creditors in which the Owner is the debtor, whether voluntary or involuntary, of any interest in any Unit or interest in rentals under this Lease without the consent of the Lessee, unless, in each case, such transfer or disposition is required or contemplated by this Lease or an Event of Default shall have occurred and be continuing; and (iii) any Taxes imposed on or measured by any trustee fees received by the Owner-Trustee or the Trustee; provided, however, that the Lessee shall not be required to pay any Taxes during the period it may be contesting the same in the manner provided in the next succeeding paragraph. The Lessee further agrees to pay on or before the time or times prescribed by law any tax imposed on or measured solely by the net income of the Lessee (or the affiliated

group, within the meaning of section 1504 of the Internal Revenue Code of 1954, as amended, of which the Lessee is a member) under the laws of the United States or of any state or political subdivision thereof, or of any foreign country or subdivision thereof which, if unpaid, might result in a lien or other encumbrance upon any Unit; provided, however, that the Lessee shall not be required to pay any such tax during the period it may be contesting the same.

If any person indemnified hereunder shall be allowed a credit for any foreign Taxes for which the Lessee shall have reimbursed such indemnified party, such indemnified party shall pay to the Lessee the amount of such credit, plus an amount equal to any tax benefits realized by such indemnified party as a result of any payment to the Lessee pursuant to this sentence. For purposes of this paragraph, in determining the order in which the indemnified party utilizes withholdings or other foreign taxes as a credit against such indemnified party's United States income taxes, such indemnified party shall be deemed to utilize (i) first, all foreign taxes other than those described in (ii) below and (ii) then, all foreign Taxes for which the Lessee shall have reimbursed such indemnified party pursuant to this § 6. Each indemnified party shall in good faith use reasonable efforts in filing its tax returns and in dealing with taxing authorities to claim a credit for any foreign taxes for which the Lessee shall have remibursed such indemnified party and otherwise to minimize any Taxes for which the Lessee is responsible under this § 6.

The amount which the Lessee shall be required to pay with respect to any taxes indemnified against pursuant to this § 6, shall be an amount sufficient to restore the indemnified party to the same position such indemnified party would have been in had such Taxes not been imposed.

If claim is made against any indemnified party for any Taxes indemnified against under this § 6, such party shall promptly notify the Lessee. If reasonably requested by the Lessee in writing, such indemnified party shall, upon receipt of indemnity satisfactory to it for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Lessee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. The Lessee may also contest, at its own expense, the validity, applicability or amount of such Taxes in the name of such indemnified party; provided that no proceeding

or action relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of such indemnified party in any such proceeding or action) without the prior written consent of such indemnified party. If such indemnified party shall obtain a refund of all or any part of such Taxes previously reimbursed by the Lessee in connection with any such contest or an amount representing interest thereon applicable to the amount paid by the Lessee and the period of such payment, such indemnified party shall pay to the Lessee the amount of such refund or interest net of expenses; provided, however, that no Event of Default and no event which, with notice or lapse of time or both, would constitute an Event of Default shall have occurred and be continuing.

In case any report or return is required to be made with respect to any obligation of the Lessee under this § 6 or arising out of this § 6, except obligations resulting from the second sentence of the first paragraph of this § 6, the Lessee shall either make such report or return in such manner as will show the interests of the Owner-Trustee in the Units, or shall promptly notify the Owner-Trustee, the Owner and the Trustee of such requirement and shall make such report or return in such manner as shall be satisfactory to the Owner-Trustee, the Trustee and the Owner. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Lessee.

All the obligations of the Lessee under this § 6 shall survive and continue, but only with respect to periods included in the term of this Lease, notwithstanding payment in full of all amounts due under the Security Document or the termination of this Lease. All amounts payable by the Lessee pursuant to this § 6 shall be payable directly to the indemnified party entitled to indemnification, except to the extent paid to a governmental agency or taxing authority. The foregoing indemnities by the Lessee shall not constitute a guaranty by the Lessee of the payment of any instalments of principal or interest payable under the Trust Certificates.

The Lessee shall furnish promptly, upon request, such information and data as is normally available to the Lessee and which the Owner-Trustee, the Trustee or the Owner reasonably may require to permit compliance with the requirements of any taxing authorities.

§ 7. Payment for Casualty Occurrences; Insurance. In the event that any Unit shall be or become worn out, lost, stolen, destroyed, irreparably damaged, or permanently rendered unfit for use from any cause whatsoever, or taken or requisitioned by condemnation or otherwise resulting in loss

of possession by the Lessee for a period of 90 consecutive days, except requisition for use by the United States Government for a period not in excess of the then remaining term of this Lease (such occurrences being hereinafter called Casualty Occurrences) during the term of this Lease, or until such Unit shall have been returned in the manner provided in §§ 11 or 14 hereof, the Lessee shall promptly and fully notify the Owner-Trustee and the Trustee with respect thereto. On the rental payment date next succeeding the delivery of such notice (or, in the event such rental payment date will occur within 15 days after delivery of notice, on the following rental payment date, or, in the event the term of this Lease has already expired or will expire within 15 days after delivery of such notice, on a date within 15 days of such delivery), the Lessee shall pay to the Owner-Trustee an amount equal to the rental payment or payments in respect of such Unit due and payable on such date plus the excess of (a) the Casualty Value of such Unit as of the rental payment date which first follows the actual date of the Casualty Occurrence (regardless of the date on which the determination that such Unit suffered the Casualty Occurrence is made) (such rental payment date being hereinafter called the Calculation Date) plus interest on such Casualty Value at the rate of 11% per annum, compounded semiannually, from the Calculation Date to the date payment pursuant to this § 7 is made, over (b) the sum of all rental payments made with respect to such Unit for periods subsequent to the Calculation Date plus interest on each such rental payment at the rate of 11% per annum, compounded semiannually, from the respective dates on which such rental payments are made to the date payment pursuant to this § 7 is made. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue as of the date of such payment, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Lessor shall be entitled to recover possession of such Unit. All references herein to January 1 or July 1 shall be deemed to refer to whichever such date shall occur soonest.

If the date upon which the making of such payment by the Lessee in respect of any Unit as required as aforesaid shall be after the term of this Lease in respect of such Unit has expired, no rental for such Unit shall accrue after the end of such term but the Lessee, in addition to paying the Casualty Value for such Unit (which shall be the same percentage of the Purchase Price as is indicated in Schedule B hereto opposite the last rental payment date), shall pay interest thereon from the end of such term to the date of such payment at the rate of 11% per annum (calculated on the basis of a 360-day year of twelve 30-day months).

The Owner-Trustee hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof, before or after the expiration of this Lease, at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Owner-Trustee and is not in default hereunder or an event which after notice or lapse of time or both would become a default hereunder, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Owner-Trustee.

The Casualty Value of each Unit as of the Calculation Date for each such Unit shall be that percentage of the Purchase Price of such Unit as is set forth in Schedule B hereto opposite such date.

