

8127-B

RECORDATION NO. Filed & Recorded

NOV 25 1975 -9 12 AM

INTERSTATE COMMERCE COMMISSION

GREYHOUND EQUIPMENT LEASING CORPORATION
GREYHOUND LEASING & FINANCIAL CORPORATION

AND

CHEMICAL BANK,

Trustee

Equipment Note Agreement

Dated as of September 2, 1975

\$33,500,000 Equipment Notes

TABLE OF CONTENTS

	<u>Page</u>
PARTIES	1
RECITALS	1
ASSIGNMENT AND COVENANT	3

ARTICLE ONE.

DEFINITIONS.

SECTION 1.1.	Certain terms defined	5
	Terms defined in Recitals: Car and Cars, Equip- ment, Equipment Notes, Lease, Lenders, Loan and Financing Agreement, Manufacturing Agree- ment, Unit and Units	5
	Agent	5
	Business day	5
	Closing Date	5
	Company	5
	Declaration	5
	Deposited Cash	6
	Event of Default	6
	Greyhound	6
	Installment Date	6
	Manufacturer	6
	Note Register	6
	Officer's Certificate	6
	Original Contract Price	6
	Railroad	6
	Railroad Trustees	6
	Reorganized Company	6
	Request	7
	Responsible Officer	7
	Subsidiary	7
	Trust Equipment	7
	Trust Estate	7
	Trustee	7

ARTICLE TWO.
THE EQUIPMENT NOTES.

	<u>Page</u>
SECTION 2.1. Making and delivery of Equipment Notes	8
SECTION 2.2. Forms, dates, principal amounts, interest rates and installment payments for original Equipment Notes	8
SECTION 2.3. Computation of interest	8
SECTION 2.4. Execution and authentication of Equipment Notes .	8
SECTION 2.5. Registration and exchange of Equipment Notes	9
SECTION 2.6. Prepayment of Equipment Notes	10
SECTION 2.7. Loss, theft, destruction or mutilation of Equipment Notes	10
SECTION 2.8. Registered owner of Equipment Notes	11
SECTION 2.9. Home office payment	11

ARTICLE THREE.

TRUST EQUIPMENT AND PAYMENT OF DEPOSITED CASH

SECTION 3.1. Payment for Equipment purchased	11
SECTION 3.2. Conditions to paying out Deposited Cash	11
SECTION 3.3. All Equipment to be subject to this Agreement and the Lease	13
SECTION 3.4. Release of lost, worn out, destroyed or irreparably damaged Equipment or Equipment taken by a governmental agency	13

ARTICLE FOUR.

PAYMENT AND PREPAYMENT OF EQUIPMENT NOTES.

SECTION 4.1. Application of rentals	13
SECTION 4.2. Application of funds to prepayment of Equipment Notes	15

	<u>Page</u>
SECTION 4.3. Application of Tax Indemnity Payments	15
SECTION 4.4. Application of Certain Other Payments	15
SECTION 4.5. Application of Payments Made By Manufacturer ..	16
SECTION 4.6. Notice of Prepayments	16
SECTION 4.7. Application of Payments to Individual Equipment Notes	16
SECTION 4.8. Payments from Trust Estate Only	17

ARTICLE FIVE.

ADDITIONAL COVENANTS OF THE COMPANY.

SECTION 5.1. Payment of principal of and interest on the Equip- ment Notes	17
SECTION 5.2. Restrictions on Company unless Equipment Notes fully guaranteed by Greyhound	18
SECTION 5.3. Marking of each Car	19
SECTION 5.4. Recordation of this Agreement, the Manufacturing Agreement and the Lease	19
SECTION 5.5. Financial statements and other information	20
SECTION 5.6. Instruments of further assurance	20
SECTION 5.7. Performance of obligations of Company by Manu- facturer or Railroad Trustees	20
SECTION 5.8. Annual compliance certificate	21
SECTION 5.9. Assignment of New Lease, etc.	21

ARTICLE SIX.

COVENANTS OF GREYHOUND.

SECTION 6.1. Restrictions on Greyhound unless Equipment Notes fully guaranteed by Greyhound	21
SECTION 6.2. Taxes, fees, indebtedness and other expenses of Company	22

ARTICLE SEVEN.

REMEDIES ON DEFAULT.

SECTION 7.1. Events of Default defined	23
Acceleration of maturity	24
Waiver of Event of Default	25
Remedies of Trustee upon Event of Default	25
Remedies not exclusive	26

	<u>Page</u>
SECTION 7.2. Application of funds after Event of Default	26
SECTION 7.3. Trustee may perform on behalf of Company or Manufacturer	27
No waiver due to acceptance of certain payments . .	27
Remedies to be exercised only if according to law .	28
SECTION 7.4. Rights of holders of majority of Equipment Notes of each series to direct Trustee	28
SECTION 7.5. Certain events not to affect obligations of Company or Manufacturer	28
SECTION 7.6. Unconditional right of holder of Equipment Note to sue	28
SECTION 7.7. Company obligation to pay expenses	29

ARTICLE EIGHT.

THE TRUSTEE.

SECTION 8.1. Acceptance of trusts by Trustee	29
SECTION 8.2. Trustee not responsible for recordation of this Agreement or the Lease; reliance of Trustee on documents	29
SECTION 8.3. Obligation of Trustee to act; request by holders of 25% of Equipment Notes and indemnification . . .	29
SECTION 8.4. Trustee may hold money on deposit with itself	30
SECTION 8.5. Certain Rights, Duties and Liabilities of the Trustee	30
SECTION 8.6. Trustee to give notice of known defaults	32
SECTION 8.7. Resignation and removal of Trustee	32
SECTION 8.8. Successors by merger, consolidation, etc.	34

ARTICLE NINE.

DEFEASANCE.

SECTION 9.1. All rights to vest in Company after payment of ex- penses of Trustee and obligations on Equipment Notes	34
--	----

ARTICLE TEN.**MISCELLANEOUS.**

SECTION 10.1.	Amendments with consent of holders of 66 $\frac{2}{3}$ % of Equipment Notes; not to affect certain rights of holders of Equipment Notes without consent . . .	35
SECTION 10.2.	Equipment Notes owned by Company, Greyhound, Manufacturer or Railroad Trustees to be disregarded in case of directions, consents or waivers	36
SECTION 10.3.	Execution of documents by holders of Equipment Notes; proof of execution	36
SECTION 10.4.	Agreement for exclusive benefit of parties and holders of Equipment Notes	37
SECTION 10.5.	No payment of taxes of holders of Equipment Notes	37
SECTION 10.6.	Agreement binding on successors and assigns . . .	37
SECTION 10.7.	Notices	38
SECTION 10.8.	Execution in counterparts	38
SECTION 10.9.	Payment due on Equipment Notes on Sunday, Saturday or day banking institutions closed	38
SECTION 10.10.	New York laws to govern	38
TESTIMONIUM	39
SIGNATURES AND SEALS	39
ACKNOWLEDGMENTS	40
SCHEDULES:		
A.	Forms of Equipment Notes and Trustee's certificate of authentication	42
B.	Form of Bill of Sale	45
C.	Description—Specifications—Road Numbers	48

*Acc. No. 8127-B
(recorded 11/25/75)*

THIS EQUIPMENT NOTE AGREEMENT, dated as of September 2, 1975, among GREYHOUND EQUIPMENT LEASING CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware, with an office at Greyhound Tower, Phoenix, Arizona 85077 (the Company), GREYHOUND LEASING & FINANCIAL CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware, with an office at Greyhound Tower, Phoenix, Arizona 85077 (Greyhound) and CHEMICAL BANK, a corporation duly organized and existing under the laws of the State of New York, with an office at 20 Pine Street, New York, New York 10015, as Trustee (the Trustee),

WITNESSETH :

WHEREAS, the Company has entered into a Manufacturing Agreement dated as of September 2, 1975 (said Manufacturing Agreement as in effect from time to time being hereinafter called the Manufacturing Agreement) with Bethlehem Steel Corporation (Manufacturer) pursuant to which the Company has agreed to purchase from Manufacturer and Manufacturer has agreed to construct and sell to the Company 1,100 100-ton Open Top Triple Hopper Cars, and 300 100-ton Gondola Cars, or such lesser aggregate number of Cars (not less than 1,383) as shall have an aggregate purchase price not in excess of \$42,000,000 (collectively the Equipment or the Units or the Cars and individually a Unit or a Car), more particularly described in Schedule C hereto; and

WHEREAS, the Company has entered into a Lease of Railroad Equipment dated as of September 2, 1975 (said Lease and all supplements thereto and, from and after the execution and delivery thereof, any New Lease or Other New Lease and all supplements thereto entered into as provided in the Manufacturing Agreement, being hereinafter called the Lease) with the Railroad Trustees (as hereinafter defined) providing for the lease of the Equipment upon the terms and conditions therein set forth and for the rentals therein provided, and by these presents the Company intends to assign to the Trustee all of its right, title and interest in and to (i) the Lease, (ii) the Equipment subject to and to become subject to the Lease as therein provided, (iii) the rights of the Company (other than the right to purchase and take title

to the Equipment) under the Manufacturing Agreement, and (iv) all cash held from time to time hereunder and any other property which may be assigned to or pledged with the Trustee hereunder, to be held in trust hereunder for the benefit of the holders of the hereinafter-described Equipment Notes of the Company; and

WHEREAS, the Company, pursuant to a Loan and Financing Agreement dated as of September 2, 1975 (the Loan and Financing Agreement) between the Company, the Lenders named therein (the Lenders) and Chemical Bank, as agent for the Lenders, proposes to obtain loans to be evidenced by the Equipment Notes and to cause the deposit of the proceeds thereof with the Trustee to be applied by the Trustee to satisfy 80% of the Company's obligations to pay for the Equipment; and

WHEREAS, the Company has duly authorized the making and delivery of its Equipment Notes (the Equipment Notes), and the Equipment Notes are to bear interest and are to mature in 180 level consecutive monthly payments of principal and interest or, in the case of the first such payment, principal only, all as provided in Section 1.2 of the Loan and Financing Agreement; and

WHEREAS, the Equipment Notes are to be substantially in the form set forth in Schedule A hereto, with appropriate insertions or modifications to indicate amounts of installment payments, and are to have endorsed thereon a Trustee's certificate of authentication substantially in the form further set forth in said Schedule A hereto; and

