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INTERSTATE COMMERCE COMMISSION

TRUST INDENTURE AND MORTGAGE

This TRUST INDENTURE AND MORTGAGE dated as of November 26, 1975, between UNITED STATES TRUST COMPANY OF NEW YORK, a New York corporation, as owner trustee under the Trust Agreement referred to below (herein called the "Owner Trustee"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation, as indenture trustee hereunder (herein called the "Indenture Trustee").

This Trust Indenture and Mortgage Witnesseth, that, to secure the prompt payment of the principal and interest due to the Lenders hereunder and the performance and observance by the Owner Trustee of all the agreements, covenants and provisions herein for the benefit of the Lenders contained, and for the uses and purposes and subject to the terms and provisions hereof, and in consideration of the premises and of the covenants herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged;

GRANTING CLAUSE

A. The Owner Trustee by these presents does grant, bargain, sell, release, convey, set over, assign, transfer, mortgage, hypothecate, pledge, confirm and create a security interest in, unto the Indenture Trustee, its successors and assigns, the following described property, rights and privileges (all being included in the Trust Estate), to wit:

(1) The Equipment (as defined in Section 1.01 hereof), whether title thereto shall be or have been acquired by the Owner Trustee before or after the execution and delivery hereof;

(2) All the estate, right, title and interest of the Owner Trustee in and to the Lease, including, without limitation, all amounts of rent, insurance proceeds and requisition, indemnity and other payments of any kind payable to the Owner Trustee (but not including any indemnity amounts payable directly to the indemnified party under the Lease) for or with respect to the Equipment, and including all rights of the Owner Trustee (excluding, however, the rights of the Owner under the final paragraph of § 10 of the Lease) to execute any

election or option or to make any decision or determination or to give any notice, consent, waiver or approval under or in respect of the Lease or to accept any surrender of the Equipment or any unit thereof or any part thereof, as well as all rights, powers or remedies on the part of the Owner Trustee, whether arising under the Lease or by statute or at law or in equity, or otherwise, arising out of any Event of Default by the Lessee under the Lease; the Lease is pledged hereunder by the below assignment;

(3) All the estate, right, title and interest of the Owner Trustee in and to the Manufacturing Agreements assigned below to the Indenture Trustee;

(4) All the tolls, rents, issues, profits, products, revenues and other income of the property subjected or required to be subjected to the lien of this Trust Indenture, and all the estate, right, title and interest of every nature whatsoever of the Owner Trustee in and to the same and every part thereof; and

(5) All proceeds of the foregoing.

Concurrently with the delivery hereof, the Owner Trustee is delivering to the Indenture Trustee the original executed counterparts of the Lease and the Manufacturing Agreements.

B. To have and to hold all and singular the aforesaid property unto the Indenture Trustee, its successors and assigns, in trust for the benefit and security of the Lenders without any priority of any one Lender over any other, except as herein otherwise expressly provided, and for the uses and purposes and subject to the terms and provisions set forth in this Trust Indenture.

C. In order to effectuate the foregoing and to secure payment, performance and observance, for the same consideration as set forth above, the Owner Trustee has transferred, assigned, granted, bargained, sold, conveyed, set over, mortgaged, hypothecated and pledged, and does hereby transfer, assign, grant, bargain, sell, convey, set over, mortgage, hypothecate and pledge, to the Indenture Trustee, its successors and assigns in the trust hereby created for the security and benefit of the Lenders, the Equipment. The security interest created by the foregoing assignment attaches upon the delivery of the Equipment under the Manufacturing Agreements.

D. In order to effectuate the foregoing and to secure payment, performance and observance, for the same consideration as set forth above, the Owner Trustee has sold, assigned, transferred and set over and does hereby sell, assign, transfer and set over unto the Indenture Trustee, and its successors and assigns, in the trust hereby created for the security and benefit of the Lenders, all the estate, right, title and interest of the Owner Trustee under, in and to (i) the Lease (excluding, however, the rights of the Owner under the final paragraph of § 10 of the Lease and indemnity amounts payable directly to the indemnified party under the Lease), (ii) all moneys and claims for moneys due and to become due to the Owner Trustee, and all claims for damages, in respect of any Casualty Occurrence with respect to the Equipment, and all other payments of any kind for or with respect to the Equipment, and (iii) the Manufacturing Agreements. The security interest created by the foregoing assignment attaches upon the delivery hereof.

E. It is expressly agreed that anything herein contained to the contrary notwithstanding, the Owner Trustee shall remain liable under the Lease and the Manufacturing Agreements for the performance of all the obligations assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and the Indenture Trustee shall have no obligation or liability under the Lease by reason of or arising out of the assignment hereunder, nor shall the Indenture Trustee be required or obligated in any manner to perform or fulfill any obligations of the Owner Trustee under or pursuant to the Lease or the Manufacturing Agreements or, except as herein expressly provided, to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim, or take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

F. The Owner Trustee does hereby constitute the Indenture Trustee the true and lawful attorney of the Owner Trustee, irrevocably, with full power (in the name of the Owner Trustee or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due and to become due under or arising out of the Lease or the Manufacturing Agreements and assigned hereunder, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Indenture

Trustee may deem to be necessary or advisable in the premises.

G. The Owner Trustee agrees that at any time and from time to time, upon the written request of the Indenture Trustee, the Owner Trustee will promptly and duly execute and deliver any and all such further instruments and documents as the Indenture Trustee may deem desirable in obtaining the full benefits of the assignment hereunder and of the rights and powers herein granted.

H. The Owner Trustee does hereby warrant and represent that it has not assigned or pledged, and hereby covenants that it will not assign or pledge, so long as the assignment hereunder shall remain in effect, any of its right, title or interest hereby assigned, to anyone other than the Indenture Trustee, and that it will not, except as provided in this Trust Indenture, enter into any agreement amending or supplementing the Lease or the Manufacturing Agreements, settle or compromise any claim against the Lessee arising under the Lease or the Manufacturing Agreements, or submit or consent to the submission of any dispute, difference or other matter arising under or in respect of the Lease or the Manufacturing Agreements, to arbitration thereunder.

I. The Owner Trustee does hereby ratify and confirm the Lease and the Manufacturing Agreements and does hereby agree that it will not, except as provided in Article VIII hereof, take or omit to take any action, the taking or omission of which might result in an alteration or impairment of the Lease or the assignment hereunder or of any of the rights created by the Lease, the Manufacturing Agreements or the assignment hereunder.

It is Hereby Convenanted and Agreed by and between the parties hereto as follows:

ARTICLE I

Definitions

SECTION 1.01. For all purposes of this Trust Indenture and Mortgage the following terms shall have the following meanings (such definitions to be equally applicable to both the singular and plural forms of the terms defined):

"Builder" shall mean General Motors Corporation (Electro-Motive Division), and its successors and assigns, in its capacity as Builder under the Manufacturing Agreement to which it is a party.