In the event of the requisition for use by the United States Government of any Unit during the term of this Lease or any renewal thereof, unless such requisition shall at the time of such requisition be scheduled to extend beyond the then remaining term of this Lease, all of the Lessee's obligations under this Lease with respect to such Unit shall continue to the same extent as if such requisition had not occurred, except that if such Unit is returned by the Government at any time after the end of the term of this Lease, the Lessee shall be obligated to return such Unit to the Owner-Trustee pursuant to § 11 or 14 hereof, as the case may be, promptly upon such return by the Government rather than at the end of the term of this Lease, but the Lessee shall in all other respects comply with the provisions of said § 11 or 14, as the case may be, with respect to such Unit. All payments received by the Owner-Trustee or the Lessee from the Government for the use of such Unit during the term of this Lease shall be paid over to, or retained by, the Lessee provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing; and all payments received by the Owner-Trustee or the Lessee from the Government for the use of such Unit after the term of this Lease, shall be paid over to, or retained by, the Owner-Trustee.

Except as hereinabove in this § 7 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder.

The Lessee shall at all times while this Lease is in effect maintain or cause to be maintained, at its own expense, property and casualty insurance in respect of the Units at the time subject hereto, at least in amounts and against risks customarily insured against by railroad companies on similar equipment owned by them and in amounts and against risks customarily insured against by the Lessee on similar equipment owned by it.

The Lessee will, at all times prior to the return of the Equipment to the Owner-Trustee in accordance with the terms of this Lease, at its own expense, cause to be carried and maintained public liability insurance, in amounts and against risks customarily insured against by the Lessee in respect of similar equipment owned by it and the benefits thereof shall be payable to the Trustee, the Owner-Trustee and the Lessee, as their interests may appear, so long as the Trust Certificates shall not have been paid in full, and thereafter to the Owner-Trustee and the Lessee as their interests may appear. Any policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior notice of cancelation to the Owner-Trustee and (ii) name the Trustee, the Owner and the Owner-Trustee as additional named insureds as their respective interests may appear.

§ 8. Reports. On or before April 1 in each year, commencing with the calendar year 1977, the Lessee will furnish to the Owner-Trustee, the Owner and the Trustee an Officer's Certificate (as defined in the Security Document) (a) setting forth as at the preceding December 31 the amount, description and numbers of all Units then leased hereunder and covered by the Security Document, the amount, description and numbers of all Units that have suffered a Casualty Occurrence during the preceding calendar year (specifying the dates of such Casualty Occurrences) or to the knowledge of the Lessee are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Owner-Trustee or the Trustee may reasonably request and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and the markings required by § 5 hereof and the Security Document have been preserved or replaced. The Owner-Trustee shall have the right by its agents to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Owner-Trustee may request during

the continuance of this Lease.

§ 9. Disclaimer of Warranties; Compliance with Laws and Rules; Maintenance; Indemnification. NEITHER THE OWNER-TRUSTEE NOR THE OWNER MAKES, HAS MADE OR SHALL BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, OPERATION OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS OR ANY COMPONENT THEREOF DELIVERED TO THE LESSEE HEREUNDER, AND NEITHER THE OWNER-TRUSTEE NOR THE OWNER MAKES ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS OR ANY COMPONENT THEREOF FOR ANY PARTICULAR PURPOSE NOR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT OR ANY COMPONENT THEREOF (EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE), it being agreed that all such risks, as between the Owner-Trustee and the Lessee, are to be borne by the Lessee; but the Owner-Trustee hereby irrevocably 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 of and for the account of the Owner-Trustee and/or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Owner-Trustee may have against either Builder, including, but not limited to, any claims and rights arising under the provisions of the Manufacturing Agreements. The Owner-Trustee and the Owner shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstance in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Owner-Trustee that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Owner-Trustee based on any of the foregoing matters.

The Lessee agrees, for the benefit of the Owner-

Trustee, the Owner and the Trustee, to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units and in the event that such laws or rules require any alteration, replacement, modification or addition of or to any part of any Unit, the Lessee will fully conform therewith at its own expense; provided, however, that the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Owner-Trustee or the Trustee, adversely affect the property or rights of the Owner-Trustee or the Trustee under this Lease or under the Security Document.

The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Lease in good order and proper repair.

The Lessee and its affiliates, at their own cost and expense, may from time to time make such alterations, modifications and additions (including, without limitation, any special devices, assemblies or racks [including, but not limited to, automobile carrying superstructures] at any time attached or affixed to any Unit, the cost of which is not included in the Purchase Price of such Unit and which are not required for the operation or use of such Unit by the Interstate Commerce Commission, the United States Department of Transportation or any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over such Unit) (hereinafter collectively called Additions) to the Units as the Lessee may deem desirable in the proper conduct of its business so long as such Additions shall not be inconsistent with the continuing operation of the Units or accordance with their original conventional purpose including, but not limited to, the affixation of automobile carrying superstructures, and shall not diminish the value, utility or condition of the Units below the value, utility and condition thereof immediately prior to the making of such Additions,

assuming the Units were then in the condition required to be maintained by the terms of this Lease; provided, however, that no such Addition shall be made if it is not readily removable from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which the Unit would have had immediately prior to such time had such Addition not been made.

Title to all Parts (as hereinbelow defined) incorporated in or installed as part of the Units shall without further act vest in the Owner-Trustee and be subject to a valid first lien and prior perfected security interest under the Equipment Trust Agreement in the following cases: (i) such Part is in replacement of or in substitution for, and not in addition to, any Part originally incorporated in or installed as part of a Unit at the time of the acceptance thereof hereunder or any Part in replacement of, or in substitution for any such original Part, (ii) such Part is required to be incorporated in or installed as part of the Units pursuant to the terms of the second or third paragraph of this § 9, or (iii) notwithstanding the provisions of the fourth paragraph of this § 9, such Part cannot be readily removed from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which such Unit shall have had at such time had such alteration or addition not occurred. In all other cases, if no Event of Default under § 10 hereof (or other event which after lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, title to Parts incorporated in or installed as parts of the Units as a result of such alterations or additions shall vest in the Lessee. The term Part for the purposes of this paragraph and § 14 hereof shall be defined to include any appliance, part, instrument, accessory, furnishing or other equipment of any nature which may from time to time be incorporated in or installed as part of any Unit.