WHEREAS, the Company is a Subsidiary of Greyhound and Greyhound is willing to undertake certain obligations for the benefit of the holders of the Equipment Notes; and

WHEREAS, in order to induce the Lenders to enter into the Loan and Financing Agreement and the Trustee to enter into this Agreement and accept the trusts hereunder, Manufacturer has undertaken in the Manufacturing Agreement certain obligations to the Company which are to be assigned hereunder for the benefit of the holders of the Equipment Notes; and

WHEREAS, the Company and Greyhound, respectively, represent that all acts and things necessary to make the Equipment Notes, when made and delivered by the Company and authenticated and delivered by the Trustee as in this Agreement provided, the legal, valid and binding obligations of the Company (but not of Greyhound) and to make the obligations undertaken by Greyhound hereunder the legal, valid and binding obligations of Greyhound, all as in this Agreement provided, and that all acts and things necessary to make this Agreement a legal, valid and binding obligation of the Company and Greyhound, respectively, have been done and performed;

Now, THEREFORE:

In order to secure equally and ratably to the holders of the Equipment Notes the payment of principal thereof and interest thereon according to the tenor, purport and effect thereof, and in order to declare the terms and conditions upon which the Equipment Notes are to be executed, delivered and received and to evidence the respective obligations of the Company and Greyhound in respect thereof, or hereunder, as the case may be, and in consideration of the premises and of the purchase and acceptance of the Equipment Notes by the holders thereof,

FIRST: The Company hereby sells, assigns, mortgages, transfers and sets over unto the Trustee, for the equal and proportionate benefit of the holders from time to time of the Equipment Notes:

(i) all of the right, title and interest of the Company in and to the Equipment subject to, and to become subject to, the terms and conditions of the Lease and described in Schedule C hereto;

(ii) all of the right, title and interest of the Company in and under the Lease, including, without limitation, the rights of the Company to receive all payments required by the Lease to be made by the Railroad Trustees of any nature whatsoever in and under the Lease, together with all of the Company's rights, powers, privileges and remedies under the Lease in respect of the Equipment or otherwise; provided, however, that the provisions hereof shall not subject the Trustee to, or transfer or pass or in any way modify or affect the liabilities of the Company in respect of, the obligations of the Company to the Railroad Trustees set forth in the Lease;

(iii) all of the right, title and interest of the Company in, to and under the Manufacturing Agreement, including, without limitation,

the rights of the Company to receive all payments required by the Manufacturing Agreement to be made by Manufacturer of any nature whatsoever in and under the Manufacturing Agreement (other than the right of the Company initially to purchase and take title to the Equipment, and subject to the rights of Manufacturer under paragraph 6 of the Manufacturing Agreement), together with all of the Company's rights, powers, privileges and remedies under the Manufacturing Agreement in respect of the Equipment or otherwise; provided, however, that the provisions hereof shall not subject the Trustee to, or transfer or pass or in any way modify or affect the liabilities of the Company in respect of, the obligations of the Company to Manufacturer set forth in the Manufacturing Agreement; and

(iv) any cash held under this Agreement from time to time and all property of every kind and description which now or hereafter may be assigned to or pledged with the Trustee hereunder by the Company or any other person;

TO HAVE AND TO HOLD to the Trustee, its successors in trust, and its and their assigns, forever,

ALL SUBJECT, HOWEVER, to the provisions of Article Nine hereof that after the payment in full of principal of and interest on all of the Equipment Notes, the right, title and interest of the Trustee in and to the Equipment, the Lease and the Manufacturing Agreement hereby assigned shall vest in the Company, free and clear of any rights of the Trustee or of the holders of Equipment Notes under this Agreement,

AND IN FURTHERANCE of the foregoing assignment and transfer the Company hereby irrevocably authorizes and empowers the Trustee in the Trustee's own name or in the name of the Trustee's nominees or in the name of and as attorney (hereby irrevocably constituted) for the Company, to ask, demand, seize or collect, receive and enforce (i) payment of any and all amounts to which the Trustee is or may become entitled hereunder, (ii) compliance by the Railroad Trustees with the terms and conditions on their part to be performed and kept under the Lease and (iii) compliance by Manufacturer with the terms and conditions on its part to be performed and kept under the Manufacturing Agreement (except those relating to the sale of the Equipment to the Company), and

SECOND: The Company and Greyhound, respectively, covenant and agree with the Trustee, for the equal and proportionate benefit of holders from time to time of the Equipment Notes, as follows:

ARTICLE ONE.

DEFINITIONS.

SECTION 1.1. The terms defined and referred to in this Section (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement and of any agreement supplemental hereto shall have the respective meanings specified in this Section.

The following terms shall have the meanings specified or indicated in the recitals hereto:

Car and Cars

Equipment

Equipment Notes

Lease

Lenders

Loan and Financing Agreement

Manufacturing Agreement

Unit and Units

Agent shall mean Chemical Bank, and its successors and assigns, as Agent for the Lenders as provided in the Loan and Financing Agreement.

Business day shall mean any day other than a Sunday, a Saturday or any other day on which banking institutions in the City of New York are authorized by law or are required by executive order to be closed.

Closing Date shall have the meaning provided in Section 4.1 of the Loan and Financing Agreement.

Company shall mean Greyhound Equipment Leasing Corporation and its successors and assigns.

Declaration shall mean a notice duly given pursuant to Section 7.1 hereof declaring the unpaid principal of all of the Equipment Notes to be immediately due and payable.

Deposited Cash shall mean the aggregate of all cash deposited with the Trustee under Section 2.1 hereof and held by the Trustee.

Event of Default shall have the meaning specified in Section 7.1 hereof.

Greyhound shall mean Greyhound Leasing & Financial Corporation and its successors and assigns.

Installment Date when used with respect to any of the Equipment Notes shall mean the first day of any month during the term hereof (after December 31, 1975) when level payments of principal and interest, or payments of principal or interest only, as the case may be, shall be payable on the Equipment Notes.

Manufacturer shall mean Bethlehem Steel Corporation and its successors and assigns.

Note Register shall have the meaning specified in Section 2.5 hereof.

Officer's Certificate shall mean a certificate signed by the President, a Vice President, the Treasurer or the Comptroller of the Company.

Original Contract Price when used with respect to any of the Trust Equipment shall mean the Purchase Price thereof as defined in the Manufacturing Agreement.

Railroad shall mean Reading Company.

Railroad Trustees shall mean Joseph L. Castle and Andrew L. Lewis, Jr., Trustees of the Property of Reading Company, Debtor, as well as any successor or additional trustees of such property, before (i) any assignment and transfer of the leasehold interest of the Railroad Trustees under the Lease in the Equipment and the possession thereof to a Reorganized Company, after which said term shall mean any Reorganized Company, or (ii) the entering into of the New Lease or any Other New Lease as provided in the Manufacturing Agreement, after which said term shall mean Manufacturer or the lessee under any such Other New Lease, as the case may be.

Reorganized Company shall mean any single corporation (which may be the Railroad) or governmental agency or Consolidated Rail Corporation (or any single corporation or agency created by Act of Congress for a comparable purpose) which acquires the greater portion of the

“rail properties” (as defined in the Regional Rail Reorganization Act of 1973) comprised in the Railroad’s estate upon termination of the trusteeship of the property of the Railroad or any Directed or Acceptable Successor (as said terms are defined in the original Lease).

Request shall mean a written request by the Company for the action therein specified signed on behalf of the Company by the President, a Vice President, the Treasurer or the Comptroller of the Company.

Responsible Officer when used with respect to the Trustee means the chairman or vice-chairman of the board of directors, the chairman or vice-chairman of the executive committee of the board of directors, the president, any vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller and any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

Subsidiary of Greyhound shall mean a corporation substantially all of the outstanding securities of which entitled to vote for the election of directors are owned by Greyhound and/or by other Subsidiaries of Greyhound.

Trust Equipment shall mean Equipment subject to the terms of this Agreement and the Lease.

Trust Estate shall mean all right, title and interest of the Company in, to and under the Trust Equipment (subject to the rights of the Railroad Trustees under the Lease), the Lease and the Manufacturing Agreement (other than the right of the Company initially to purchase and take title to the Equipment, and subject to the rights of the Manufacturer under paragraph 6 of the Manufacturing Agreement), and shall include any cash and other property held by the Trustee in trust hereunder or otherwise subject hereto or intended so to be.

Trustee shall mean Chemical Bank and any successor trustee under this Agreement.

ARTICLE TWO.**THE EQUIPMENT NOTES.**

SECTION 2.1. From time to time after the execution of this Agreement (but not after June 30, 1976) Equipment Notes shall be executed by the Company and delivered to the Trustee for authentication and the Trustee, subject to the provisions of Section 2.2 hereof, shall, upon a Request, authenticate said Equipment Notes and deliver the same to the Agent in accordance with Section 1.2 of the Loan and Financing Agreement, but only upon receipt by the Trustee of a wire transfer of, or a check payable in, funds immediately available in New York City (or of such funds transferred from an account of such Lender with the Agent) in an amount equal to the aggregate principal amount of the Equipment Notes then being authenticated. The proceeds of such wire transfers and checks (and any such funds) shall be held as Deposited Cash and shall be applied by the Trustee for, or to discharge indebtedness incurred by the Company for, the purchase of Trust Equipment in accordance with Article Three hereof.

SECTION 2.2. Equipment Notes shall (i) be executed and delivered by the Company to the Trustee and authenticated and delivered by the Trustee under Section 2.1 hereof in substantially the form set forth in Schedule A hereto, (ii) be dated the date of authentication by the Trustee and (iii) be registered in the respective names of the Lenders or their respective nominees, be in aggregate principal amounts, bear interest and be payable as provided in Section 1.2 of the Loan and Financing Agreement.

SECTION 2.3. Interest on the Equipment Notes shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 2.4. The Equipment Notes shall be signed on behalf of the Company by its President or any Vice President and by its Secretary or any Assistant Secretary.

Equipment Notes bearing the signature of any individual who was at any time a proper officer of the Company shall bind the Company notwithstanding that any such individual has ceased to hold such office

prior to the authentication and delivery of such Equipment Notes or did not hold such office at the date of such Equipment Notes.