"Contractor" shall mean Illinois Central Gulf Railroad Company, and its successors and assigns, in its capacity as Contractor under the Manufacturing Agreement to which it is a party.

"Equipment" shall mean the units of new, standard gauge railroad equipment described in Annex A attached hereto and, prior to the inclusion thereof in such units of railroad equipment, the articles, supplies, materials and parts acquired by the Contractor, as independent contractor under the Manufacturing Agreement to which it is a party on behalf of the Owner Trustee.

"Indenture Default" shall mean any event or condition described in Section 4.01(a) hereof.

"Investors" shall mean and include the Owner and each Lender.

"Lease" shall mean that certain Lease of Railroad Equipment dated as of the date hereof between the Owner Trustee and the Lessee, substantially in the form annexed to the Participation Agreement as Exhibit C, as from time to time supplemented or amended, or the terms thereof waived or modified, to the extent permitted by, and in accordance with, the terms of this Trust Indenture, which Lease has been assigned by the Owner Trustee to the Indenture Trustee as provided in the Granting Clause hereof.

"Lease Default" shall mean any of the events or conditions defined as an Event of Default in the Lease.

"Lenders" shall mean and include each of the institutions listed in Schedule A to the Participation Agreement as a Lender, and their respective successors and assigns.

"Lessee" shall mean Illinois Central Gulf Railroad Company and its successors and assigns as Lessee under the Lease.

"Locomotive Equipment" shall mean the units of the Equipment described in Item 2 of Annex A attached hereto.

"Majority in Interest of Investors" as of any particular date of determination shall mean (i) Lenders having interests in the Trust Estate in a principal amount in excess of 66-2/3% of the principal amount of the interests of all the Lenders in the Trust Estate, if any, as of such date and (ii) the Owner; provided, however, that during any period during which an Indenture Default (or any event or condition which after notice or lapse of time or both would constitute an Indenture Default) shall have occurred and be continuing, "Majority in Interest of Investors" shall not include the Owner, except with respect to giving any instructions or requests or taking any action or refraining from taking any action with respect to any unit of Equipment which has been settled for under the Manufacturing Agreements but which has not been financed in part by funds made available by the Lenders to the Indenture Trustee on the Date of Deposit (as defined in the Participation Agreement) under the Participation Agreement.

"Majority in Interest of Lenders" as of any particular date of determination shall mean Lenders having interests in the Trust Estate in a principal amount in excess of 66-2/3% of the principal amount of the interests of all the Lenders in the Trust Estate as of such date.

"Manufacturing Agreements" shall mean, collectively, (a) that certain Manufacturing Agreement dated as of the date hereof between the Contractor and the Owner Trustee, substantially in the form annexed to the Participation Agreement as Exhibit A, and (b) that certain Manufacturing Agreement dated as of the date hereof between the Builder and the Owner Trustee, substantially in the form annexed to the Participation Agreement as Exhibit B, as from time to time supplemented or amended, or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms of this Trust Indenture, which Manufacturing Agreements have been assigned by the Owner Trustee to the Indenture Trustee as provided in the Granting Clause hereof.

"Mortgaged Property" shall have the meaning ascribed in Section 4.01(b) hereof.

"Owner" shall mean and include General Electric Credit Corporation and any other person to which the Owner transfers its right, title and interest in and to this Trust Agreement, the Estate and the Participation Agreement in accordance with Section 8.01 of the Trust Agreement, and their respective successors and assigns.

"Participation Agreement" shall mean that certain Participation Agreement dated as of the date hereof among the Lessee, the Owner Trustee, the Indenture Trustee, the Owner and the Lenders listed in Schedule A thereto, substantially in the form annexed hereto as Exhibit A, as from time to time supplemented or amended, or the terms thereof waived or modified, to the extent permitted by, and in accordance with, the terms thereof.

"Prime Rate" shall mean the minimum commercial lending rate of Morgan Guaranty Trust Company of New York in effect from time to time.

"Trust Agreement" shall mean that certain Trust Agreement dated as of the date hereof among the Owner and the Owner Trustee, substantially in the form annexed to the Participation Agreement as Exhibit D, as from time to time supplemented or amended, or the terms thereof waived or modified, to the extent permitted by, and in accordance with, the terms thereof.

"Trust Estate" shall mean all estate, right, title and interest of the Indenture Trustee in and to the Equipment, the Lease and the Manufacturing Agreements, including, without limitation, all amounts of rent, insurance proceeds and requisition, indemnity or other payments of any kind for or with respect to the Equipment payable to the Indenture Trustee and all amounts payable to the Indenture Trustee pursuant to the Lease or Paragraph 6 of the Participation Agreement.

"Trust Office" shall mean the principal corporate trust office of the Indenture Trustee at Two Hopkins Plaza, P. O. Box 2258, Baltimore, Maryland 21203, attention of Corporate Trust Department, or the principal corporate trust office of any successor Indenture Trustee.

SECTION 1.02. For all purposes of this Trust Indenture the following terms shall have the meanings defined in the Lease: "Casualty Occurrence", "Casualty Value" and "Event of Default".

SECTION 1.03. For all purposes of this Trust Indenture the terms "Business Day" and "Estate" shall have the respective meanings defined in the Trust Agreement.

ARTICLE II

Interests of Lenders in Trust Estate;
Payment of Principal and Interest to Lenders

SECTION 2.01. Each Lender shall have an interest in the Trust Estate in a principal amount equal to the principal amounts made available to the Indenture Trustee pursuant to Paragraph 2 of the Participation Agreement and applied by the Owner Trustee pursuant to Paragraph 6 of the Participation Agreement on a Closing Date or Delivery Date under the applicable Manufacturing Agreement to the payment required on such Closing Date or Delivery Date pursuant to Article 3 of such Manufacturing Agreement, less any principal payments made to such Lender pursuant to this Trust Indenture. Such principal amount will be payable (a) in the case of principal amounts made available out of the Contractor Portion (as defined in the Participation Agreement), in 80 consecutive quarterly instalments, or (b) in the case of principal amounts made available out of the Builder Portion (as defined in the Participation Agreement), in 60 consecutive quarterly instalments, in each case calculated as hereinafter provided, on January 15, April 15, July 15 and October 15 in each year, commencing April 15, 1976 (or if any such date is not a Business Day, on the next succeeding Business Day), each such date being herein called a "Payment Date", and shall bear interest from the date such principal amount is made available to the Indenture Trustee pursuant to Paragraph 2 of the Participation Agreement on the unpaid principal amount thereof from time to time outstanding, payable to the extent accrued, on January 15, 1976, and on each Payment Date thereafter at the rate of 10-1/2% per annum, except in the case of principal amounts made available by Morgan Guaranty Trust Company of New York, which amounts shall bear interest until January 15, 1976, at the Prime Rate as in effect from time to time and thereafter at 10-1/2% per annum. Instalments of principal shall be calculated on such a basis that the amount and allocation of principal and interest payable on each Payment Date shall be substantially in proportion to the amount and allocation of principal and interest payable on such Payment Date set forth in Schedule I (with respect to amounts made available out of the Contractor Portion) or Schedule II (with respect to amounts made available out of the Builder Portion) hereto. All principal and interest remaining unpaid after the same shall have become due and payable will bear interest (in the case of unpaid interest, to the extent permitted by applicable law) at the rate of 11-1/2% per annum. Interest shall be determined on the basis of a 360-day year of twelve 30-day months. All payments of principal and interest shall be made in such coin or currency