The Lessee shall pay, and shall protect, indemnify and hold the Owner-Trustee, the Owner, the holders of Trust Certificates and the Trustee, and their respective successors, assigns, agents and servants (hereinafter called Indemnified Persons), harmless from and against any and all causes of action, suits, penalties, claims, demands or judgments, of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements,

expenses [including without limitation attorneys' fees and expenses of any Indemnified Person] relating thereto) in any way relating to or arising or alleged to arise out of this Lease or the Units, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale, return or other disposition of any Unit or portion thereof; (ii) any latent or other defects whether or not discoverable by any Indemnified Person or the Lessee; (iii) any claim for patent, trademark or copyright infringement; (iv) any claims based on strict liability in tort; (v) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner growing out of or concerned with, or alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units (whether owned or under the control of the Owner-Trustee, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; (vi) any violation, or alleged violation, of any provision of this Lease (except by the Owner-Trustee) or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof; (vii) any claim arising out of any of the Owner-Trustee's obligations under the Lease Assignment, the Security Document or the Participation Agreement, except to the extent such claim arises from an act or omission of the Owner-Trustee; or (viii) any claim arising out of the Trustee's holding a security interest under the Security Document or the Lease Assignment. All payments hereunder shall be made directly to the Indemnified Person. The Lessee shall be obligated under this § 9, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Lessee under this § 9 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any claim indemnified against hereunder, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Lessee and approved by such Indemnified Person, as the case may be, and, in the

event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to make any payment under this § 9, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Lessee and the Owner-Trustee each agrees to give each other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against. Upon the payment in full of any indemnities as contained in this § 9 by the Lessee, and provided that no Event of Default (or other event which with lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, it shall be subrogated to any right of such Indemnified Person in respect of the matter against which indemnity has been given. Any payments received by such Indemnified Person from any person (except the Lessee) as a result of any matter with respect to which such Indemnified Person has been indemnified by the Lessee pursuant to § 8 shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments previously made in respect of such matter.

The Lessee further agrees to indemnify, protect and hold harmless the holders of Trust Certificates, the Trustee, the Owner and the Owner-Trustee, as third party beneficiaries hereof, from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the holders of Trust Certificates, the Trustee, the Owner and the Owner-Trustee because of the use in or about the construction or operation of any of the Equipment of any article or material specified by the Lessee and not manufactured by the applicable Builder or of any design, system, process, formula or combination specified by the Lessee and not developed or purported to be developed by such Builder which infringes or is claimed to infringe on any patent or other right. The Lessee will give notice to the

applicable Builder of any claim known to the Lessee from which liability may be charged against such Builder hereunder.

The indemnities contained in this § 9 shall survive the expiration or termination of this Lease with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of, and shall be enforceable by any Indemnified Person. None of the indemnities in this § 9 shall be deemed to create any rights of subrogation in any insurer or third party against the Lessee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

The Lessee agrees at its expense to prepare and deliver to the Owner-Trustee within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Owner-Trustee) any and all reports (other than income tax returns) to be filed by the Owner-Trustee with any federal, state or other regulatory authority by reason of the ownership by the Owner-Trustee or the Trustee of the Units or the leasing thereof to the Lessee.

§ 10. Default. If, during the continuance of this Lease, one or more of the following events (each such event being herein sometimes called an Event of Default) shall occur:

A. payment of any part of the rental provided in § 3 or § 13 hereof or payment in respect of any Casualty Occurrence pursuant to § 7 hereof shall not be made by or on behalf of the Lessee, and such failure to make payment shall continue for five days after such payment is due; or

B. 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 or in the Participation Agreement or the Consent, and such default shall continue for 20 days after written notice from the Owner-Trustee or the Trustee to the Lessee specifying the default and demanding that the same be remedied; or

C. any proceedings shall be commenced by or against the Lessee for any relief which includes, or might result in, any modification of the obligations of the Lessee

under this Lease, the Participation Agreement or the Consent under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extension (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder, under the Participation Agreement or under the Consent), 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, under the Participation Agreement or under the Consent, as the case may be, shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) 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, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier; or

D. an Event of Default set forth in Article Six of the Security Document shall have occurred arising out of any default by the Lessee in performing any of its obligations hereunder or under the Participation Agreement; or

E. any representation or warranty made by the Lessee in the Participation Agreement or in any document or certificate furnished the Owner-Trustee, the Owner, the Trustee or the holder of any Trust Certificate in connection herewith or therewith or pursuant hereto or thereto shall be incorrect when made in any material respect adverse to such parties or any thereof at the time the Lessee becomes aware of such condition and such condition shall continue unremedied for a period of 30 days after the Lessee becomes aware of such condition;

then, in any such case, the Owner-Trustee, at its option, may,

(a) 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

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Owner-Trustee may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever and without any duty to account to the Lessee for such action or inaction or for any proceeds arising therefrom; but the Owner-Trustee 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 multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Owner-Trustee, in its sole discretion, shall specify: (x) a sum with respect to each Unit which represents the excess of (1) the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over (2) the then present value of the rentals which the Owner-Trustee reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 6% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, together with any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Owner-Trustee shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of the rental; or (y) an amount equal to the excess, if any, of the Casualty Value as of the rental payment date on or next preceding the date of termination over the amount the Owner rea-

sonably estimates to be the sales value (after deduction of all estimated expenses of such sale) of such Unit at such time; provided, however, that in the event the Owner-Trustee shall have sold any Unit, the Owner-Trustee, in lieu of collecting any amounts payable to the Owner-Trustee by the Lessee pursuant to the preceding clauses (x) and (y) of this part (b) with respect to such Unit, may, if it shall so elect, demand that the Lessee pay the Owner-Trustee and the Lessee shall pay to the Owner-Trustee on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit, as of the rental payment date on or next preceding the date of termination, over the net proceeds of such sale.

In addition, the Lessee shall be liable, except as otherwise provided above, for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies and for all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any event of Default or the exercise of the Owner's or the Owner-Trustee's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Unit.

The remedies in this Lease provided in favor of the Owner and the Owner-Trustee 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 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 to any offset against the rental payments due hereunder, and agrees to make rental payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Owner-Trustee to exercise the rights granted it hereunder upon the 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 and a waiver of any such right on one occasion shall not constitute a waiver of such right as to any other occasion and shall not be effective unless in writing signed by the Owner-Trustee.

The Lessee also agrees to furnish the Owner-Trustee, the Owner and the Trustee, promptly upon any responsible officer's becoming aware of any condition which constitutes an Event of Default under the Lease or which, after notice or lapse of time or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof. For the purposes of this Section, a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any corporate official of the Lessee who in the normal performance of his operational responsibilities would have knowledge of such matter and the requirements of this Lease with respect thereto.

§ 11. Return of Units Upon Default. If this Lease shall terminate pursuant to § 10 hereof, the Lessee shall forthwith deliver possession of the Units to the Owner-Trustee and shall give prompt telegraphic and written notice to the Association of American Railroads and all railroads having possession of any Unit so to return such Units. Each Unit returned to the Owner-Trustee pursuant to this § 11 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear and modifications, if any, permitted by this Lease excepted and (ii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable. For the purpose of delivering possession of any Unit or Units to the Owner-Trustee as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner cause such Units to be transported to such location as shall reasonably be designated by the Owner-Trustee and there assembled,

(b) furnish and arrange for the Owner-Trustee to store such Units on any lines of railroad or premises approved by the Owner-Trustee until such Units have been sold, leased or otherwise disposed of by the Owner-Trustee, and

(c) cause the Units to be moved to such interchange point or points as shall be designated by the Owner-Trustee upon any sale, lease or other disposal of all or any of the Units.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and, upon application to any court of equity having jurisdiction in the premises, the Owner-Trustee shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. During any storage period, the Lessee will permit the Owner-Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same. In the event that the Units or any thereof are sold the Lessee shall pay to the Owner-Trustee the per diem interchange for each such Unit which shall not have been assembled, delivered and stored, as hereinbefore provided, by the date of such sale for each day from the date of such sale to the date of delivery to the purchaser thereof.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this § 11, the Lessee hereby irrevocably appoints the Owner-Trustee as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Owner-Trustee, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit at the time.