No Equipment Note shall be entitled to any benefit under this Agreement or be valid or obligatory for any purpose, unless there appears on such Equipment Note a certificate of authentication substantially in the form set forth in Schedule A hereto executed by the Trustee by manual signature, and such certificate on any Equipment Note shall be conclusive evidence, and the only evidence, that such Equipment Note has been duly authenticated and delivered hereunder.

SECTION 2.5. The Company shall maintain at the corporate trust office of the Trustee a register (herein called the Note Register) in which, subject to such reasonable regulations as it may prescribe, but at its expense (other than transfer taxes, if any), the Company shall provide for the registration of Equipment Notes and of transfers and exchanges thereof.

Subject to Section 3.3 of the Loan and Financing Agreement, whenever any Equipment Note or Equipment Notes shall be surrendered at the corporate trust office of the Trustee for registration of transfer or exchange, accompanied in the case of a surrender for the registration of transfer (if so required by the Company or the Trustee) by a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by the registered holder thereof, the Company shall execute and deliver to the Trustee and the Trustee shall authenticate and deliver a new Equipment Note or Equipment Notes, as may be requested by such holder, registered in such name or names as such holder may designate, in the same aggregate unpaid principal amount and payable in level monthly payments in the same aggregate amounts on the same dates, as the aggregate unpaid principal amount and unpaid level monthly payments of the Equipment Note or Equipment Notes surrendered for registration of transfer or exchange; provided, however, that no such registration of transfer or exchange of Equipment Notes shall be made unless and until the interest payable on the first Installment Date on all Equipment Notes made and delivered theretofore under Section 2.1 hereof shall have been duly paid. The principal portion of each level monthly payment payable at each Installment Date upon each such new Equipment Note shall be in the same propor-

tion to the unpaid principal amount of such new Equipment Note as the principal portion of the aggregate level monthly payment payable on such date on the Equipment Note or Equipment Notes surrendered for registration of transfer or exchange bore to the aggregate unpaid principal amount of such Equipment Note or Equipment Notes. Each Equipment Note delivered upon registration of transfer or exchange shall be dated the last date to which principal and interest have been paid on the Equipment Note or Equipment Notes surrendered. No reference need be made in any such new Equipment Note to any installment or installments previously due and paid upon the Equipment Note or Equipment Notes surrendered. Neither the Company nor the Trustee shall be required to effect transfers or exchanges of Equipment Notes for a period of 10 days next preceding any Installment Date.

SECTION 2.6. The Equipment Notes may not be prepaid in whole or in part, except as provided in Article Four hereof.

SECTION 2.7. Upon receipt of evidence satisfactory to the Company and the Trustee of the loss, theft, destruction or mutilation of any Equipment Note and, in the case of any such loss, theft or destruction, upon delivery of a bond of indemnity satisfactory to the Company and the Trustee, or, in the case of any such mutilation, upon surrender and cancellation of such Equipment Note, the Company shall execute and deliver to the Trustee and the Trustee shall authenticate and deliver a new Equipment Note, dated the last date to which principal and interest have been paid and in the same unpaid principal amount and of like tenor, in lieu of such lost, stolen, destroyed or mutilated Equipment Note, except that no reference need be made in such new Equipment Note to any installment or installments previously due and paid upon the Equipment Note in lieu of which such new Equipment Note is authenticated and delivered. The term "outstanding" when used in this Agreement with reference to the Equipment Notes as of any particular time shall not include any Equipment Note in lieu of which a new Equipment Note has been authenticated and delivered in accordance with the provisions of this Section, so long as any Equipment Notes are outstanding other than Equipment Notes in lieu of which new Equipment Notes have been so authenticated and delivered. The indemnity agreement of any Lender shall constitute indemnity satisfactory to the Company and the Trustee for the purposes of this Section 2.7.

SECTION 2.8. The Company and the Trustee may treat the person in whose name any Equipment Note is registered on the Note Register as the absolute owner of such Equipment Note for the purpose of receiving payment of the principal and interest payable thereon and for all other purposes whatsoever, whether or not such Equipment Note be overdue, and neither the Company nor the Trustee shall be affected by notice to the contrary.

SECTION 2.9. Payment of principal of and interest on any Equipment Note may, and in the case of any Lender (unless otherwise specified in Schedule A to the Loan and Financing Agreement or pursuant to Section 6.5 thereof) shall, be made by the Trustee by mailing its check to the registered holder thereof addressed in accordance with Section 10.7 hereof. Presentation of Equipment Notes to the Trustee for notation of payment of principal shall not be required in the case of Lenders, or in the case of any subsequent registered holder of Equipment Notes if there shall have been filed with the Trustee an agreement between the Company and such subsequent holder that such presentation shall not be required and that such holder will not deliver any Equipment Notes held by it on any disposition thereof without first submitting the same to the Trustee for stamping or other notation of the making of payment of principal thereof.

ARTICLE THREE.

TRUST EQUIPMENT AND PAYMENT OF DEPOSITED CASH.

SECTION 3.1. The Trustee, subject to the satisfaction of the conditions set forth in Section 3.2 hereof, shall pay out Deposited Cash deposited with the Trustee pursuant to Section 2.1 hereof to or upon the order of the Company to enable the Company to pay for Equipment purchased by the Company under the Manufacturing Agreement which shall have become subject to the Lease after its recordation pursuant to Section 20c of the Interstate Commerce Act.

SECTION 3.2. The Trustee shall not pay out any Deposited Cash in respect of any of the Trust Equipment unless and until it shall have received:

- (a) an Officer's Certificate of the Company requesting payment of a specified amount out of Deposited Cash to Manufacturer to discharge the obligation of the Company to pay for Equipment thereto-

fore purchased by the Company under the Manufacturing Agreement which became subject to the Lease upon or after its recordation pursuant to Section 20c of the Interstate Commerce Act and stating that, to the knowledge of the officer signing such certificate, no Event of Default, and no event which with the giving of notice or lapse of time or both would become an Event of Default, has occurred and is continuing under this Agreement; that such Equipment at the date of such Officer's Certificate is Trust Equipment as herein defined; that the price of such Trust Equipment stated in each invoice delivered under paragraph (d) below is correct; and that the Company has made an equity investment in such Equipment by paying from its own funds an amount equal to 20% of the Original Contract Price thereof set forth in the invoice with respect thereto;

(b) prior to or concurrently with the first payment out of Deposited Cash under this Section 3.2. (i) a certificate signed by the duly authorized representative of the Railroad Trustees setting forth the names and signatures of the persons authorized to execute and deliver certificates of inspection and acceptance under the Lease, and (ii) an Officer's Certificate setting forth the names and signatures of the persons authorized to execute and deliver certificates of inspection and acceptance under the Manufacturing Agreement;

(c) a certificate or certificates of inspection and acceptance as to such Trust Equipment in substantially the form of Schedule A to the Manufacturing Agreement;

(d) an invoice or invoices for such Trust Equipment from Manufacturer to the Company stating the price thereof;

(e) a bill of sale or bills of sale in substantially the form of Schedule B hereto and a receipt or receipts as provided in paragraph 2 of the Manufacturing Agreement, in each case from Manufacturer to the Company, together evidencing the transfer to the Company of all right, title and interest of the Manufacturer in and to such Trust Equipment;

(f) an opinion or opinions of counsel (who shall be satisfactory to the Trustee and may be counsel to the Company or Manufacturer) that (i) the documents delivered to the Trustee in accordance with this Section 3.2 comply as to form with the provisions of this Agreement and (ii) the Company's right, title and interest in and to such Trust Equipment has been validly vested in the Trustee free from all claims, liens, security interests and other encumbrances, except for

those created by the Manufacturing Agreement, the Equipment Note Agreement or the Lease; and

(g) an opinion of counsel (who shall be satisfactory to the Trustee and may be counsel to the Railroad Trustees) as to each of the matters specified in, and conforming to, §15 of the Lease, and (if applicable) the opinion of counsel referred to in §22(a) (iv) of the Lease.

SECTION 3.3. Subject to receipt by the Manufacturer of the purchase price therefor (which receipt shall be conclusively evidenced by the Manufacturer's delivery of the bill of sale and written receipt with respect thereto referred to in clause (e) of Section 3.2 hereof), as and when any Equipment shall from time to time hereafter be delivered to and accepted by the Company and the Railroad Trustees as provided in paragraph 1 of the Manufacturing Agreement, the same shall, *ipso facto*, and without further instrument of lease or transfer, become subject to all the terms and provisions of this Agreement and the Lease.

SECTION 3.4. Subject to the provisions of paragraph 7 of the Manufacturing Agreement (i) unless an Event of Default hereunder has occurred and is continuing, the Railroad Trustees shall be entitled to retain any Equipment lost, worn out, destroyed or irreparably damaged, subject to the rights of the Company; and (ii) upon payment in full to the Trustee of the amounts payable under §7 of the Lease with respect to any lost, worn out, destroyed or damaged Equipment, or with respect to any Equipment requisitioned, taken over or nationalized by any governmental agency, such Equipment (and any compensation, claims or causes of action for such loss, destruction, damage, requisition, taking or nationalization) shall become the sole and exclusive property of the Railroad Trustees (subject to the rights of the Company) free and clear of any rights of the Trustee or of the holders of Equipment Notes under this Agreement.

ARTICLE FOUR.

PAYMENT AND PREPAYMENT OF EQUIPMENT NOTES.

SECTION 4.1. Unless the Equipment Notes shall have been declared due and payable by a Declaration, the Trustee shall receive and apply the rentals paid under the Lease, whether paid by the Railroad Trustees or paid by Manufacturer on account of rental deficiency in accordance with paragraph 7 of the Manufacturing Agreement, as follows:

Each payment of rental due on any rent payment date prior to the earlier to occur of the Final Delivery Date (being the date on which all Cars to be delivered and accepted under the Manufacturing Agreement have been delivered and accepted under the Lease) or June 30, 1976 shall be applied:

First, to the payment of interest on the Equipment Notes becoming due on the Installment Date next succeeding the rent payment date on or in respect of which such payment is being made, and

Second, the balance, if any, of such payment remaining thereafter shall be paid over to the Company;

Each payment of rental due on or after the earlier to occur of said Final Delivery Date or June 30, 1976 shall be applied:

(a) in the case of the first such payment

First, to the payment of interest, if any, on the Equipment Notes becoming due on the Installment Date next succeeding the rent payment date on or in respect of which such payment is being made,

Second, to the payment of principal on the Equipment Notes in an amount equal to the level payment becoming due thereon on such Installment Date, and

Third, the balance, if any, of such payment remaining thereafter shall be paid over to the Company, and

(b) in the case of all succeeding payments

First, to the level payment of principal of and interest on the Equipment Notes becoming due on the Installment Date next succeeding the rent payment date on or in respect of which such payment is being made, and

Second, the balance, if any, of such payment remaining thereafter shall be paid over to the Company.