of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

SECTION 2.02. All payments to be made by the Indenture Trustee under this Trust Indenture shall be made only from the income and the proceeds from the Trust Estate and only to the extent that the Indenture Trustee shall have sufficient income or proceeds from the Trust Estate to make such payments in accordance with the terms of Article III hereof. Each Lender, by its execution and delivery of the Participation Agreement, individually agrees that it will look solely to the income and proceeds from the Trust Estate to the extent available for distribution to it as herein provided and that, except as specifically provided herein, neither the Owner, the Owner Trustee nor the Indenture Trustee is personally liable to any Lender for any amounts payable hereunder.

SECTION 2.03. All payments to be made by the Indenture Trustee hereunder shall (subject to timely receipt by the Indenture Trustee of available funds) be made by check mailed to each Lender or its nominee on the date such payment is due or, upon written request of such Lender, by bank wire to the account of such Lender or its nominee at such banking institution as may be specified to the Indenture Trustee in writing.

SECTION 2.04. In the case of payments to a Lender, each payment on account of interest only or of principal and interest shall be applied, first, to the payment of accrued interest to the date of such payment and, second, to the payment of such Lender's interest in the principal instalments due hereunder in the order of maturity thereof until the same shall have been paid in full.

SECTION 2.05. A Lender shall have no further interest in, or other right with respect to, the Trust Estate when and if the principal, interest and all other sums payable to such Lender hereunder, under the Lease and under the Participation Agreement shall have been paid in full.

SECTION 2.06. Notwithstanding any provision to the contrary contained herein, a Lender shall have no further interest in, or other right with respect to, the portion of the Trust Estate constituting Locomotive Equipment when and if the principal, interest and all other sums payable to such Lender hereunder, under the Lease and under

the Participation Agreement with respect to Locomotive Equipment shall have been paid in full.

ARTICLE III

Receipt, Distribution and Application of Income from the Trust Estate

SECTION 3.01. Except as otherwise provided in Section 3.03 hereof, each payment of rent pursuant to § 3 of the Lease as well as any payment of interest on overdue instalments of such rent received by the Indenture Trustee at any time shall be distributed by the Indenture Trustee on the date such payment is due from the Lessee (or as soon thereafter as such payment shall be received by the Indenture Trustee) in the following order of priority: first, so much of such payment as shall be required to pay in full the aggregate amount of the payments then due hereunder to the Lenders shall be distributed to the Lenders ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due hereunder to each Lender bears to the aggregate amount of the payments then due hereunder to all Lenders; and, second, the balance, if any, of such payment remaining thereafter shall be distributed to the Owner.

SECTION 3.02. (a) Except as otherwise provided in Section 3.03 hereof, any payment received by the Indenture Trustee pursuant to the second paragraph of § 7 of the Lease as the result of a Casualty Occurrence shall in each case be distributed forthwith upon receipt by the Indenture Trustee in the following order of priority: first, so much of such payment as shall be required to prepay in full, without premium or penalty, the aggregate unpaid principal amount of the investments made by the Lenders under the Participation Agreement with respect to the Equipment suffering the Casualty Occurrence, plus the accrued but unpaid interest on such principal amount to the date of distribution, shall be distributed to the Lenders, ratably, without priority of one over the other, in the proportion that the unpaid principal amount of the investments made by each Lender, plus the accrued but unpaid interest thereon to the date of distribution, bears to the aggregate unpaid principal amount of the investments made by all Lenders, plus the accrued but unpaid interest thereon to the date of distribution; and, second, the balance, if any, of such payment remaining thereafter shall be distributed to the Owner.

(b) Except as otherwise provided in Section 3.03 hereof, any payment received directly or through the Lessee pursuant to the final paragraph of § 7 of the Lease as condemnation or similar payments or the payment of insurance proceeds with respect to any unit of Equipment as a result of a Casualty Occurrence, to the extent such payment is not at the time required to be paid to the Lessee pursuant to said § 7, shall, except as otherwise provided in the second sentence of this Section 3.02(b), be distributed forthwith upon receipt by the Indenture Trustee in the order of priority set forth in Section 3.02(a) hereof. Any portion of any payment referred to in the first sentence of this Section 3.02(b) which is not required to be paid to the Lessee pursuant to § 7 of the Lease solely because the Lessee shall not have paid to the Indenture Trustee the Casualty Value with respect to the unit of Equipment suffering the Casualty Occurrence shall be held by the Indenture Trustee as security for the obligations of the Lessee under the Lease, and at such time as the aforesaid Casualty Value shall have been paid, such portion shall be paid to the Lessee, unless the Indenture Trustee shall have theretofore declared the Lease to be in default pursuant to § 10 thereof, in which event such portion shall be distributed forthwith upon such declaration in accordance with the provisions of Section 3.03(a) hereof.

SECTION 3.03. (a) All payments received and amounts realized by the Indenture Trustee after an Indenture Default shall have occurred and be continuing and, if such Indenture Default is also a Lease Default, after the Indenture Trustee has declared the Lease to be in default pursuant to § 10 thereof or, if such Indenture Default is not a Lease Default, after the Indenture Trustee or a Majority in Interest of Lenders has declared the unpaid principal amounts of the investments made by the Lenders pursuant to the Participation Agreement to be due and payable pursuant to Section 4.01(d) hereof (including any amounts realized by the Indenture Trustee from the exercise of any remedies pursuant to § 10 of the Lease), as well as all payments or amounts then held or thereafter received by the Indenture Trustee as part of the Trust Estate while such Indenture Default shall be continuing (but in any event excluding all payments received and amounts realized or held by the Indenture Trustee with respect to any unit of Equipment which has been settled for under the applicable Manufacturing Agreement but which has not been financed in part by funds made available by the Lenders to the Indenture Trustee on the Date of Deposit under the Participation Agreement), shall be distributed by the