§ 12. Assignment; Possession and Use. This Lease shall be assignable in whole or in part by the Owner-Trustee without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Owner-Trustee other than the Trustee except upon written notice of such assignment from the Owner-Trustee. All the rights of the Owner-Trustee hereunder (including, but not limited to, the rights under §§ 6, 7 and 10 and the rights to receive the rentals payable under this Lease) shall inure to the benefit of the Owner and the Owner's and the Owner-Trustee's assigns.

So long as no Event of Default exists hereunder or under the Security Document and the Lessee shall have fully complied with the provisions of this § 12, the Lessee shall be entitled to the possession of the Units and also to sublease the Units to, or to permit their use under the terms of car contracts by, a sublessee or user incorporated

in the United States of America (or any State thereof or the District of Columbia) or Canada (or any Province thereof), upon lines of railroad owned or operated by a railroad company or companies incorporated in the United States of America (or any State thereof or the District of Columbia) or Canada (or any Province thereof), or over which such railroad company or companies have trackage rights or rights for operation of their trains, and upon connecting and other carriers in the usual interchange of traffic in the continental United States, only upon and subject to all the terms and conditions of this Lease; provided, however, that if the Lessee subleases or permits the use of any Unit in Canada (or any Province or Territory thereof), the Lessee shall, except as otherwise provided in § 15 hereof, first have (a) taken all necessary action to protect the right, title and interest of the Lessor and the Trustee in the Units to be so subleased or used and (b) furnished the Owner-Trustee and the Trustee with an opinion of Canadian counsel, as the case may be, satisfactory to the Owner-Trustee and the Trustee to the effect that such action is all that is necessary to protect the right, title and interest of the Owner-Trustee and the Trustee in such Units; provided, further, that no Units shall be used predominantly outside the United States of America within the meaning of section 48(a) of the Internal Revenue Code of 1954, as amended to the date hereof, nor shall the Lessee sub-lease the Units to, or permit their use by, any person in whose hands such Units would not qualify as "section 38" property within the meaning of such Code.

Any such sublease may provide that the sublessee, so long as it shall not be in default under such sublease, shall be entitled to the possession of the Units included in such sublease and the use thereof; provided, however, that every such sublease shall be subject to the rights and remedies of the Trustee under the Security Document and the Owner-Trustee under this Lease in respect of the Units covered by such sublease upon the occurrence of an Event of Default thereunder or hereunder.

The Lessee, at its own expense, will as soon as possible cause to be duly discharged any lien, charge, security interest or other encumbrance (except any sublease or car contract as aforesaid and other than an encumbrance resulting from claims against the Owner-Trustee or the Trustee not related to the ownership or leasing of, or the security interest of the Trustee in, the Units) which may at any time be imposed on or with respect to any Unit including any acces-

sion thereto or the interest of the Owner-Trustee, the Trustee or the Lessee therein. The Lessee shall not, without the prior written consent of the Owner-Trustee, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of this § 12.

Nothing in this § 12 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the Units to any corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which shall have specifically assumed the obligations of the Lessee hereunder and under the Consent by an appropriate instrument in writing) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety, provided that such assignee or transferee will not, upon the effectiveness of such merger, consolidation or acquisition be in default under any provision of this Lease.

§ 13. Renewal Options and Right of First Refusal. The Owner-Trustee intends to retain the Units for re-lease at the expiration of the term of this Lease. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Owner-Trustee not less than six months prior to the end of the original term of this Lease elect to extend the term of this Lease in respect of all, but not fewer than all, the Units then covered by this Lease for one additional four-year period commencing on the scheduled expiration of the original term of this Lease, at a semiannual rental equal to 2.0700% of the Purchase Price of each Unit subject to this Lease on the date such rental is payable; such rental is payable in arrears on January 1 and July 1 in each year of the extended term of this Lease.

Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Owner-Trustee not less than six months prior to the end of the term of this Lease as extended pursuant to the first paragraph of this § 13, elect to extend the term of this Lease in respect of all but not fewer than all of the Units then covered by this Lease, for an additional five-year period commencing on the scheduled expiration of the extended term of this Lease, at a "Fair Market Rental" payable in semi-

annual payments on the semiannual anniversaries of the expiration of the preceding extended term.

Fair Market Rental shall be determined on the basis of, and shall be equal in amount to, the rental 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 and, in such determination, costs of removal from the location of current use shall not be a deduction from such rental. If, after 60 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, the Owner-Trustee and the Lessee are unable to agree upon a determination of the Fair Market Rental of the Units, such rental shall be determined in accordance with the foregoing definition by the following procedure: If either party to such determination shall have given written notice to the other requesting determination of such value by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 20 business days after such notice is given, either party may apply, to make such appointment, to the American Arbitration Association, and both parties shall be bound by any appointment so made. Any appraiser appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the Units subject to the proposed extended term within 90 days after his appointment. If the parties shall have appointed a single appraiser the determination of Fair Market Rental of the single appraiser appointed shall be final. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne by the Lessee.

In the event that the Lessee shall in its reasonable judgment determine that it is not economically feasible for the Lessee to comply with the provisions of the second paragraph of § 9 hereof or clause (iii) of § 14 hereof during any extended term of this Lease as extended pursuant to the provisions of the first or second paragraph of this § 13, whichever is applicable, with respect to any Unit, the Lessee shall have the right at its option, on at least 30 days' prior written

notice to the Owner-Trustee, to terminate this Lease as to such Unit (subject to the provisions for the survival of indemnification obligations contained in § 9 hereof) as of the next scheduled rental payment date during such extended term upon payment to the Owner-Trustee of the present value as of such date of termination of the remaining rental for such Unit during such extended term with the semiannual rentals discounted semiannually at an annual rate of 11%.

Provided the Lessee exercises the renewal option provided in the first paragraph of this § 13, and provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, and provided that the lessee has not exercised its renewal option pursuant to the provisions of the second paragraph of this § 13, in the event the Owner-Trustee elects to sell any Units to third parties at the expiration of the term of this Lease as extended pursuant to the first paragraph of § 13 hereof, the Lessee, at its written request, shall be given written notice of such intention prior to the expiration of the term of this Lease as so extended. In the event that the Owner-Trustee shall receive, prior to March 31, 1997, a bona fide offer in writing from another party to purchase the Units and the Owner-Trustee elects to sell the Units pursuant to such offer at the expiration of the term of this Lease as extended pursuant to the first paragraph of this § 13, the Owner-Trustee shall give written notice to the Lessee of such offer. Such notice shall be given to the Lessee on any date between July 1, 1996, and March 31, 1997, and shall include the price offered by the other party in writing to the Owner-Trustee. The Lessee shall have the sole right and option, for a period of 10 business days from the date of receipt of such notice, to purchase the Units for cash at the price at which the Units are proposed to be sold. The Lessee shall exercise such purchase right by delivery to the Owner-Trustee of a written notice specifying a date of purchase, which date shall not be later than the later of (i) 15 days after the date of delivery of such notice by the Lessee to the Owner-Trustee or (ii) March 31, 1997. In the event that the Lessee shall have delivered a notice of its election to purchase the Units, this Lease (including the obligation to pay rent) shall be further extended upon the same terms and conditions set forth herein from the date such notice is delivered to the Owner-Trustee until the date of such purchase.