If the Equipment Notes shall have been declared due and payable pursuant to Article Seven hereof, any amounts received by the Trustee in respect of rental under the Lease or in respect of rental deficiency under paragraph 7 of the Manufacturing Agreement hereof shall be applied as set forth in Article Seven hereof.

SECTION 4.2. Unless the Equipment Notes shall have been declared due and payable by a Declaration, the Trustee shall promptly apply to the equal and ratable prepayment (to the extent possible) of Equipment Notes, pro rata as to the principal portion of all level payments remaining payable thereon (so that all subsequent level payments are proportionately reduced in amount), with interest to the date of payment, from any funds received (a) under §7 of the Lease on account of any Trust Equipment worn out, lost, destroyed or irreparably damaged, or taken or requisitioned, or (b) under paragraph 6(A) (ii) (b) of the Manufacturing Agreement, an amount which shall be equal to the aggregate principal amount of the Equipment Notes then outstanding multiplied by a fraction of which the numerator shall be the Original Contract Price of such Trust Equipment so worn out, lost, destroyed, damaged, taken or requisitioned, or the Cars referred to in said paragraph 6(A) (ii) (b) of the Manufacturing Agreement, as the case may be, and the denominator shall be the Original Contract Price of all Trust Equipment then subject to the Equipment Note Agreement, and, after payment of interest on the principal amount so prepaid accrued to the date of payment, the Trustee shall pay to the Company the balance, if any, of any such funds so received. If the Equipment Notes shall have been declared due and payable by a Declaration, any such amounts received by the Trustee shall be applied as set forth in Article Seven hereof.

SECTION 4.3. Unless the Equipment Notes shall have been declared due and payable by a Declaration, the Trustee shall receive and pay over to the Company all amounts paid under §17 of the Lease as the result of the loss of any accelerated depreciation deduction, investment tax credit or interest deduction. If the Equipment Notes shall have been declared due and payable by a Declaration, any such amounts received by the Trustee shall be applied as set forth in Article Seven hereof.

SECTION 4.4. Unless the Equipment Notes shall have been declared due and payable by a Declaration, the Trustee shall receive and pay over (a) any payments from or on behalf of the Railroad Trustees pursuant to the indemnities contained in §9 of the Lease or pursuant to their commitment fee undertaking in §24 of the original Lease, and all payments and amounts realized by the Trustee under the Lease or otherwise with respect to the Equipment to the extent received or

realized at any time after payment in full of the principal of and interest on all Equipment Notes, as well as any other amounts held by it in trust hereunder after payment in full of the principal of and interest on all Equipment Notes issued hereunder, to the parties entitled thereto, and the balance, if any, remaining, to the Company, and (b) any payments for which no provision as to the application thereof is made in the Lease or the Loan and Financing Agreement or elsewhere herein, in accordance with the instructions of the holders of not less than $66\frac{2}{3}\%$ in aggregate unpaid principal amount of the Equipment Notes at the time outstanding. If the Equipment Notes shall have been declared due and payable by a Declaration, any such amounts received by the Trustee shall be applied as set forth in Article Seven hereof.

SECTION 4.5. Unless the Equipment Notes shall have been declared due and payable by a Declaration, the Trustee shall promptly apply all amounts paid to it by Manufacturer pursuant to paragraph 6(A) (i) of the Manufacturing Agreement to the prepayment of all the outstanding Equipment Notes and interest thereon to the date of payment. If the Equipment Notes shall have been declared due and payable by a Declaration, any such amounts received by the Trustee shall be applied as set forth in Article Seven hereof.

SECTION 4.6. In the event that any prepayment of Equipment Notes is made at any time pursuant to Section 4.2 hereof, the Trustee shall not later than the time of such prepayment deliver a notice to each holder of the Equipment Notes of (i) the reason for such prepayment, (ii) the aggregate amount prepaid on all Equipment Notes held by such holder, (iii) the amount or amounts to be applied to the principal portion of all level monthly payments becoming due on such Equipment Notes subsequent to the date of such prepayment, (iv) the balance of all level monthly payments of such Equipment Notes which shall remain unpaid after such application, and (v) upon receipt thereof from the Company, any recomputation of the portions of remaining level monthly payments of the Equipment Notes allocable to principal and interest required by Section 4.2 hereof.

SECTION 4.7. All amounts paid to the holders of the Equipment Notes by the Trustee hereunder shall be applied by them, in respect

of each such Equipment Note, *first*, to the payment of accrued interest on such Equipment Note to the date of such payment, *second*, to the payment of the principal amount of such Equipment Note then due thereunder and, *third*, the balance, if any, remaining thereafter, to the payment of the principal amount of such Equipment Note remaining unpaid. Except in the case of prepayments made in accordance with the foregoing Section 4.2, the level monthly payments of any Equipment Note becoming due after application pursuant to the foregoing clause *third* shall not be reduced in amount by reason of any such application, but the portions of such level monthly payments thereafter payable on succeeding Installment Dates on such Equipment Note allocable to principal and interest shall be redetermined on the basis of the principal amount of such Equipment Note remaining unpaid immediately after such payment.

SECTION 4.8. All payments to be made by the Company under this Agreement and the Loan and Financing Agreement shall be made only from the income and the proceeds from the Trust Estate and only to the extent that the Trustee shall have sufficient income or proceeds from the Trust Estate to make such payments. Any other provision of this Agreement or the Loan and Financing Agreement to the contrary notwithstanding, each holder of an Equipment Note, by its acceptance of such Equipment Note, agrees that it will look solely to the income and proceeds from the Trust Estate to the extent available for distribution to such holder as herein provided and that neither the Company nor Greyhound is personally liable to the holder of any Equipment Note or the Trustee for any amounts payable under such Equipment Note or this Agreement or for any liability under this Agreement or the Loan and Financing Agreement (other than liability with respect to the representations and warranties contained in Section 2 of the Loan and Financing Agreement).

ARTICLE FIVE.

ADDITIONAL COVENANTS OF THE COMPANY.

SECTION 5.1. The Company covenants and agrees duly and punctually to pay or cause to be paid the principal of and interest on the Equipment Notes.

SECTION 5.2. The Company covenants and agrees that, unless there shall have been filed with the Trustee an appropriate instrument complying with the provisions of Section 6.1 hereof by which Greyhound shall have undertaken to guarantee to the Trustee and to each holder of Equipment Notes and to their respective successors and assigns the due and punctual payment of the principal of and interest on each and every one of the Equipment Notes and of the indebtedness represented thereby as and when the same shall respectively become due and payable, whether at the stated maturity thereof or by Declaration or otherwise pursuant to the provisions of the Equipment Notes and of this Agreement,

(i) it will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence under the laws of the State of Delaware and its qualification to do business in such jurisdictions as may be necessary for it to carry out the transactions contemplated by this Agreement and maintain an office in the City of Phoenix, State of Arizona, at which notices hereunder may be delivered or process served (and will notify the Trustee in writing of the location thereof and, if changed, of each subsequent location thereof) ;

(ii) it will not alter its capital stock as in effect on the date hereof or issue any thereof to anyone other than Greyhound, except for issuance of one share thereof to The Greyhound Corporation ;

(iii) it will not, without the prior written consent of the holders of a majority in aggregate principal amount of the Equipment Notes at the time outstanding, merge, consolidate or otherwise dispose of all or a substantial part of its assets except with or to Greyhound ;

(iv) it will not incur or be obligated upon, either directly or indirectly by way of guarantee, suretyship or otherwise, any indebtedness for borrowed money except the Equipment Notes and indebtedness to Greyhound incurred to finance the purchase of the Equipment ;

(v) it will not, without the prior written consent of the holders of a majority in aggregate principal amount of the Equipment Notes at the time outstanding, assign, transfer, mortgage, hypothecate or pledge its rights under this Agreement except to Greyhound ;

(vi) it will pay and discharge, or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge of, any debt, tax, charge, assessment, obligation or claim which has not been paid by the Railroad Trustees, of which the Company has knowledge or the payment of which has been requested by the Trustee, and which

has become a lien or charge upon or against any of the Trust Equipment prior to, or on a parity with, the rights of the Trustee hereunder; but this provision shall not require the payment of any such debt, tax, charge, assessment, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, unless such contest will in the judgment of the Trustee materially endanger the rights or interest of the Trustee or the holders of the Equipment Notes; and

(vii) it will not incur or be obligated under, either directly or indirectly, any contractual obligations other than those under the Loan and Financing Agreement, the Manufacturing Agreement, this Agreement, the Lease and the agreement with Manufacturer heretofore disclosed in writing to each of the Lenders.

SECTION 5.3. The Company covenants and agrees that upon or before the delivery to the Railroad Trustees of each Unit, there shall be plainly, distinctly, permanently and conspicuously marked upon each side of such Unit the following words in letters not less than one inch in height.

GREYHOUND EQUIPMENT LEASING CORPORATION, OWNER AND LESSOR
CHEMICAL BANK, TRUSTEE, ASSIGNEE

The Company also covenants and agrees that upon or before the delivery of each Unit to the Railroad Trustees there will be placed on each side of such Unit the Railroad's Road Number as set forth in Schedule C hereto.