Indenture Trustee in the following order of priority: first, so much of such payments or amounts as shall be required to reimburse the Owner Trustee and the Indenture Trustee for any tax, expense, fees or other loss incurred by the Owner Trustee and the Indenture Trustee (to the extent not otherwise reimbursed and to the extent incurred in connection with their duties as Owner Trustee and Indenture Trustee, respectively) shall be applied by the Indenture Trustee as between itself and the Owner Trustee; second, (i) so much of such payments or amounts remaining as shall be required to reimburse the Lenders for payments made to the Indenture Trustee pursuant to Section 5.03 hereof or Paragraph 11 of the Participation Agreement shall be distributed to the Lenders ratably, without priority of one over the other, in accordance with the amount of the payment or payments made by each of them pursuant to said Section 5.03 or said Paragraph 11, and (ii) so much of such payments or amounts remaining as shall be required to pay to the Lenders any amounts owed to them pursuant to the provisions of §§ 6 or 9 of the Lease shall be distributed to each Lender entitled thereto; and in case the aggregate amount so to be paid to all Lenders in accordance with clauses (i) and (ii) above shall be insufficient to pay all such amounts as aforesaid, then, ratably, without priority of one Lender over another; third, so much of such payments or amounts remaining as shall be required to pay in full the aggregate unpaid principal amount of the investments made by the Lenders under the Participation Agreement, plus the accrued but unpaid interest thereon to the date of distribution, shall be distributed to the Lenders ratably, without priority of one over the other, in the proportion that the aggregate unpaid principal amount of the investments made by each Lender, plus the accrued but unpaid interest thereon to the date of distribution, bears to the aggregate unpaid principal amount of the investments made by all Lenders, plus the accrued and unpaid interest thereon to the date of distribution; and, fourth, the balance, if any, of such payments or amounts remaining thereafter shall be distributed to the Owner.

(b) All payments received and amounts realized by the Indenture Trustee after an Indenture Default (or an event or condition which after notice or lapse of time or both would become an Indenture Default) shall have occurred and be continuing but prior to the Indenture Trustee having declared the Lease to be in default pursuant to § 10 thereof or the Indenture Trustee or a Majority in Interest of Lenders

having declared the unpaid principal amounts of the investments made by the Lenders pursuant to the Participation Agreement to be due and payable pursuant to Section 4.01(d) hereof, as well as all payments or amounts then held or thereafter received by the Indenture Trustee as part of the Trust Estate while such Indenture Default (or other event or condition) shall be continuing but prior to such declaration (but in any event excluding all payments received and amounts realized or held by the Indenture Trustee with respect to any unit of Equipment which has been settled for under the applicable Manufacturing Agreement but which has not been financed in part by funds made available by the Lenders to the Indenture Trustee on the Date of Deposit under the Participation Agreement), shall be distributed by the Indenture Trustee in the manner provided in clause "first" of Section 3.01 hereof and the remainder shall be held by the Indenture Trustee as security for the obligations of the Lessee under the Lease; provided, that in the event of a declaration of default under § 10 of the Lease within 90 days after receipt by the Indenture Trustee of notice of the occurrence of an Indenture Default, such remainder shall be distributed in the order of priority set forth in Section 3.03(a) hereof, and in the absence of such declaration within such 90-day period, such remainder shall be distributed in the manner set forth in Section 3.01 hereof.

(c) All payments received and amounts realized by the Indenture Trustee during the quarterly rental period under the Lease immediately following the rental period under the Lease with respect to which the Owner shall have exercised its rights set forth in the final paragraph of § 10 of the Lease (but in any event excluding all payments received and amounts realized or held by the Indenture Trustee with respect to any units of Equipment which have been settled for under the applicable Manufacturing Agreement but which have not been financed in part by funds made available by the Lenders to the Indenture Trustee on a Date of Deposit under the Participation Agreement), shall be held by the Indenture Trustee as security for the obligations of the Lessee under the Lease; provided, that in the event that on the next succeeding rental payment date on the Lease no Indenture Default (or an event or condition which after notice or lapse of time or both would become an Indenture Default) shall have occurred and be continuing, such amounts shall be distributed by the Indenture Trustee to the persons who would otherwise have been entitled thereto but for the

provisions of this Section 3.03(c), and otherwise such amounts shall be distributed or held in accordance with Section 3.03(a) or 3.03(b), as appropriate.

SECTION 3.04. Except as otherwise provided in Section 3.03 hereof, all amounts received by the Indenture Trustee from or on behalf of the Lessee or the Owner pursuant to § 9 of the Lease or Paragraph 6 of the Participation Agreement shall promptly upon receipt be paid to the person entitled to such amounts under the Lease and the Participation Agreement.

SECTION 3.05. Except as otherwise provided in Sections 3.01, 3.02, 3.03 and 3.04 hereof, any payments received by the Indenture Trustee for which provision as to the application thereof is made in the Lease, the Manufacturing Agreements or the Participation Agreement shall be applied forthwith to the purpose for which such payment was made in accordance with the terms of the Lease, the Manufacturing Agreements or the Participation Agreement, as the case may be.

SECTION 3.06. Except as otherwise provided in Sections 3.01, 3.02, 3.03, 3.04 and 3.05 hereof:

(a) any payments (other than payments under Section 5.03 hereof and Paragraph 11 of the Participation Agreement) received by the Indenture Trustee for which no provision as to the application thereof is made in the Lease, the Manufacturing Agreements, the Participation Agreement or elsewhere in this Article III, and

(b) all payments received and amounts realized by the Indenture Trustee under the Lease or otherwise with respect to the Equipment (including, without limitation, all amounts realized upon the sale or re-lease of such Equipment after the termination of the Lease with respect thereto) to the extent received or realized at any time after payment in full of the principal of and interest on the investments made by the Lenders under the Participation Agreement, as well as any other amounts remaining as part of the Trust Estate after payment in full of such principal and interest,

shall be forthwith distributed by the Indenture Trustee in the following order of priority: first, in the manner provided in clause "first" of Section 3.03(a) hereof; second, in the manner provided in clause "second" of Section 3.03(a)

hereof; and, third, in the manner provided in clause "fourth" of Section 3.03(a) hereof.

SECTION 3.07. All amounts from time to time distributable under this Trust Indenture by the Indenture Trustee to the Owner shall be paid by the Indenture Trustee to the Owner Trustee for distribution to the Owner in accordance with the provisions of this Trust Indenture; provided, however, that the Indenture Trustee may, upon the written instructions of the Owner Trustee, make payment directly to the Owner of amounts distributable to it as aforesaid.