§ 14. Return of Units upon Expiration of Term. On or prior to the termination of the term of this Lease or as soon as practicable on or after the termination of the term of this Lease and in any event not later than 90 days after the termination of the term of this Lease the Lessee will, at its own cost and expense, at the request of the

Owner-Trustee, cause each Unit to be transported to such point or points as shall be reasonably designated by the Owner-Trustee immediately prior to such termination and arrange for the Owner-Trustee to store such Unit on any lines of railroad or premises approved by the Owner-Trustee for a period not exceeding 90 days from the date at which at least 90% of such Units are first placed in storage pursuant to this § 14; the assembly, delivery, storage and transporting of such Unit to be at the expense and risk of the Lessee. During any such storage period the Lessee will permit the Owner-Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable except in the case of negligence or intentional act of the Lessee or of its employees or agents and, except to the extent otherwise provided by law, for any injury to or the death of any person exercising, either on behalf of the Owner-Trustee or any prospective purchaser or Lessee, the rights of inspection granted under this sentence. The assembly, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Owner-Trustee shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to cause the assembly, delivery, storage and transporting of the Units. Each Unit returned to the Owner-Trustee pursuant to this § 14 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) have attached or affixed thereto any Part title to which is in the Owner-Trustee pursuant to § 9 hereof and have removed therefrom at Lessee's expense any Part title to which is in the Lessee or any other person pursuant to such § 9 and (iii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable. If any Unit suffers a Casualty Occurrence during any storage period provided for in this § 14, the Lessee shall pay to the Owner-Trustee the Casualty Value of such Unit as determined in accordance with § 7 hereof. All gross amounts earned in respect of any Unit shall, from and after the termination of this Lease as to such Unit, belong to and be the property of the Owner-Trustee. In the event that by the 90th day after the termination of the original or any extended term of this Lease the Lessee has not, at the request of the Owner-Trustee, caused at least 90% of the Units to be transported to such point or points as shall have been designated by the Owner-Trustee pursuant to this § 14, the Lessee shall pay to the Owner-Trustee the per diem inter-

change multiplied by the number of Units equal to the difference between 90% of such Units and the number of Units previously delivered pursuant to this § 14 (such number to be determined on each day) for each day from such 90th day to the date on which at least 90% of the Units have been so transported. If, after the termination of the 90-day storage period provided in this § 14, any Units have not been so transported, the Lessee shall pay to the Owner-Trustee the per diem interchange for each Unit not so transported for each day after the end of such storage period until such Unit or Units have been so transported.

Upon the expiration of the original term of this Lease on January 1, 1993, if the Lessee shall decide not to exercise the renewal option provided by the first paragraph of § 13 hereof, the Lessee will deliver to the Owner-Trustee Officer's Certificates (as that term is defined in the Security Document) to the effect that (a) no Event of Default or any event which with lapse of time or notice or both would constitute an Event of Default had occurred or was continuing as of January 1, 1993; (b) no liens, charges, security interests or other encumbrances (except an encumbrance resulting from claims against the Owner-Trustee or the Owner) were, as of January 1, 1993, imposed on or with respect to any Unit, any accession thereto, or the interest of the Owner-Trustee or the Owner therein; and (c) the Units have been returned to the Owner-Trustee pursuant to this § 14 in the same operating order, repair and condition required by the first paragraph of this § 14. If Officer's Certificates are required to be furnished pursuant to the preceding sentence, the Officer's Certificate described in clause (a) in the preceding sentence shall be furnished on January 1, 1993, and the Officer's Certificates described in clauses (b) and (c) in the preceding sentence shall be furnished on a monthly basis, beginning on February 1, 1993, and such Officer's Certificate shall cover each Unit returned during the preceding 30 calendar days and shall apply to each such Unit as of the date such Unit was returned pursuant to the provisions of the first paragraph of this § 14.

§ 15. Recording. The Lessee, at its own expense, will cause this Lease, the Security Document, the Lease Assignment and any assignment hereof or thereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. The Lessee will undertake the filing, registering, deposit, and recording required of the Owner-Trustee under the Security Document and will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, re-register, deposit and redeposit or re-record whenever required) any and all further instruments required by law or reasonably requested by the Owner-

Trustee or the Trustee for the purpose of proper protection, to their satisfaction, of the Trustee's and the Owner-Trustee's respective interests in the Units, or for the purpose of carrying out the intention of this Lease, the Security Document or the Lease Assignment; provided, however, that the Lessee shall not be required to take any such action in respect of any jurisdiction outside the United States if (1) the Lessee deems such action to be unduly burdensome, (2) after giving effect to the failure to take such action, the Lessee has taken all action required by law to protect the title of the Owner-Trustee to and the security interest of the Trustee in Units having a Fair Value (as defined in the Security Document) of not less than 85% of the aggregate Fair Value of all the Units then subject to this Lease, and (3) any Unit at any time located in such jurisdiction shall have been marked with the markings specified in § 5 hereof.

The Lessee will promptly furnish to the Trustee and the Owner-Trustee evidence of all such filing, registering, depositing or recording, and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Trustee and the Owner-Trustee. This Lease and the Security Document shall be filed and recorded with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any Unit.

§ 16. Provisions Concerning Subordinated Notes. It is the intention of the parties hereto, and the Lessee hereby represents and warrants to such effect, that the obligations of the Lessee under this Lease shall be superior in right of payment to all the Lessee's Thirty Year Subordinated Notes sold or to be sold pursuant to a Note Purchase Agreement dated as of January 1, 1967, between the Lessee and certain of its stockholders. The Lessee covenants and agrees that if an Event of Default exists hereunder or an Event of Default (as defined in the Security Document) exists under the Security Document or any event which, with the giving of notice or the lapse of time, or both, would constitute an Event of Default hereunder or under the Security Document, shall have occurred and be continuing, the Lessee will not voluntarily prepay or retire any of such Notes.

The Lessee agrees not to merge or consolidate with any other corporation unless the survivor of such merger or consolidation shall be a solvent corporation organized under the laws of the United States of America or a State thereof or the District of Columbia and such survivor (if not the Lessee) shall assume all the obligations and liabilities of the Lessee hereunder and under the Lessee's Consent and Agreement to the Lease Assignment.