SECTION 5.4. The Company covenants and agrees that it will cause this Agreement, the Manufacturing Agreement and the Lease and all amendments, supplements and assignments hereto and thereto to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. In addition, the Company will from time to time cause this Agreement, the Manufacturing Agreement and the Lease and all amendments, supplements and assignments hereto and thereto to be filed, recorded, re-filed and re-recorded in such other public offices (including, without limitation, public offices in Canada), and will do and perform any other act and will execute, acknowledge, deliver, file, record, re-file and re-record any and all further instruments, including, without limitation, financing statements under the Uniform Commercial Code of any applicable jurisdiction relating to the assignment hereunder of the rights of the

Company in, under and to the Manufacturing Agreement, as may be required by law or reasonably requested by the Trustee for the purposes of proper protection of the title of the Trustee and the rights of the holders of the Equipment Notes and of fully carrying out and effectuating this Agreement, the Lease and the Manufacturing Agreement and the intent hereof and thereof; and the Company will promptly furnish to the Trustee certificates or other evidences of filing and recording or re-filing and re-recording pursuant to this Section, and a favorable opinion or opinions of counsel (who shall be satisfactory to the Trustee and may be counsel for the Railroad Trustees) with respect thereto (it being understood that the opinions delivered pursuant to §15 of the Lease shall be sufficient with respect to the first filings and recordings of this Agreement and the Lease pursuant to this Section).

SECTION 5.5. The Company covenants and agrees that it will furnish to the Trustee financial statements and, in relation to the transactions contemplated hereby, such other reasonable information as the Trustee may from time to time request, and will permit the agents of the Trustee to inspect any of the properties of the Company, examine its books of account and discuss with the Company and its officers and agents the affairs, finances and accounts of the Company at reasonable times and from time to time.

SECTION 5.6. The Company covenants and agrees from time to time to do all such acts and execute all such instruments of further assurance as it shall be reasonably requested by the Trustee to do or execute for the purpose of fully carrying out and effectuating this Agreement and the intent hereof. The Company further covenants and agrees that it will use its best efforts to cause the Railroad Trustees to maintain and keep all of the Equipment in good order and repair in accordance with the provisions of §9 of the Lease, and that in determining the amount of insurance coverage under §7 of the Lease it will consult with and, subject to the provisions of §7 of the Lease, act in accordance with the directions (if any) of the Trustee.

SECTION 5.7. It is understood and agreed that satisfaction by Manufacturer or the Railroad Trustees of any of the obligations of the Company herein contained either by payments to the Trustee pursuant to

the Manufacturing Agreement or the Lease or by performance of other covenants contained in the Lease shall be deemed to and shall constitute performance by the Company of such covenants and agreements hereunder, as between the Company, the Trustee and the holders of the Equipment Notes.

SECTION 5.8. The Company will deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate of the Company, stating that

- (i) a review of the activities of the Company during such year and of its performance under this Agreement has been made under his supervision, and
- (ii) to the best of his knowledge, based on such review, no Event of Default, and no event which with the giving of notice or lapse of time or both would become an Event of Default, has occurred during such year, or, if any such Event of Default or other such event has occurred, specifying the same and the nature and status thereof.

SECTION 5.9. The Company will execute a supplement hereto assigning hereunder and subjecting to the lien hereof all its right, title and interest in and under the New Lease and each Other New Lease entered into as provided in the Manufacturing Agreement, forthwith upon the execution and delivery thereof, and cause such New Lease or Other New Lease to be filed and recorded as provided in Section 5.4 hereof.

ARTICLE SIX.

COVENANTS OF GREYHOUND.

SECTION 6.1. Greyhound covenants and agrees that, to the extent permitted by law, Greyhound and its Subsidiaries will not during the term of this Agreement

- (i) sell, assign, transfer, hypothecate or pledge any of the capital stock of the Company now owned or hereafter acquired by Greyhound except as otherwise provided for herein,
- (ii) except as provided in Section 5.2(ii) hereof, cause or permit the Company to issue additional capital stock except to Greyhound,
- (iii) cause or permit the Company to dissolve, or, without the prior written consent of the holders of a majority in aggregate

principal amount of the Equipment Notes at the time outstanding, cause or permit the Company to merge, consolidate or otherwise dispose of all or a substantial part of its assets except with or to Greyhound, or

(iv) without the prior written consent of the holders of a majority in aggregate principal amount of the Equipment Notes at the time outstanding, cause or permit the Company to assign, transfer, mortgage, hypothecate or pledge its rights under this Agreement except to Greyhound,

unless prior to any such sale, assignment, transfer, mortgage, hypothecation, pledge, stock issuance, dissolution, merger, consolidation or disposal Greyhound shall, by executing and delivering to the Trustee an appropriate instrument, in form and substance satisfactory to each holder of Equipment Notes, have (i) undertaken to guarantee to the Trustee and to each holder of Equipment Notes and to their respective successors and assigns the due and punctual payment of the principal of and interest on each and every one of the Equipment Notes and of the indebtedness represented thereby as and when the same shall respectively become due and payable, whether at the stated maturity thereof or by Declaration or otherwise pursuant to the provisions of the Equipment Notes and of this Agreement and, (ii) in the case of a dissolution, assumed all of the obligations of the Company hereunder. Upon execution and delivery by Greyhound to the Trustee of such instrument containing such undertaking the same shall supersede and be in lieu of the covenants, agreements and guarantees by Greyhound in the foregoing clauses (i) to (iv), inclusive, of this Section 6.1, and such instrument may expressly so provide.

SECTION 6.2. Greyhound covenants and agrees that it will make payments or advances to the Company at such times and in such amounts as may be required to permit the Company to (i) pay its income, franchise and other taxes and fees, principal and interest on its indebtedness (excluding principal and interest on the Equipment Notes), and its expenses, and (ii) discharge any liability referred to in the parenthetical clause contained in the second sentence of Section 4.8 hereof; provided, however, that Greyhound shall have no obligation under this Section 6.2 to make payments or advances in respect of any taxes, fees, indebtedness or other expenses except for those which shall

have accrued or become payable within a period of 90 days following the occurrence of an Event of Default hereunder unless the same shall have been cured within such period.

ARTICLE SEVEN.

REMEDIES ON DEFAULT.

SECTION 7.1. The Company covenants and agrees that in case one or more of the following Events of Default shall have occurred and be continuing, that is to say:

(a) an event constituting an Event of Default under §10 of the Lease (including for this purpose termination thereof pursuant to §22 of the original Lease) shall have occurred and be continuing, except that no Event of Default shall be deemed to exist hereunder by reason of the occurrence of such Event of Default under the Lease unless the Company or the Trustee shall serve the Default Notice provided for in the Manufacturing Agreement and 5 days have elapsed after Manufacturer shall have failed to make timely and full payment of any amount specified in paragraph 7 of the Manufacturing Agreement, or failed timely to exercise one of the options set forth in paragraph 6 thereof, or failed to make timely and full payment of any amount specified in said paragraph with respect to said options, in any such case within the respective periods specified with respect thereto in the Manufacturing Agreement;

(b) default in the due and punctual payment of the principal of or interest on any of the Equipment Notes when the same shall have become due and payable, unless such default is attributable to a non-payment of rentals or other sums due under the Lease as to which the foregoing clause (a) is applicable;

(c) default by the Company in the performance or observance of any of the covenants set forth in Section 5.2 hereof, and any such default shall have continued for five days;

(d) default in the performance or observance of any of the other covenants and agreements on the part of the Company or Greyhound contained in this Agreement or the Loan and Financing Agreement, or any agreement supplemental hereto or thereto, or on the part of Manufacturer contained in the Manufacturing Agreement, and any such default shall have continued for 30 days after written

notice to the Company or Greyhound or Manufacturer, as the case may be, shall have been given by the Trustee, or to the Company or Greyhound or Manufacturer, as the case may be, and the Trustee by the holders of at least 25 per cent in aggregate unpaid principal amount of the Equipment Notes at the time outstanding;

(e) the Company or Greyhound or Manufacturer shall admit in writing its inability to pay its debts as they mature; or consent to the appointment of a receiver or trustee for it or substantially all of its property, or suffer such appointment made without its consent to remain undischarged for 60 days; or institute or consent to any proceedings under any law relating to bankruptcy, insolvency, or the reorganization or relief of debtors, or suffer any such proceedings instituted against and contested by it not to be dismissed or stayed within 60 days; or suffer any order of attachment or execution or any similar process to be issued or levied against substantially all of its property which is not released, stayed, bonded or vacated within 60 days after its issue or levy; or

(f) any material representation made by the Company or Greyhound or Manufacturer herein or in the Loan and Financing Agreement or in the Manufacturing Agreement or in any certificate or other instrument delivered under or pursuant to any provision hereof or thereof shall prove to have been false or incorrect in any material respect on the date as of which made;

then, in each and every such case, either the Trustee or the holders of not less than 25 per cent in aggregate unpaid principal amount of the Equipment Notes then outstanding, by notice in writing to the Company (and to the Trustee if given by the holders of Equipment Notes) may declare the unpaid principal of all of the Equipment Notes to be immediately due and payable and upon any such Declaration the same shall become and shall be immediately due and payable without further demand, anything to the contrary in this Agreement or in the Equipment Notes notwithstanding, and thereafter such principal and interest due thereon shall bear interest from the date of such Declaration at a rate which shall be the prime rate from time to time charged by First National City Bank, New York, New York, plus five percent (5%), to the extent legally enforceable, and the Trustee shall be entitled to recover judgment for the entire unpaid amount due with interest as aforesaid, and to collect such judgment out of the Trust Estate wherever situated.

If before sale or completion of any other enforcement of this Agreement (i) all fees and expenses of the Trustee incident to such Event of Default and to the enforcement by the Trustee of the provisions of this Agreement shall have been paid by the Company, (ii) all amounts which shall then be due and payable by the Company on the Equipment Notes and under this Agreement, other than such part of the Equipment Notes as shall have become due and payable only because of a Declaration, shall have been paid by the Company, with interest thereon from the date of such Declaration at a rate which shall be the prime rate from time to time charged by First National City Bank, New York, New York, plus five percent (5%), to the extent legally enforceable, and (iii) all other existing Events of Default shall have been remedied, then the holders of a majority in aggregate unpaid principal amount of the Equipment Notes then outstanding may waive any such Event of Default and its consequences and rescind and annul any such Declaration by delivering to the Company and the Trustee a written notice to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such default or Event of Default had existed or no such Declaration had been made. It is expressly understood and agreed by the Company, however, that no such waiver, rescission and annulment shall extend to or affect any other or subsequent default or Event of Default or impair any rights or remedies consequent thereon.