ARTICLE IV

Remedies of the Indenture Trustee

SECTION 4.01. Occurrence of Indenture Default; Acceleration. (a) Indenture Defaults. Any one of the following events or conditions shall constitute an Indenture Default:

(i) a Lease Default; or

(ii) any payment of principal or interest due hereunder to any Lender shall not be paid within 7 days after the same shall become due and payable (unless such failure shall result solely from the Indenture Trustee's failure to make such payments while holding funds sufficient therefor); or

(iii) the Owner or the Owner Trustee shall fail to perform or observe any covenant, condition or agreement to be performed or observed by either of them hereunder or under the Lease, the Manufacturing Agreements, the Participation Agreement or the Trust Agreement and such failure shall continue unremedied for a period of 30 days after notice of such failure has been given to the Owner Trustee and the Owner by the Indenture Trustee or any Lender; or

(iv) any representation or warranty made by the Owner or the Owner Trustee hereunder or under the Lease, the Manufacturing Agreements, the Participation Agreement or the Trust Agreement, or by any officer or representative of the Owner or the Owner Trustee in any document or certificate furnished to the Inden-

ture Trustee or any Lender in connection herewith or therewith or pursuant hereto or thereto, shall prove at any time to be incorrect in any material respect as of the date made, and such condition shall continue unremedied for a period of 30 days after notice thereof as provided in subparagraph (iii); or

(v) if the Owner or the Owner Trustee shall file a petition in bankruptcy or for reorganization or for an arrangement, composition, readjustment, liquidation, dissolution or similar relief, or shall be adjudicated a bankrupt or become insolvent or shall make an assignment for the benefit of its creditors or shall admit in writing its inability to pay its debts generally as they become due or shall suspend payment of its obligations or shall seek or consent to the appointment of a receiver, trustee or liquidator (or other similar official) of it or any material part of its business or assets or shall take any corporate action in furtherance of any of the foregoing; or

(vi) if a petition or answer shall be filed proposing the adjudication of the Owner or the Owner Trustee as a bankrupt or its reorganization, composition, readjustment, liquidation, dissolution or similar relief and (i) the Owner or the Owner Trustee, as the case may be, shall consent to or fail to contest the filing thereof or the material allegations therein or (ii) such petition or answer shall not be discharged or denied within 60 days after the filing thereof; or

(vii) if a receiver, trustee or liquidator (or other similar official) shall be appointed for or take possession or charge of the Trust Estate, the Owner or the Owner Trustee and shall not be discharged within 60 days thereafter, or if the Owner or the Owner Trustee shall consent to or acquiesce in such appointment.

(b) Lease Default. After a Lease Default shall have occurred and be continuing and after the Lease shall have been declared in default pursuant to § 10 thereof, then, and in every such case, the Indenture Trustee, as assignee hereunder of the Lease or as mortgagee hereunder of the Equipment or otherwise, may, and when required pursuant to the provisions of Article V hereof shall, exercise any or all of the rights and powers and pursue any and all of the remedies pursuant to § 10 of the Lease and this Article IV and may take possession of all or any part of the properties (hereinafter referred to as the "Mortgaged Property") covered or intended to be covered by the lien created hereby

or pursuant hereto and may exclude the Owner, the Owner Trustee and the Lessee and all persons claiming under either of them wholly or partly therefrom. In the event the Indenture Trustee shall at any time declare the Lease to be in default pursuant to § 10 thereof, the unpaid principal amount due to all Lenders hereunder with accrued interest thereon shall immediately become due and payable without further act or notice of any kind.

(c) Right to Cure Lease Default. In the case of a Lease Default consisting of the Lessee's failure to pay an instalment of rent or other obligations when due under the Lease, the Indenture Trustee shall give the Owner Trustee and the Owner notice by telegraph or telex of such failure and shall not exercise any of the rights and powers or pursue any of the remedies pursuant to § 10 of the Lease and this Article IV if the Indenture Trustee shall have received from the Owner within 10 Business Days following the date of such notice (i) the full amount of such instalment of rent or other obligations then due, together with any interest due thereon and (ii) if such payment is made in respect of the third consecutive failure of the Lessee as aforesaid, the agreement of the Owner, in form and substance satisfactory to the Indenture Trustee and the Lenders, guaranteeing the performance by the Lessee of its obligations contained in the first sentence of § 7 of the Lease. Upon any payment of rent or other obligations by the Owner, in accordance with this Section 4.01(c), the Owner shall be subrogated to the rights of the Lenders hereunder to receive such payment of rent (and the payment of interest on account of its being overdue) and shall be entitled, subject to Sections 3.01 and 3.03 hereof, to receive such payment upon its receipt by the Indenture Trustee; provided that the Owner may not exercise any rights and powers or pursue any remedies pursuant to § 10 of the Lease or otherwise which the Indenture Trustee would have been entitled to exercise or pursue but for the preceding sentence.

(d) Indenture Default Not a Lease Default. If an Indenture Default other than a Lease Default shall have occurred and be continuing, the Indenture Trustee or a Majority in Interest of Lenders may declare the unpaid principal amounts of the investments made by the Lenders pursuant to the Participation Agreement to be due and payable immediately by giving written notice to the Owner Trustee and (if such notice be given by a Majority in Interest of Lenders)

to the Indenture Trustee and upon any such declaration of acceleration such principal and accrued interest thereon shall become due and payable immediately without further act or notice of any kind. Upon such declaration, the Indenture Trustee, as assignee hereunder of the Lease or as mortgagee hereunder of the Equipment or otherwise, may, and when required pursuant to Article V hereof shall, exercise any or all of the rights and powers and pursue any and all of the remedies permitted by this Article IV, and may take possession of all or any part of the Mortgaged Property and may exclude the Owner Trustee and all persons claiming under or through the Owner Trustee wholly or partly therefrom.

SECTION 4.02. Taking Possession of Mortgaged Property; Rights of Indenture Trustee. The Owner Trustee agrees, to the full extent that it lawfully may, that, in case one or more Indenture Defaults shall have occurred and be continuing and after the Lease shall have been declared in default pursuant to § 10 thereof, or after the maturity of the unpaid principal amount of the investments made by the Lenders pursuant to the Participation Agreement shall have been accelerated pursuant to Section 4.01(d) then, and in every such case, the Indenture Trustee may exercise all of the rights, privileges and remedies given it hereunder, may take possession of all or any part of the Mortgaged Property and may exclude the Owner Trustee and all persons claiming under the Owner Trustee wholly or partly therefrom; provided, however, that if, prior to such sale or the making of a contract therefor, or within 30 days after the Indenture Trustee shall have notified the Owner Trustee of its intention to take possession, withdraw, or lease the Equipment (which notice the Indenture Trustee agrees to furnish in case it intends to take possession, withdraw, or lease), the Owner Trustee should tender full payment of the total unpaid principal of all the investments made by the Lenders pursuant to the Participation Agreement then outstanding, together with interest thereon accrued and unpaid and all other amounts due under this Trust Indenture as well as all expenses of the Indenture Trustee in taking possession of, storing, preparing the Equipment for, and otherwise arranging for, the sale or leasing of the Equipment, including reasonable attorneys' fees, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Owner Trustee. At the request of the Indenture Trustee, the Owner Trustee shall promptly execute and deliver to the Indenture Trustee, without warranty or recourse, such instruments of title and other documents as the Indenture