§ 17. Increase of User Rates. The Lessee covenants and agrees, in addition to and not in limitation of any other remedies of the Owner-Trustee hereunder or otherwise, (i) that, if an Event of Default exists under clause A of § 10 hereof by reason of the failure of the Lessee to pay within the grace period provided in clause A of § 10 hereof all or any part of the rentals due and payable under § 3 hereof (but not including amounts payable by reason of acceleration of the date of payment thereof), the Lessee shall, upon written notice by the Owner-Trustee so to do, within ten days after receipt of such notice, deliver to all parties to its Form A and Form B car contracts (or such other forms as may hereafter be used in substitution or in replacement of such Form A and Form B car contracts) due and proper notice of increases in the car user charges under such contracts, (ii) that all car contracts covering any unit or units of railroad equipment of which the Lessee is the owner or the lessee will contain provisions permitting the Lessee to require such increases and (iii) that, except in connection with an assignment or transfer in accordance with the provisions of the Security Document, the Lessee will not assign or transfer its rights and obligations to require such increases under any such car contracts. Such increases shall commence to accrue and shall be effective on the first day of the first calendar month beginning subsequent to ten days after delivery of such notice by the Lessee to the parties to such car contracts. Such increases shall be in such amounts or percentages as will cause to accrue and be payable to the account of the Lessee in respect of the first calendar month during which they are in effect such additional sums of money as will be needed by the Lessee to enable it to pay as rental hereunder an amount equal to all such overdue rentals (with interest on overdue rentals equal to 11% per annum, to the extent that it shall be legally enforceable) and, to the extent permitted by the Owner-Trustee hereunder, to cure any defaults in payment of any principal or interest or rentals payable under comparable provisions of any other equipment trust, conditional sale or other equipment agreement or lease of the Lessee not guaranteed jointly and severally by its shareholders or a group of its shareholders (except defaults arising by reason of acceleration of the date of payment of instalments of principal, dividends or interest, or rentals intended to provide for payment thereof), whether heretofore or hereafter entered into, based upon the most recent records or information available to the Lessee relating to the use of its cars. If for any reason any such increases so made by the Lessee shall fail to provide in 90 days sufficient cash to enable the Lessee to cure such default or defaults hereunder and under any other such agreements, or if cash is provided but

is not for any reason applied to cure such defaults, the Lessee shall, upon receipt of written notice from the Owner-Trustee so to do, promptly make such further increases in its user charges as may from time to time be necessary to enable the Lessee to cure all such defaults hereunder and under such other agreements.

§ 18. Obligations of Owner-Trustee Under Security Document; Additional Rentals. In the event that the Owner-Trustee shall become obligated to make any payment (other than payments in settlement for Equipment pursuant to the Security Document and pursuant to the proviso to the third paragraph of Section 7.01 thereof) or to perform any obligations pursuant to the Security Document not covered by the provisions of this Lease, the Lessee shall pay such additional rentals hereunder and perform such obligations so that all of the Owner-Trustee's obligations (other than as aforesaid) pursuant to the Security Document shall be fully complied with, without regard for any limitation of liability of the Owner-Trustee contained in the Security Document.

§ 19. Owner-Trustee's Right To Perform for the Lessee. If the Lessee fails to perform or comply with any of its agreements contained herein, the Owner-Trustee may upon notice to the Lessee itself perform or comply with such agreement, and the amount of the reasonable cost and expenses of the Owner-Trustee incurred in connection with such performance or compliance, together with interest on such amount at the rate of 11% per annum, payable by the Lessee upon demand.

§ 20. Interest on Overdue Rentals. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay an amount equal to interest at a rate of 11% per annum on the overdue rentals and other obligations for the period of time during which they are overdue or such lesser amount as may be legally enforceable.

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

if to the Owner-Trustee, at Main Street at Broadway, Salt Lake City, Utah 84111, with a copy to First Security Bank of Utah, N.A., at 79 South Main street, Salt Lake City, Utah 84111, attention of Trust Department, Corporate Trust Division;

if to the Lessee, at 300 South Wacker Drive, Chicago, Illinois 60606, attention of Vice President-Finance and Treasurer;

or addressed to any party at such other address as such party shall hereafter furnish to the other parties in writing. Any certificate, document or report required to be furnished by any party hereto to the other parties shall be delivered to the address set forth above for such party. Any notice to the Lessee by the Trustee or the holders of the Trust Certificates regarding the Lessee's failure to perform any obligation hereunder shall also be furnished by the Lessee to the Owner-Trustee.

§ 22. Owner-Trustee Acting as Trustee. The representations, undertakings and agreements herein made on the part of the Owner-Trustee are made and intended for the purpose of binding only the Trust Estate as such term is defined in the Trust Agreement.

Whenever the term Owner-Trustee is used in this Lease it shall apply and refer to the Owner-Trustee and any assignee of the Owner-Trustee.

§ 23. No Recourse. No recourse shall be had in respect of any obligation due under this Lease, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the Owner-Trustee or the Lessee, or against the Owner or any other beneficiary of a trust for which the Owner-Trustee is acting as trustee, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors, officers, as such, or beneficiaries being forever released as a condition of and as consideration for the execution of this Lease.

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, undertakings and agreements herein made on the part of the Owner-Trustee are each and every one of them made and intended not as personal representations, undertakings and agreements by the Owner-Trustee, or for the purpose or with the intention of binding the Owner-Trustee personally but are made and intended for the purpose of binding only the Trust Estate and this Agreement is executed and delivered by the Owner-Trustee solely in the exercise of the powers expressly

conferred upon the Owner-Trustee as Owner-Trustee under the Trust Agreement; and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Owner-Trustee (except as provided in Section 4.01 of the Trust Agreement) or on account of representation, undertaking or agreement of the Owner-Trustee, as Owner-Trustee (except as provided in Section 4.01 of the Trust Agreement) either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee and by all persons claiming by, through or under the Lessee; provided, however, that the Lessee or any person claiming by, through or under the Lessee making claim hereunder, may look to said Trust Estate for satisfaction of the same.

§ 24. Severability; Effect and Modification of Lease; Third Party Beneficiaries. 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 provision in any other jurisdiction.

This Lease exclusively and completely states the rights of the Owner-Trustee and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto, except the Participation Agreement. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Owner-Trustee and the Lessee.

Nothing in this Lease shall be deemed to create any right in any person not a party hereto (other than the Owner, the Trustee and the permitted successors and assigns of a party) and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party except as aforesaid.