If an Event of Default shall have occurred and be continuing and if the unpaid principal amount of the Equipment Notes shall have been declared immediately due and payable as hereinbefore provided, the Trustee, subject to any mandatory requirement of law then in force and applicable thereto, may, with or without taking possession of the Trust Estate, at its election, sell or lease any or all of the Trust Estate, free from any and all claims of the Company or of any other person claiming by, through or under the Company, at law or in equity, at public or private sale, for cash or on credit, and with or without advertisement, all as the Trustee may determine. Any such sale or lease may be held or conducted at such place or places and at such time or times as the Trustee may fix, in one lot and as an entirety or in separate lots, and without the necessity of taking possession of or gathering at the place of sale or lease the Trust Estate to be sold or leased, and in general in such manner as the Trustee may determine; provided,

however, that notice of each such sale or lease shall be given to the Company by telegram or registered mail at least ten days prior thereto, and, if such sale or lease shall be a private sale or lease permitted by such mandatory requirement of law, such notice shall also specify the proposed sale price or rental. Each private sale or lease pursuant to this Agreement shall be subject to the right of the Company to purchase or provide a purchaser or lessee within such ten days at the same or a higher price or rental and on not less favorable terms than those offered by the intending purchaser or lessee. Without accountability to the Company (except as provided in this Article) any holder of Equipment Notes then outstanding may bid for and become the purchaser or lessee of any or all of the Trust Estate and in payment of the purchase price or rental of such Trust Estate shall be entitled to be credited on account thereof the distributive share of such holder of the purchase price or rental of such Trust Estate.

Except as provided in this Agreement, no sale, lease, or taking possession of the Trust Estate shall affect any right or cause of action which the Trustee or the holders of the Equipment Notes then outstanding may have, or release the Company from any obligation or liability, upon the Equipment Notes or under this Agreement.

To the extent not prohibited by law, each and every right, power and remedy hereby specifically given to the Trustee or the holders of the Equipment Notes shall be in addition to every other right, power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every right, power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Trustee or the holders of the Equipment Notes. All such rights, powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Trustee or the holders of the Equipment Notes in the exercise of any such right, power or remedy and no renewal or extension of any payments due on the Equipment Notes shall impair any such right, power or remedy or shall be construed to be a waiver of any default or an acquiescence therein.

SECTION 7.2. If an Event of Default shall have occurred and the Trustee or the holders of Equipment Notes shall exercise any of the

rights or remedies conferred by Section 7.1 hereof, all payments made by the Company or Manufacturer or the Railroad Trustees to the Trustee after such Event of Default, the proceeds of any sale or lease of the Trust Estate and the proceeds of any judgment collected from the Company (subject to the provisions of Section 4.8 hereof) or the Railroad Trustees by the Trustee hereunder, together with any other sums which may then be held by the Trustee under any of the provisions of this Agreement, shall be applied by the Trustee as follows:

First: to the reasonable expenses of retaking, holding, preparing for the sale or lease, selling or leasing of the Trust Equipment; reasonable counsel fees; and in general to the payment of all proper fees, charges, expenses or advances made or incurred by the Trustee in accordance with this Agreement; and

Second: to the equal and ratable payment of the principal of and interest on the unpaid principal amount of the outstanding Equipment Notes, together with interest on overdue principal and interest at a rate which shall be the prime rate from time to time charged by First National City Bank, New York, New York, plus five percent (5%), or, if such shall be prohibited by any mandatory requirement of law then in force and effect, at the highest rate allowable by such requirement.

If, after applying as aforesaid the sums of money realized by the Trustee, there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Company or as a court of competent jurisdiction may direct.

SECTION 7.3. If the Company or Greyhound shall refuse or fail to perform any agreement which this Agreement requires it to perform, the Trustee may perform the same and give to the Company or Greyhound, as the case may be, notice in writing of the expenses incurred in connection therewith and the Company or Greyhound, as the case may be, agrees to repay promptly after such notice all reasonable expenses so incurred but subject to the provisions of Section 4.8 hereof.

The acceptance by the Trustee or any holder of the Equipment Notes of any security or of any payment on account of the Equipment Notes or of interest thereon maturing or accruing after any default or of any payment on account of any past default shall not be deemed a waiver of any right to take advantage of any other past or any future default.

All rights, remedies and powers provided for in this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law in the premises and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law that may be controlling in the premises and to be limited to the extent necessary so that they will not render this Agreement invalid or unenforceable. Except as otherwise provided in this Agreement, the Company and Greyhound, to the fullest extent permitted by law, hereby waive all statutory or other legal requirements for any notice or demand of any kind whatsoever in connection with any sale, lease, or taking possession of the Trust Estate and all other requirements as to the time, place and terms of sale or lease thereof, and any other requirements with respect to the enforcement of the Trustee's rights hereunder, and any and all rights of redemption.

SECTION 7.4. The holders of a majority in aggregate unpaid principal amount of the Equipment Notes at the time outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee in exercising any trust or power conferred on the Trustee under any provision of this Agreement, and the Trustee shall be fully protected in acting in accordance with such direction.

SECTION 7.5. No taking of possession of the Trust Equipment by the Trustee, or any withdrawal, lease or sale thereof, or any action or failure or omission to act against the Company, Greyhound or the Railroad Trustees, or in respect of the Trust Equipment, on the part of the Trustee or on the part of any holder of Equipment Notes, or any delay or indulgence granted to the Company or Greyhound by the Trustee or by any such holder, shall affect the obligations of the Company or Greyhound hereunder or those of the Company under the Equipment Notes.

SECTION 7.6. Notwithstanding any other provision in this Agreement, the holder of any Equipment Note shall have the right which is absolute and unconditional to receive payment of the principal of and interest on such Equipment Note on the respective payment dates

expressed therein and, subject to the provisions of Section 4.8 hereof, to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such holder.

SECTION 7.7. The Company will pay all reasonable expenses, including attorneys' fees, incurred by the Trustee in enforcing its remedies hereunder or under the Lease. In the event that the Trustee shall bring suit hereunder and shall be entitled to judgment, then in such suit the Trustee may recover reasonable expenses, including counsel fees, and the amount thereof shall be included in such judgment.

ARTICLE EIGHT.

THE TRUSTEE.

SECTION 8.1. The Trustee hereby accepts the trusts imposed upon it by this Agreement, and covenants and agrees to perform such duties as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Trustee.

SECTION 8.2. The Trustee shall not be responsible for the filing or recording or re-filing or re-recording of this Agreement, the Lease or of any supplement hereto or thereto. In making payment for the Trust Equipment, or in accepting any cash payable hereunder or under the Lease in respect of Trust Equipment, the Trustee may rely conclusively upon and shall be fully protected by the certificates, bills of sale, invoices and opinions of counsel required to be furnished to it hereunder or under the Lease, as the case may be, and shall not be required to make any further investigation of or inquiry concerning the matters covered thereby.

SECTION 8.3. The Trustee shall be under no obligation to take any action for the execution or enforcement of the trust hereby created or in the way of insuring, taking care of or taking possession of the Trust Equipment, or to take any other action under this Agreement, the Lease or the Manufacturing Agreement, unless requested so to do in writing by the holders of not less than 25% in aggregate unpaid principal amount of the Equipment Notes then outstanding and unless indemnified to its

satisfaction against all expense and liability with respect thereto, and unless also furnished with proof satisfactory to it as to the ownership of the Equipment Notes in respect of which any such request may be made; but this provision, in the absence of such request, shall not affect any discretion herein given to the Trustee to determine whether it shall take action in respect of any default hereunder or what action it shall take. 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 not less than 25% in aggregate unpaid principal amount of the Equipment Notes then outstanding 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.

SECTION 8.4. Any money at any time paid to or held by the Trustee hereunder until paid out by the Trustee as herein provided may be carried by the Trustee on deposit with itself, without liability for interest thereon save as may be agreed upon between the Trustee and the Company.

SECTION 8.5. 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 Railroad Trustees or of the Company or Greyhound or Manufacturer, or for any defect in any of the Trust Equipment or in the title thereto, or for any destruction, deterioration, loss, injury, or damage to the Trust Equipment not resulting from its own gross negligence or wilful misconduct, 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, including its powers and duties as assignee of the Lease and the Manufacturing Agreement, by or through such attorneys or agents as it shall appoint, and shall be answerable for only its own gross negligence and wilful misconduct and not for the default or misconduct of any attorney or agent appointed by it with reasonable care. The Trustee shall not be responsible in any way for the recitals herein contained or for the execution, sufficiency or validity of this Agreement, the Lease or the Manufacturing Agreement, or of the Equipment Notes.

In the absence of bad faith on its part, the Trustee may, in performing its powers and duties and executing the trust hereunder, conclusively rely upon opinions of counsel (who shall be satisfactory to the Trustee and may be counsel to the Company, Manufacturer, or the Railroad Trustees), upon opinions, advice or information of or from any valuer, engineer, surveyor, accountant or other expert, and as to the facts stated therein upon any certificates, documents or other instruments furnished to the Trustee hereunder, under the Lease, or under the Manufacturing Agreement, as the case may be; but in the case of any opinions, certificates, documents or other instruments which by any provision hereof or of the Lease or the Manufacturing Agreement 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, the Lease or the Manufacturing Agreement, as the case may be. The Trustee shall not be under any duty to make any further investigation of or inquiry concerning the matters covered by any opinion, advice or information referred to in the foregoing sentence or to act thereon. The Trustee shall not be liable for any loss occasioned by so acting or failing to act in so relying, as the case may be, or for the acts, negligence or misconduct of any such experts selected by the Trustee with reasonable care.

The Trustee shall not be responsible for the consequences of any breach on the part of the Company of any of the covenants herein contained or for any acts of the agents or servants of the Company.

The Trustee shall not be liable for or have any duty in respect of any tax which may be assessed against the Company, the Trustee, the holders of the Equipment Notes, Manufacturer or the Lessee in respect of their interest in any property subject to the lien of this Agreement. The Trustee shall have no duty to pay or see to the payment of any such tax or to take any notice of the assessment thereof or to give any notice thereof to the holders of the Equipment Notes or to any other person. The Trustee shall have no duty to accept any assignment or pledge given under any of the provisions of this Agreement or to do any act which shall require the acceptance by the Trustee of any such assignment or pledge, if the acceptance thereof shall impose any liability upon the Trustee to pay any such tax. The Company shall promptly

reimburse the Trustee for any expense or liability which the Trustee may incur by reason of or growing out of any such tax.