Trustee may deem necessary or advisable to enable the Indenture Trustee or an agent or representative designated by the Indenture Trustee, at such time or times and place or places as the Indenture Trustee may specify, to obtain possession of all or any part of the Mortgaged Property to the possession of which the Indenture Trustee shall at the time be entitled hereunder. If the Owner Trustee shall for any reason fail to execute and deliver such instruments and documents after such demand by the Indenture Trustee, the Indenture Trustee may (a) obtain a judgment conferring on the Indenture Trustee the right to immediate possession and requiring the Owner Trustee to deliver such instruments and documents to the Indenture Trustee, to the entry of which judgment the Owner Trustee hereby specifically consents, and (b) pursue all or part of such Mortgaged Property wherever it may be found and may enter any of the premises of the Owner Trustee or the Lessee wherever such Mortgaged Property may be or be supposed to be and search for such Mortgaged Property and take possession of and remove such Mortgaged Property. Upon every such taking of possession the Indenture Trustee may, from time to time, at the expense of the Mortgaged Property, make all expenditures for maintenance, insurance, repairs, replacements, alterations, additions and improvements to and of the Mortgaged Property, as it may deem proper. In each such case, the Indenture Trustee shall have the right to use, operate, store, control or manage the Mortgaged Property and to carry on the business and to exercise all rights and powers of the Owner Trustee relating to the Mortgaged Property, as the Indenture Trustee shall deem best, including the right to enter into any and all such agreements with respect to the maintenance, operation, leasing, storage or disposition of the Mortgaged Property or any part thereof as the Indenture Trustee may determine; and the Indenture Trustee shall be entitled to collect and receive all tolls, rents, revenues, issues, income, products and profits of the Mortgaged Property and every part thereof, without prejudice, however, to the right of the Indenture Trustee under any provision of this Trust Indenture to collect and receive all cash held by, or required to be deposited with, the Indenture Trustee hereunder. Such tolls, rents, revenues, issues, income, products and profits shall be applied to pay the expenses of holding and operating the Mortgaged Property and of conducting the business thereof, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Indenture Trustee may be required or may elect to make, if any, for taxes, assessments, insurance or other proper charges upon the Mortgaged Property or any part thereof (including the employment of engineers and accountants to examine, inspect

and make reports upon the properties and books and records of the Owner Trustee), and all other payments which the Indenture Trustee may be required or authorized to make under any provision of this Trust Indenture, as well as just and reasonable compensation for the services of the Indenture Trustee, and of all persons properly engaged and employed by the Indenture Trustee.

SECTION 4.03. Remedies Cumulative. Each and every right, power and remedy herein specifically given to the Indenture Trustee or otherwise in this Trust Indenture shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Indenture Trustee, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Indenture Trustee in the exercise of any right, remedy or power or in the pursuance of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Owner Trustee or the Lessee or to be an acquiescence therein.

SECTION 4.04. Discontinuance of Proceedings. In case the Indenture Trustee shall have proceeded to enforce any right, power or remedy under this Trust Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Indenture Trustee, then and in every such case the Owner Trustee, the Indenture Trustee and the Lessee shall be restored to their former positions and rights hereunder with respect to the Mortgaged Property, and all rights, remedies and powers of the Indenture Trustee shall continue as if no such proceedings had been taken.

ARTICLE V

Duties of the Owner Trustee and the Indenture Trustee

SECTION 5.01. In the event the Owner Trustee shall have actual knowledge of an Indenture Default (or an event

or condition which after notice or lapse of time or both would become an Indenture Default), the Owner Trustee shall give prompt telephonic notice (confirmed in writing) thereof to the Indenture Trustee and each Lender. In the event the Indenture Trustee shall have actual knowledge of an Indenture Default (or an event or condition which after notice or lapse of time or both would become an Indenture Default), the Indenture Trustee shall give prompt telephonic notice (confirmed in writing) thereof to the Owner Trustee and each Lender. Subject to the terms of Section 5.03 hereof, the Indenture Trustee shall take such action (or refrain from taking action) with respect to such Indenture Default or such other event or condition as the Indenture Trustee shall be instructed in writing at any time by a Majority in Interest of Lenders. If the Indenture Trustee shall not have received instructions as above provided within 20 days after the giving of notice of such Indenture Default or such other event or condition to the Lenders, the Indenture Trustee may, subject to instructions received at any time from a Majority in Interest of Lenders, take such action, or refrain from taking such action, but shall be under no duty to take or refrain from taking any action, with respect to such Indenture Default or such other event or condition as it shall deem advisable in the best interests of the Lenders.

SECTION 5.02. Subject to the terms of Sections 5.01 and 5.03 hereof, upon the written instructions at any time and from time to time of a Majority in Interest of Lenders, the Indenture Trustee will take such of the following actions as may be specified in such instructions: (i) give such notice or direction or exercise such right or power under the Lease or the Manufacturing Agreements as shall be specified in such instructions; (ii) take such action to preserve or protect the Mortgaged Property and the Trust Estate (including the discharge of liens and encumbrances) as shall be specified in such instructions; and (iii) approve as satisfactory to it all matters required by the terms of the Lease to be satisfactory to the Owner Trustee, it being understood that without the written instructions of a Majority in Interest of Lenders the Indenture Trustee shall not approve any such matter as satisfactory to it.

SECTION 5.03. The Indenture Trustee shall be under no duty to take any action or refrain from taking any action under Section 5.01 or 5.02 or Article IV hereof unless the Indenture Trustee shall have been indemnified by the Lenders, in proportion to their respective interests

in the Trust Estate at the time such action is taken, in manner and form satisfactory to the Indenture Trustee, against any liability, cost or expense (including counsel fees) which may be incurred in connection with such action or inaction. The Indenture Trustee shall not be required to take any action under Section 5.01 or 5.02 or Article IV hereof, nor shall any other provision of this Trust Indenture be deemed to impose a duty on the Indenture Trustee to take any action, if the Indenture Trustee shall determine, or shall have been advised by counsel, that such action is contrary to the terms of this Trust Indenture, the Lease or the Participation Agreement or is otherwise contrary to law.