§ 25. Execution. This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Trustee shall be deemed to be the original counterpart. Although for convenience this Lease is dated as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

§ 26. Law Governing. The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

§ 27. Agreement for Benefit of Owner. All rights of the Owner-Trustee hereunder (including, but not limited to, its rights under §§ 6, 7, 9 and 10 and the right to receive the rentals payable under this Lease) shall inure to the benefit of the Owner and any of the Owner's assigns under the Trust Agreement.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

TRAILER TRAIN COMPANY,

by

_____
Vice President-Finance
and Treasurer

[CORPORATE SEAL]

Attest:

_____
Assistant Secretary

FIRST SECURITY STATE BANK,
not in its individual capacity,
but solely as Owner-Trustee,

by

_____
Authorized Officer

[CORPORATE SEAL]

Attest:

_____
Authorized Officer

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

On this day of November 1976, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is Vice President-Finance and Treasurer of Trailer Train 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

STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this day of November 1976, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of First Security State Bank, 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 By-laws, 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

Type	Quantity	Company Car Numbers (Incl.)	Estimated Base Price	Total	Estimated Time of Delivery	Specification Contract No.
Pullman Incorporated (Pullman Standard Division)						
89' 4" 70-ton low level flat cars for auto rack service	137	851112-851197 851223-851242 851284-851300 851318-851331	$32,000	$4,384,000	Prior to December 30, 1976	T-2076-P, T-3076-P, T-4076-P
Bethlehem Steel Corporation						
89' 4" 70-ton low level flat cars for auto rack service	57	700200-700215 700250-700279 700374-700384	$32,000	$1,824,000	Prior to December 30, 1976	T-3076-B, T-4076-B
	194			$6,208,000		

Casualty Values*

Rental Payment Date	Percentage	Rental Payment Date	Percentage
July 1, 1977	105.94	July 1, 1987	55.15
January 1, 1978	105.90	January 1, 1988	53.16
July 1, 1978	105.59	July 1, 1988	51.08
January 1, 1979	105.04	January 1, 1989	48.91
July 1, 1979	104.26	July 1, 1989	46.67
January 1, 1980	103.41	January 1, 1990	44.34
July 1, 1980	95.32	July 1, 1990	41.93
January 1, 1981	94.02	January 1, 1991	39.42
July 1, 1981	92.50	July 1, 1991	36.84
January 1, 1982	91.32	January 1, 1992	34.16
July 1, 1982	82.61	July 1, 1992	31.78
January 1, 1983	80.29	January 1, 1993	29.46
July 1, 1983	78.01	July 1, 1993	28.63
January 1, 1984	76.12	January 1, 1994	27.77
July 1, 1984	66.57	July 1, 1994	26.86
January 1, 1985	63.91	January 1, 1995	25.91
July 1, 1985	62.20	July 1, 1995	24.92
January 1, 1986	60.59	January 1, 1996	23.88
July 1, 1986	58.87	July 1, 1996	22.80
January 1, 1987	57.06	January, 1997 and thereafter	20.00

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* The Casualty Value of each Unit as of any rental payment date shall be that percentage of the Purchase Price of such Unit as is set forth in the above schedule opposite each such rental payment date.

Annex II to the
Equipment Trust Agreement

ASSIGNMENT OF LEASE AND AGREEMENT dated as of October 1, 1976 (hereinafter called this Assignment), by and between FIRST SECURITY STATE BANK, not in its individual capacity but solely as Trustee (hereinafter, together with its successors and assigns, called the Owner-Trustee) under a Trust Agreement dated as of the date hereof, with Ford Motor Credit Company (hereinafter called the Owner), and FIRST SECURITY BANK OF UTAH, N.A., not in its individual capacity but solely as Trustee (hereinafter called the Trustee).

WHEREAS the Owner-Trustee and the Trustee have entered into an Equipment Trust Agreement dated as of the date hereof (hereinafter, together with amendments and supplements thereto, being called the Security Document); and

WHEREAS the Owner-Trustee and Trailer Train Company (hereinafter called the Lessee) have entered into a Lease of Railroad Equipment dated as of the date hereof (hereinafter, together with the amendments and supplements thereto, being called the Lease), providing for the leasing by the Owner-Trustee to the Lessee of certain units of railroad equipment (hereinafter called the Units); and

WHEREAS, in order to provide security for the obligations of the Owner-Trustee under the Security Document and as an inducement to the purchasers of Equipment Trust Certificates issued pursuant to the Security Document (hereinafter called the Equipment Trust Certificates) to invest in said Equipment Trust Certificates, the Owner-Trustee agrees to assign for security purposes its rights in, to and under the Lease to the Trustee;

NOW, THEREFORE, in consideration of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. Subject to the provisions of Paragraph 10 hereof, the Owner-Trustee hereby assigns, transfers and sets over unto the Trustee, as collateral security for the payment and performance of the Owner-Trustee's obligations under the Security Document, all the Owner-Trustee's right, title and interest, powers, privileges, and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other

sums payable to or receivable by the Owner-Trustee from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity (except sums which by the express terms of the Lease are payable directly to the Owner or Owner-Trustee pursuant to Sections 6 and 9 of the Lease), liquidated damages, or otherwise (such moneys being hereinafter called the Payments), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Owner-Trustee is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Owner-Trustee hereby irrevocably authorizes and empowers the Trustee in its own name, or in the name of its nominee, or in the name of the Owner-Trustee or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Owner-Trustee is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Trustee agrees to accept any Payments made by the Lessee for the account of the Owner-Trustee pursuant to the Lease. To the extent received, the Trustee will apply such Payments to satisfy the obligations of the Owner-Trustee under the Security Document then due and payable, subject to the limitations contained in the last paragraph of Section 5.04 of the Security Document, and any balance held by the Trustee hereunder for the account of the Owner-Trustee shall be deemed to be held in trust for the Owner-Trustee and shall be paid immediately to and retained by the Owner-Trustee. If the Trustee shall not receive any rental payment under the first paragraph of § 3 of the Lease or any payment of Casualty Values under § 7 of the Lease when due, the Trustee shall promptly notify the Owner-Trustee by telegraphic communication at the address set forth in the Lease. Failure to so notify the Owner-Trustee shall not affect the rights and remedies of the Trustee hereunder or under the Security Document but the Trustee (solely in its capacity as Trustee under the Security Document) shall be liable to the Owner and the Owner-Trustee for damages, if any, arising from such failure.

2. This Assignment is executed only as security for the obligations of the Owner-Trustee under the Security Document and, therefore, the execution and delivery of this Assignment shall not subject the Trustee to, or transfer, or pass, or in any way affect or modify the liability of the Owner-Trustee under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Owner-Trustee to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the

Owner-Trustee or persons other than the Trustee.

3. To protect the security afforded by this Assignment, the Owner-Trustee agrees as follows:

(a) The Owner-Trustee will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Owner-Trustee; without the written consent of the Trustee, the Owner-Trustee will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee which are intended to satisfy the obligations of the Owner-Trustee under the Security Document, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement so amending, modifying or terminating the Lease and the Owner-Trustee agrees that any such amendment, modification or termination thereof without such consent shall be void.

(b) Should the Owner-Trustee fail to make any payment or to do any act which this Assignment requires the Owner-Trustee to make or do, then the Trustee, but without obligation so to do, after first making written demand upon the Owner-Trustee and affording the Owner-Trustee a reasonable period of time within which to make such payment or do such act, but without releasing the Owner-Trustee from any obligation hereunder, may make or do the same in such manner and to such extent as the Trustee may deem necessary to protect the security provided hereby, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Trustee, and also the right to perform and discharge each and every obligation, covenant and agreement of the Owner-Trustee contained in the Lease; and in exercising any such powers, the Trustee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and the Owner-Trustee will reimburse the Trustee for such costs, expenses and fees; provided, however, that the obligations of the Owner-Trustee to make reimbursements under this Paragraph 3 are subject to the last paragraph of Section 5.04 of the Security Document.