The Trustee shall be entitled to receive payment of all reasonable expenses incurred by it and disbursements hereunder, including reasonable counsel fees, and to receive reasonable compensation for all services rendered by it in the execution of the trust hereby created, all of which shall be paid by the Railroad Trustees, as provided in §9 of the Lease.

The Trustee, in its individual or any other capacity, may become the owner or pledgee of Equipment Notes with the same rights it would have if it were not Trustee.

The Trustee shall not be accountable for the use by the Company of the proceeds of the Equipment Notes except as specifically provided herein.

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

SECTION 8.6. Within 5 days after any default hereunder or under the Lease (or any other event which the Trustee believes might constitute a default hereunder or thereunder) becoming known to a Responsible Officer of the Trustee it shall give written notice thereof to all holders of Equipment Notes, unless such default shall have been cured or waived within said 5 day period; provided, however, that in the case of any default of the character specified in subsection (d) of Section 7.1 hereof no such notice shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section 8.6, the term "default" means, any event which is, or after notice or lapse of time or both would become, an Event of Default hereunder or under the Lease.

SECTION 8.7. (a) The Trustee or any successor to the Trustee hereafter appointed may resign and be discharged of the trusts created hereby by giving notice of such resignation to the Company and to each holder of Equipment Notes in accordance with Section 10.7 hereof, specifying the date (which shall be not less than 30 days after the date of giving such notice) when such resignation shall take effect. Such res-

ignation shall take effect on the date so specified unless previously a successor trustee shall have been appointed by the holders of a majority in aggregate unpaid principal amount of the Equipment Notes then outstanding, in which event such resignation shall take effect immediately upon the appointment of such successor. The Trustee or any such successor hereafter appointed may be removed at any time by an instrument or instruments signed by the holders of a majority in aggregate unpaid principal amount of the Equipment Notes then outstanding; provided, however, that any provision of this Section 8.7 to the contrary notwithstanding, no resignation or removal of the Trustee or any such successor shall become effective until the acceptance of appointment by the successor to the Trustee or to such successor pursuant to the provisions of subsection (c) of this Section 8.7.

(b) In case at any time the Trustee or any successor to the Trustee hereafter appointed shall resign or be removed or otherwise become incapable of acting, or if the Trustee or any such successor trustee shall be taken under the control of any public officer or officers or of a receiver appointed by a court, then (except as hereinafter provided), a successor or successors may be appointed by an instrument or instruments signed by the holders of a majority in aggregate unpaid principal amount of the Equipment Notes then outstanding; provided, however, that the Company, by an instrument executed by order of its Board of Directors, may appoint a successor trustee to act until a successor trustee shall be so appointed by the holders of the Equipment Notes. After any such appointment by the Company, it shall give written notice thereof by mail to each holder of Equipment Notes, but any new trustee so appointed by the Company shall immediately and without further act be superseded by a trustee appointed by the holders of a majority in aggregate unpaid principal amount of the Equipment Notes as above provided.

(c) Any successor to the Trustee shall execute, acknowledge and deliver to its predecessor trustee, and to the Company, an instrument accepting such appointment hereunder, and thereupon such successor trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, duties and trusts of its predecessor in the trust hereunder with like effect as if originally named as trustee herein; but nevertheless, on the written request of

the Company or of the successor trustee, the retiring trustee shall execute and deliver an instrument transferring to such successor trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the trustee so retiring, and shall duly assign, transfer, deliver and pay over to the successor trustee any property and moneys subject to this Agreement and held by such retiring trustee. Should any bill of sale, conveyance or instrument in writing from the Company be required by any successor trustee for more fully and certainly vesting in and confirming to such successor trustee such estates, properties, rights, powers and trusts, then on request any and all such bills of sale, conveyances and instruments in writing shall be made, executed, acknowledged and delivered by the Company.

(d) Any successor to the Trustee shall be a bank or trust company having a combined capital and surplus of at least \$50,000,000 and doing business in the Borough of Manhattan, City and State of New York, and duly authorized to act as a trustee therein, if there shall be such a bank or trust company willing and legally qualified to accept and perform the trusts and duties mentioned herein upon reasonable or customary terms.

SECTION 8.8. Any corporation resulting from any merger or consolidation to which the Trustee or any successor to it shall be a party, or any corporation in any manner succeeding to all or substantially all of the business of the Trustee or any successor trustee, provided such corporation shall be a bank or trust company doing business in the Borough of Manhattan, City and State of New York, and shall have a capital and surplus aggregating at least \$50,000,000, shall be the successor trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE NINE.

DEFEASANCE.

SECTION 9.1. After the payment in full of principal of and interest on all of the Equipment Notes and all sums owing to the Trustee hereunder, (i) any money remaining in the hands of the Trustee shall be paid to the Company; (ii) all of the right, title and interest of the

Trustee in and to the Trust Estate shall vest in the Company free and clear of any rights of the Trustee or the holders of Equipment Notes under this Agreement; and (iii) the Trustee shall execute in proper form for recordation in such public offices as may be necessary, at the expense of the Company, such instrument or instruments in writing as shall reasonably be requested by the Company in order to make clear upon the public records the Company's title to the Trust Estate; provided, however, that until such time the Trustee's title to the Trust Estate shall not pass to or vest in the Company but shall be and remain in the Trustee as herein provided.

ARTICLE TEN.

MISCELLANEOUS.

SECTION 10.1. Subject to the next succeeding paragraph hereof, with the consent of the holders of not less than 66 $\frac{2}{3}$ % in aggregate unpaid principal amount of the Equipment Notes at the time outstanding the Company, Greyhound and the Trustee may from time to time and at any time modify, amend or supplement this Agreement and, with like consent of such holders of Equipment Notes and the consent of the Trustee, the Company and the Railroad Trustees may from time to time and at any time modify, amend or supplement the Lease and with like consent of such holders of Equipment Notes and the consent of the Trustee, the Company and Manufacturer may at any time modify, amend or supplement the Manufacturing Agreement, for the purpose (in any such case) of adding any provisions or changing in any manner or eliminating any of the provisions hereof or thereof; provided, however, that until the last closing under the Loan and Financing Agreement there shall be deemed to be outstanding for the purpose of this Section 10.1 Equipment Notes in the full amount of each Lender's respective Commitment under said Agreement; and, provided, further, that no such modification, amendment or supplement shall extend the fixed maturities of any Equipment Note, reduce the principal amount thereof, reduce the rate or alter the time for payment of principal and interest thereon, permit the creation of any lien ranking prior to or on a parity with the lien of this Agreement on the Trust Estate or any part thereof, except as herein expressly permitted, de-

prive the holder of any of the Equipment Notes then outstanding of the lien hereby created on the Trust Estate, amend paragraph 4, 6 or 7 of the Manufacturing Agreement, or reduce the percentage required for any action under this Section 10.1 or under Section 4.4, 7.1, 7.4, 8.3 or 8.7 hereof without the consent of all of the holders of Equipment Notes at the time outstanding.

If in the opinion of the Trustee a proposed amendment or modification hereto, to the Lease, or the Manufacturing Agreement and the specifications of the Trust Equipment deliverable thereunder, will not adversely affect the rights of the holders of the Equipment Notes, the Trustee, without the consent of the holders of Equipment Notes, shall be authorized in its discretion to consent on behalf of all of the holders of Equipment Notes to any such proposed amendment or modification to which the Company and Greyhound and the Railroad Trustees (in the case of the Lease) or Manufacturer (in the case of the Manufacturing Agreement) or the Company and Greyhound (in the case of this Agreement) shall have duly consented. The Trustee, without the consent of the holders of the Equipment Notes or Manufacturer, shall be authorized in its discretion to enter into an agreement or agreements supplemental hereto providing for the confirmation of the conveyance and assignment of the Trust Equipment to the Trustee for the purposes herein provided and for the acceptance by the Trustee of the trusts created with respect thereto.

SECTION 10.2. In determining whether the holders of the required aggregate unpaid principal amount of Equipment Notes have concurred in any direction, consent or waiver under this Agreement, Equipment Notes which are owned by the Company, Manufacturer, Greyhound or the Railroad Trustees, or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, Manufacturer, Greyhound or the Railroad Trustees, shall be disregarded and deemed not to be outstanding for the purpose of any such determination, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver only Equipment Notes which the Trustee knows are so owned shall be so disregarded.

SECTION 10.3. Any request or other instrument provided by this Agreement to be signed or executed by holders of Equipment Notes may

be in any number of concurrent instruments of similar tenor, and may be executed by such holders in person or by an agent or attorney appointed by an instrument in writing. The execution of any such request or other instrument, or of a writing appointing any such agent or attorney, or proof of the holding by any person of Equipment Notes, shall be sufficient for any purpose hereof and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted to be taken by the Trustee under such request or other instrument if proved by the affidavit of a witness of such execution, or by the certificate of any notary public or of any other officer authorized to take acknowledgement of deeds to be recorded in the state where the acknowledgment may be taken, certifying that the person signing such request or other instrument acknowledged to him the execution thereof; provided, however, that execution of any document by or on behalf of any Lender shall be deemed sufficiently proved when executed in writing by an individual purporting to be an authorized officer of such Lender.

SECTION 10.4. Nothing expressed or implied herein is intended or shall be construed to confer upon or to give to any person, firm or corporation, other than the parties hereto and the holders of the Equipment Notes, any right, remedy or claim under or by reason of this Agreement or of any term, covenant or condition hereof, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and of the holders of the Equipment Notes.

SECTION 10.5. Nothing contained herein, or contained in the Lease or in any Equipment Note, shall be deemed to impose on the Trustee, Greyhound, the Railroad Trustees or the Company any obligation to pay to the holder of any Equipment Note any tax, assessment or governmental charge required by any present or future law of the United States of America or of any state, county, municipality or other taxing authority thereof, to be paid in behalf of, or withheld from the amount payable to, the holder of any Equipment Note.

SECTION 10.6. 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 successors and assigns.