SECTION 5.04. The Indenture Trustee shall not have any duty or obligation to manage, control, use, sell or otherwise transfer title to or dispose of or otherwise deal with any unit of Equipment or any other part of the Trust Estate, or otherwise to take or refrain from taking any action under, or in connection with, this Trust Indenture, the Lease or the Manufacturing Agreements, except as expressly provided by the terms of this Trust Indenture or the Participation Agreement or as expressly provided in written instructions from a Majority in Interest of Lenders received pursuant to the terms of Section 5.01 or 5.02 hereof; and no implied duties or obligations shall be read into this Trust Indenture against the Indenture Trustee. The Indenture Trustee nevertheless agrees that it will, at its own cost and expense, promptly take such action as may be necessary to duly discharge any liens or encumbrances on any part of the Trust Estate which result from claims against the Indenture Trustee not related to the ownership of the Equipment or the administration of the Trust Estate.

SECTION 5.05. The Indenture Trustee shall not manage, control, use, sell or otherwise transfer title to, or dispose of or otherwise deal with any unit of Equipment or any other part of the Trust Estate, except (i) as required by the terms of the Participation Agreement, the Manufacturing Agreements or the Lease, (ii) in accordance with the powers expressly granted to, or the authority expressly conferred upon, the Indenture Trustee pursuant to this Trust Indenture or (iii) in accordance with written instructions from a Majority in Interest of Lenders pursuant to Sections 5.01 or 5.02 hereof.

ARTICLE VI

The Indenture Trustee and
the Owner Trustee

SECTION 6.01. The Indenture Trustee accepts the trusts hereby created and agrees to perform the same but only upon the terms of this Trust Indenture, and agrees to receive and disburse all moneys constituting part of the Trust Estate in accordance with the provisions hereof. The Indenture Trustee shall not be answerable or accountable under any circumstances, except (i) for its own wilful misconduct or negligence, or (ii) in the case of the inaccuracy of any representation or warranty contained in Section 6.03 hereof. The Owner Trustee shall not be liable for any action or inaction of the Indenture Trustee and the Indenture Trustee shall not be liable for any action or inaction of the Owner Trustee.

SECTION 6.02. Except in accordance with written instructions furnished pursuant to Section 5.02 hereof and without limiting the generality of Sections 5.04 and 5.05 hereof, the Indenture Trustee shall have no duty (i) to see to any recording, filing or depositing of the Participation Agreement, the Manufacturing Agreements or the Lease or of this Trust Indenture, or to see to the maintenance of any such recording, filing or depositing or to any rerecording, refiling or redepositing of any thereof, (ii) to see to any insurance on the Equipment or to effect or maintain any such insurance, (iii) to review the financial condition or operations of Lessee, or make any determination with respect to an adverse change therein, (iv) except as otherwise provided in Section 5.04 hereof, to see to the payment or discharge of any tax, assessment or other governmental charge or any lien or encumbrance of any kind owing with respect to, or assessed or levied against, any part of the Trust Estate, (v) to confirm or verify any financial statements or reports of the Lessee or (vi) to inspect the Equipment at any time or ascertain or inquire as to the performance or observance of any of the Lessee's covenants under the Lease with respect to the Equipment. Notwithstanding the foregoing, the Indenture Trustee will, upon written request, furnish to the Lenders, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and other instruments furnished to the Indenture Trustee hereunder or under the Participation Agreement, the Lease or the Manufacturing

Agreements, to the extent the same shall not have been furnished to each such Lender.

SECTION 6.03. The Indenture Trustee and the Owner Trustee do not make and shall not be deemed to have made (i) any representation or warranty, express or implied, as to the value, condition or fitness for use of any of the Equipment or as to title thereto or any other representation or warranty whatsoever, express or implied, with respect to the Equipment, except that the Owner Trustee hereby warrants to each Lender that (a) on the delivery date for each unit of Equipment such unit of Equipment shall be free of liens and encumbrances resulting from claims against the Owner Trustee not related to the ownership of the Equipment or the administration of the Estate or any other transaction pursuant to the Trust Agreement, and (b) each unit of Equipment shall, while a part of the Trust Estate and at the time of any conveyance therefrom, be free of liens and encumbrances resulting from any acts of the Owner Trustee except liens and encumbrances permitted by the Lease or this Indenture or created by this Indenture, the Trust Agreement or the Manufacturing Agreements or liens and encumbrances arising from the administration of the Estate, or (ii) any representation or warranty as to the validity, legality or enforceability of this Indenture, the Trust Agreement, the Participation Agreement, the Lease or the Manufacturing Agreements or as to the correctness of any statement contained in any thereof except to the extent that any such statement is expressly made by the Indenture Trustee or the Owner Trustee in this Section 6.03, except that the Indenture Trustee or the Owner Trustee each hereby represents and warrants to each Lender that this Indenture has been, and, in the case of the Indenture Trustee, the Participation Agreement (and the Certificates of Interest delivered to the Lenders thereunder), and, in the case of the Owner Trustee, the Participation Agreement, the Lease and the Manufacturing Agreements, have been (or at the time of execution and delivery of any such instrument that such instrument will be) duly executed and delivered by one of its officers who is or will be, as the case may be, duly authorized to execute and deliver such instruments on its behalf.

SECTION 6.04. Moneys received by the Indenture Trustee hereunder need not be segregated in any manner except to the extent required by law and may be deposited under such general conditions as may be prescribed by law in the general banking department of the Indenture Trustee, and

the Indenture Trustee shall not be liable for any interest thereon.

SECTION 6.05. The Indenture Trustee shall incur no liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties. The Indenture Trustee and the Owner Trustee may accept a copy of a resolution of the Board of Directors of any corporate party, certified by the Secretary or an Assistant Secretary thereof as duly adopted and in full force and effect (or in lieu thereof a resolution of the executive committee of such corporate party), as conclusive evidence that such resolution has been duly adopted by said Board and that the same is in full force and effect. As to any fact or matter, the manner of ascertainment of which is not specifically described herein, the Indenture Trustee and the Owner Trustee may for all purposes hereof rely on a certificate, signed by or on behalf of the proper party executing the same, as to such fact or matter, and such certificate shall constitute full protection to the Indenture Trustee and the Owner Trustee for any action taken or omitted to be taken by either of them in good faith in reliance thereon. In the administration of the trusts hereunder, the Indenture Trustee may execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents or attorneys and may, at the expense of the Trust Estate, seek advice of counsel, accountants and other skilled persons to be selected and employed by it, and the Indenture Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.

SECTION 6.06. Each of the Owner Trustee and the Indenture Trustee shall act solely as trustee as herein and in the case of the Owner Trustee in the Trust Agreement provided and not in its individual capacity; and all persons, other than the Lenders, having any claim against the Owner Trustee or the Indenture Trustee by reason of the transactions contemplated hereby shall look, subject to the interests created hereby and the priorities of payment provided herein, only to the Trust Estate for payment or satisfaction thereof.