4. Subject to the provisions of Paragraph 10 hereof, the Owner-Trustee does hereby constitute the Trustee the Owner-Trustee's true and lawful attorney, irrevocably, with full power (in the name of the Owner-Trustee, or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Owner-Trustee is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Trustee may deem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all the Owner-Trustee's obligations under the Security Document, this Assignment and all rights herein assigned to the Trustee shall terminate, and all estate, right, title and interest of the Trustee in and to the Lease shall revert to the Owner-Trustee without further act or deed, but the Trustee shall execute and deliver such documents as the Owner-Trustee may reasonably request in order to confirm, or make clear upon public records, such termination and/or reversion.

6. The Owner-Trustee will, from time to time, do and perform any other act and will execute, acknowledge, and deliver any and all further instruments required by law or reasonably requested by the Trustee in order to confirm or further assure, the interests of the Trustee hereunder.

7. The Trustee may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due; provided, however, that if no Event of Default, or any event which with lapse of time or notice or both would constitute such an Event of Default under the Security Document or the Lease has occurred and is then continuing, the Trustee may only make such an assignment to a domestic bank, trust company or other lending institution with a combined capital and surplus of not less than $50,000,000. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Trustee hereunder. The

Trustee will give written notice to the Owner-Trustee and the Lessee of any such assignment.

8. This Assignment shall be governed by the laws of the State of Illinois, but the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

9. The Owner-Trustee shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Trustee at its address set forth in Section 10.04 of the Security Document, or at such other address as the Trustee shall designate.

10. The Trustee hereby agrees with the Owner-Trustee that, so long as no Event of Default, or any event which with lapse of time or notice or both would constitute such an Event of Default, under the Security Document has occurred and is then continuing, the Trustee will not exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits assigned and transferred by the Owner-Trustee to the Trustee by this Assignment, except the right to receive and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease and the Security Document, the Owner-Trustee may, so long as no Event of Default under the Security Document has occurred and is then continuing, exercise or enforce, or seek to exercise or enforce, its rights, powers, privileges, and remedies arising out of subparagraph (a) of the first paragraph of § 10 of the Lease; provided, however, the Owner-Trustee shall not, without the prior written consent of the Trustee, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of subparagraph (b) of said § 10.

11. No recourse shall be had in respect of any obligation due under this Assignment, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the Owner-Trustee, the Trustee, any holder of the Equipment Trust Certificates or the Owner, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors, officers, as such, or beneficiaries being forever

released as a condition of and as consideration for the execution of this Assignment.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names, by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

FIRST SECURITY STATE BANK,
not in its individual capacity, but
solely as Owner-Trustee,

by

_____
Authorized Officer

[CORPORATE SEAL]

Attest:

_____
Authorized Officer

FIRST SECURITY BANK OF UTAH, N.A.,
not in its individual capacity, but
solely as Trustee,

by

_____
Authorized Officer

[SEAL]

Attest:

_____
Authorized Officer

STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this day of November 1976, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY STATE BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and 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

STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this day of November 1976, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY BANK OF UTAH, N.A., that one of the seals affixed to the foregoing instrument is the seal of said national banking association and that said instrument was signed and sealed on behalf of said national banking association by authority of its By-laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Notary Public

[NOTARIAL SEAL]

My Commission Expires

LESSEE'S CONSENT AND AGREEMENT

The undersigned, a corporation duly incorporated under the laws of the State of Delaware, the Lessee named in the Lease (hereinafter called the Lease) referred to in the foregoing Assignment of Lease and Agreement (hereinafter called the Assignment), hereby (a) acknowledges receipt of a copy of the Assignment and (b) consents to all the terms and conditions of the Assignment.

As an inducement to the purchaser and subsequent holders of equipment trust certificates (hereinafter called the Trust Certificates) to be issued pursuant to the Equipment Trust Agreement (hereinafter called the Security Document), dated as of the date hereof, between First Security State Bank, as trustee (hereinafter called the Owner-Trustee), and First Security Bank of Utah, N.A. (hereinafter called the Trustee) (a copy of which Security Document has been delivered to the undersigned), pursuant to which the Owner-Trustee is partially financing the purchase of the units of railroad equipment (hereinafter called the Units) being leased by the Owner-Trustee to the undersigned pursuant to the Lease, and in consideration of other good and valuable consideration, the undersigned:

(1) agrees, subject to the terms and conditions of the Assignment, to pay all rentals, casualty payments, liquidated damages, indemnities and other moneys provided for in the Lease (which moneys are hereinafter called the Payments) due and to become due to the Owner-Trustee under the Lease in respect of the Units leased thereunder, directly to the Trustee to be applied as provided in the Security Document, to its address at 79 South Main Street, Salt Lake City, Utah 84111, attention of Trust Department, Corporate Trust Division (or to such other address as may be furnished in writing to the undersigned by the Trustee);

(2) agrees, subject to the terms and conditions of the Assignment, that the Trustee shall be entitled to the benefits of, and to receive and enforce performance of, all of the covenants to be performed by the undersigned under the Lease as though the Trustee were named therein as the Owner-Trustee;

(3) agrees that the Trustee shall not, by virtue

of the Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise;

(4) agrees that the Lease shall not, without the prior written consent of the Trustee, be amended, terminated or modified, or any action be taken or omitted by the undersigned, the taking or omission of which might result in any alteration or impairment of the obligations of the Lessee under the Lease which are intended to satisfy the obligations of the Owner-Trustee under the Security Document, the obligations of the Owner-Trustee under the Assignment or the obligations of the Lessee under this Consent and Agreement or of any of the rights created by any thereof; and

(5) will (i) execute, deliver and/or furnish all notices, certificates, communications, instruments, agreements, legal opinions and other documents and papers required to be executed, delivered and/or furnished by it (or its counsel) pursuant to the provisions of the Security Document and (ii) do all such acts and execute and deliver all such further assurances required to be done and/or executed and delivered by it pursuant to the provisions of any thereof.

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed an original, and such counterparts together shall constitute one and the same instrument.

This Consent and Agreement, when accepted by the Trustee by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the State of Illinois and, for all purposes, shall be construed in accordance with the laws of said State.

Dated as of October 1, 1976

TRAILER TRAIN COMPANY,

by

_____
Vice President-Finance
and Treasurer

[CORPORATE SEAL]

Attest:

_____
Assistant Secretary

Accepted:

FIRST SECURITY BANK OF UTAH, N.A.,
not in its individual capacity,
but solely as Trustee,

by

_____
Authorized Officer

[SEAL]

Attest:

_____
Authorized Officer

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

On this day of November 1976, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is Vice President-Finance and Treasurer of TRAILER TRAIN COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation and 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