SECTION 10.7. All demands, notices and communications hereunder shall be in writing, shall be given by telex or telecopier, in either case confirmed by mail, or by hand delivery or registered mail and shall be deemed to have been given when received by the addressee at its address set forth below: (a) in the case of the Company or Greyhound, Greyhound Tower, Phoenix, Arizona 85077, Attention: Vice President—Administration, or at such other address as may hereafter be furnished to the Trustee in writing by the Company or Greyhound, as the case may be, (b) in the case of the Trustee, 20 Pine Street, New York, New York 10015, Attention: Corporate Trustee Administration, or at such other address as may hereafter be furnished to the Company and Greyhound in writing by the Trustee, and (c) in the case of the holders of Equipment Notes, the address of the original registered holders as set forth in the Loan and Financing Agreement or at such other address as may hereafter be furnished to the Trustee in writing by any such holders or the address of any subsequent holder thereof as furnished in writing to the Trustee.

SECTION 10.8. This Agreement has been executed in several counterparts each of which shall be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

SECTION 10.9. In any case where an Installment Date is not a business day, payment of principal and interest on the Equipment Notes may be made on the next succeeding business day with the same force and effect as if made on such Installment Date.

SECTION 10.10. The provisions of this Agreement and the Equipment Notes, and all the rights and obligations of the parties hereunder and thereunder, shall be governed by the laws of the State of New York.

IN WITNESS WHEREOF, the Company, Greyhound and the Trustee have caused their names to be signed hereto by their officers thereunto duly authorized and their corporate seals, duly attested, to be hereunto affixed, all on the respective dates of the notarial acknowledgments annexed hereto.



GREYHOUND EQUIPMENT
LEASING CORPORATION

[Corporate Seal]

Attest:

Gerald Chilton
Assistant Secretary

By *R. H. Dun*
Vice President

GREYHOUND LEASING &
FINANCIAL CORPORATION

[Corporate Seal]

Attest:

Gerald Chilton
Assistant Secretary

By *R. H. Dun*
Vice President

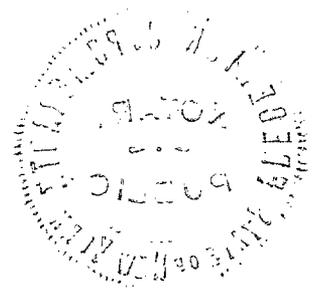
CHEMICAL BANK

[Corporate Seal]

Attest:

M. B. ...
ASSISTANT SECRETARY

By *J. G. Roy*
Title: TRUST OFFICER



STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this *24th* day of *Nov*, 1975 before me personally appeared ROBERT H. DAMM, to me personally known, who, being by me duly sworn, says that he is a Vice President of GREYHOUND EQUIPMENT LEASING CORPORATION, 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 this day 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.

[NOTARIAL SEAL]

Frederick J. Pomerantz
FREDERICK J. POMERANTZ
NOTARY PUBLIC, State of New York
No. 31-4605429
Qualified in New York County
Commission Expires March 30, 1977

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this *24th* day of *Nov*, 1975 before me personally appeared ROBERT H. DAMM, to me personally known, who, being by me duly sworn, says that he is a Vice President of GREYHOUND LEASING & FINANCIAL CORPORATION, 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 this day 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.

[NOTARIAL SEAL]

Frederick J. Pomerantz
FREDERICK J. POMERANTZ
NOTARY PUBLIC, State of New York
No. 31-4605429
Qualified in New York County
Commission Expires March 30, 1977

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 24th day of Nov, 1975 before me personally appeared Mr. J. Foley, to me personally known, who, being by me duly sworn, says that he is a **TRUST OFFICER** of **CHEMICAL 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 this day 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.

[NOTARIAL SEAL]

Frederick J. Pomerantz
FREDERICK POMERANTZ
NOTARY PUBLIC, State of New York
No. 31-4605429
Qualified in New York County
Commission Expires March 30, 1977



SCHEDULE A

[FORM OF EQUIPMENT NOTES]

GREYHOUND EQUIPMENT LEASING CORPORATION

EQUIPMENT NOTE No.

DATED _____, 19

GREYHOUND EQUIPMENT LEASING CORPORATION, a Delaware corporation (the Company), for value received, promises to pay to

or registered assigns, at the corporate trust office of Chemical Bank, in the City of New York, New York, the principal sum of \$ _____ in lawful money of the United States of America and to pay interest on the unpaid balance of such principal sum in like money, at said office, at the rate of $9\frac{7}{8}\%$ per annum (computed on the basis of a 360-day year of twelve 30-day months). Said principal and interest shall be payable as follows: Interest on the said principal sum shall be payable on the first day of each month, commencing with the later to occur of (i) January 1, 1976, or (ii) the first such date following the date hereof through and including the first day of the month next following the earlier to occur of (a) the Final Delivery Date referred to in the below-mentioned Equipment Note Agreement, or (b) June 30, 1976, in each case in arrears from the date hereof or the last date through which interest has been paid (as the case may be) through and including the last day of the month next preceding such date of payment. Together with the last payment of interest hereon pursuant to the next preceding sentence, the Company shall pay an amount of said principal sum equal to \$ _____. Subject to the next two preceding sentences, said principal sum and interest shall be payable in 179 consecutive monthly level payments of principal and interest on the first day of each month, commencing with the month next following the payment of principal made pursuant to the next preceding sentence, each such level payment to be in the amount of \$ _____, except that the last such level payment shall be in an amount sufficient to discharge the unpaid principal of and interest on this Equipment Note. Except to the extent that payments by Bethlehem Steel Corporation under paragraph 6 or 7 of the Manufacturing Agreement (as defined in the below-mentioned Equipment Note Agreement) are not required to

include payments under §18 of the Lease (as so defined), interest on any overdue principal and (to the extent permitted by applicable law) overdue interest shall be paid from the due date thereof at a rate which shall be the prime rate from time to time charged by First National City Bank, New York, New York, plus five percent (5%) (computed on the basis of a 360-day year of twelve 30-day months).

This is one of the Equipment Notes secured by the Equipment Note Agreement dated as of September 2, 1975 (said Agreement as in effect from time to time being herein called the Equipment Note Agreement) among the Company, Greyhound Leasing & Financial Corporation and Chemical Bank, as Trustee (the Trustee), to which reference is hereby made for rights as to acceleration of the maturity hereof and various other rights with respect hereto.

All payments of principal and interest to be made by the Company hereunder and under the Equipment Note Agreement shall be made only from the income and proceeds from the Trust Estate (as defined in the Equipment Note Agreement) and only to the extent that the Trustee shall have received sufficient funds, income or proceeds from the Trust Estate to make such payments in accordance with the terms of Article Four of the Equipment Note Agreement, and each holder hereof, by its acceptance of this Equipment Note, agrees that it will look solely to the income and proceeds from the Trust Estate to the extent available for distribution to the holder hereof as above provided and that the Company is not personally liable to the holder hereof for any amounts payable under this Equipment Note or (except as provided in Section 4.8 thereof) the Equipment Note Agreement.

The registration of this Equipment Note is transferable on the Note Register of the Company upon its surrender for registration of transfer at the corporate trust office of the Trustee in the City of New York, New York, accompanied by a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by the registered holder hereof, and thereupon one or more new Equipment Notes for the same aggregate unpaid principal amount will be issued to the designated transferee or transferees as provided in the Equipment Note Agreement. Equipment Notes are exchangeable for a like

aggregate unpaid principal amount of Equipment Notes of one or more different denominations, as requested by the holder surrendering the same.

The Company and the Trustee may treat the person in whose name this Equipment Note is registered as the absolute owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Equipment Note be overdue, and neither the Company nor the Trustee shall be affected by notice to the contrary.

Any transfer of this Equipment Note is subject to restrictions contained in a certain Loan and Financing Agreement described in the Equipment Note Agreement, to which reference is hereby made for such restrictions.

This Equipment Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee.

GREYHOUND EQUIPMENT LEASING
CORPORATION

By _____
[Vice] President

and _____
[Assistant] Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Equipment Notes described in the within-mentioned Equipment Note Agreement.

CHEMICAL BANK, *as Trustee*

By _____
Authorized Officer

SCHEDULE B**BILL OF SALE**

Bethlehem Steel Corporation, a Delaware corporation (Manufacturer), in consideration of the sum of one dollar, and other good and valuable consideration paid by Greyhound Equipment Leasing Corporation (the Company), at and before the execution and delivery of these presents, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, transfer and set over unto the Company, its successors and assigns, all right, title and interest of Manufacturer in and to the units of railroad equipment described in Exhibit 1 hereto (the Units) which have been delivered to the Company under the Manufacturing Agreement dated as of September 2, 1975 (the Manufacturing Agreement, all terms used herein which are defined therein being, except as the context otherwise requires, used herein with the same meanings) between Manufacturer and the Company, to have and to hold all and singular the Units to the Company, its successors and assigns, for its and their own use and behoof forever.

Manufacturer hereby warrants to the Company, its successors and assigns, the Railroad Trustees and the Trustee, for the benefit of the holders of the Equipment Notes, that at the time of delivery of each of the Units (i) Manufacturer had title to and good and lawful right to sell each Unit; and (ii) the title of Manufacturer to each Unit was free and clear of all claims, liens, security interests and other encumbrances of any nature whatsoever except for those arising from, through or under the Company or created by the Manufacturing Agreement, the Equipment Note Agreement or the Lease. Manufacturer further covenants and agrees that it will defend the title to each Unit against the demands of all persons whomsoever based on claims originating prior to the delivery of the Unit by Manufacturer under the Manufacturing Agreement.

IN WITNESS WHEREOF, Manufacturer has caused this instrument to be executed in its name by a duly authorized officer and its corporate seal to be hereunto affixed and duly attested, the day of , 197 .

BETHLEHEM STEEL CORPORATION

By _____
Vice President

Attest:

Assistant Secretary

47

EXHIBIT 1

to

BILL OF SALE

Description

Quantity

Road
Number

Rec. No. 8127-B
 (recovered 11/25/75)

SCHEDULE C
DESCRIPTION—SPECIFICATIONS—ROAD NUMBERS

<u>Description</u>	<u>Specification Number and Date</u>	<u>Units</u>	<u>Road Numbers (All Inclusive)</u>
100-Ton Open Top Triple Hopper Cars	3400-431 Dated September 30, 1975	1,100	488501-484600
100-Ton Gondola Cars	3400-432 Dated September 18, 1975	300	38800-39099
	Total	<u>1,400</u>	