SECTION 6.07. The Indenture Trustee, or any successor thereto, from time to time serving hereunder, shall

have the absolute right, acting independently, to take any action and to exercise any right, remedy, power or privilege conferred upon the Indenture Trustee hereunder; and any action taken by the Indenture Trustee from time to time serving hereunder shall be binding upon the Indenture Trustee and no person dealing with the Indenture Trustee from time to time serving hereunder shall be obligated to confirm the power and authority of the Indenture Trustee to act.

SECTION 6.08. The Indenture Trustee and the Owner Trustee agree that they shall have no right against the Lenders or, except as provided in Section 3.03 and 4.02 hereof, the Trust Estate for any fee as compensation for their services hereunder.

ARTICLE VII

Successor Indenture Trustees

SECTION 7.01. (a) The Indenture Trustee or any successor Indenture Trustee may resign at any time without cause by giving at least 30 days' prior written notice to the Owner Trustee and each Lender, such resignation to be effective on the acceptance of appointment by the successor Indenture Trustee under Section 7.01(b) hereof. In addition, the Indenture Trustee may be removed at any time without cause by a Majority in Interest of Lenders by an instrument in writing delivered to the Owner Trustee and the Indenture Trustee and each Lender not signing such instrument, such removal to be effective on the acceptance of appointment by the successor Indenture Trustee under Section 7.01(b) hereof. In case of the resignation or removal of the Indenture Trustee, a Majority in Interest of Lenders may appoint a successor Indenture Trustee by a written instrument signed by a Majority in Interest of Lenders. If a successor Indenture Trustee shall not have been appointed within 30 days after the giving of the written notice of such resignation or the delivery of the written instrument with respect to such removal, any Lender or the Indenture Trustee may apply to any court of competent jurisdiction to appoint a successor Indenture Trustee to act until such time, if any, as a successor shall have been appointed as above provided. Any successor Indenture Trustee so appointed by such court shall immediately and without further act be superseded by any successor Indenture Trustee appointed as above provided within one year from the date of the

appointment by such court.

(b) Any successor Indenture Trustee, whether appointed by a court or by a Majority in Interest of Lenders, shall execute and deliver to the Owner Trustee, each Lender and the predecessor Indenture Trustee an instrument accepting such appointment, and thereupon such successor Indenture Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Indenture Trustee in the trusts hereunder with like effect as if originally named as an Indenture Trustee herein; but nevertheless upon the written request of such successor Indenture Trustee, such predecessor Indenture Trustee shall execute and deliver an instrument transferring to such successor Indenture Trustee, upon the trusts herein expressed, all the records, estates, properties, rights, powers and trusts of such predecessor Indenture Trustee, and such predecessor Indenture Trustee shall duly assign, transfer, deliver and pay over to such successor Indenture Trustee any property or moneys then held by such predecessor Indenture Trustee upon the trusts herein expressed.

(c) Any successor Indenture Trustee, however appointed, shall be a trust company incorporated and doing business within the United States of America, and having a combined capital and surplus of at least \$50,000,000 if there be such an institution willing, able and legally qualified to perform the duties of Indenture Trustee hereunder upon reasonable or customary terms.

(d) Any corporation into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Indenture Trustee may be transferred, shall, subject to the terms of Section 7.01(c) hereof, be the Indenture Trustee under this Agreement without further act.

SECTION 7.02. (a) Whenever the Indenture Trustee shall deem it necessary or prudent in order either to conform to any law of any jurisdiction in which all or any part of the Trust Estate shall be situated or to make any claim or bring any suit with respect to the Trust Estate, or the Indenture Trustee shall be advised by counsel satisfactory to it that it is so necessary or prudent in the

interest of the Lenders or in the event that the Indenture Trustee shall have been requested to do so by a Majority in Interest of Lenders, the Indenture Trustee and the Owner Trustee shall execute and deliver an agreement supplemental hereto and all other instruments and agreements necessary or proper to constitute another bank or trust company, or one or more persons approved by the Indenture Trustee, either to act as additional trustee or trustees of all or any part of the Trust Estate, jointly with the Indenture Trustee, or to act as separate trustee or trustees of all or any part of the Trust Estate, in any such case with such powers as may be provided in such agreement supplemental hereto, and to vest in such bank, trust company or person as such additional trustee or separate trustee, as the case may be, any property, title, right or power of the Indenture Trustee deemed necessary or advisable by the Indenture Trustee, subject to the remaining provisions of this Section 7.02. In the event the Owner Trustee shall not have joined in the execution of such agreement supplemental hereto within 10 days after the receipt of a written request from the Indenture Trustee so to do, or in case an Indenture Default (or any event or condition which after notice or lapse of time or both would become an Indenture Default) shall occur and be continuing, the Indenture Trustee may act under the foregoing provisions of this Section 7.02(a) without the concurrence of the Owner Trustee; and the Owner Trustee hereby appoints the Indenture Trustee its agent and attorney to act for it under the foregoing provisions of this Section 7.02(a) in either of such contingencies. The Indenture Trustee may execute, deliver and perform any deed, conveyance, assignment or other instrument in writing as may be required by any additional trustee or separate trustee for more fully and certainly vesting in and confirming to it or him any property, title, right or power which, by the terms of such agreement supplemental hereto, are expressed to be conveyed or conferred to or upon such additional trustee or separate trustee, and the Owner Trustee shall, upon the Indenture Trustee's request, join therein and execute, acknowledge and deliver the same; and the Owner Trustee hereby makes, constitutes and appoints the Indenture Trustee its agent and attorney-in-fact for it and in its name, place and stead to execute, acknowledge and deliver any such deed, conveyance, assignment or other instrument in the event that the Owner Trustee shall not itself execute and deliver the same within 10 days after receipt by it of such request so to do.

(b) Every additional trustee and separate trustee

hereunder shall, to the extent permitted by law, be appointed and act and the Indenture Trustee shall act, subject to the following provisions and conditions:

(i) all powers, duties, obligations and rights conferred upon the Indenture Trustee in respect of the receipt, custody, investment and payment of moneys shall be exercised solely by the Indenture Trustee;

(ii) all other rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee shall be conferred or imposed upon and exercised or performed by the Indenture Trustee and such additional trustee or trustees and separate trustee or trustees jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Indenture Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust Estate in any such jurisdiction) shall be exercised and performed by such additional trustee or trustees or separate trustee or trustees;

(iii) no power hereby given to, or with respect to which it is hereby provided may be exercised by, any such additional trustee or separate trustee shall be exercised hereunder by such additional trustee or separate trustee except jointly with, or with the consent of, the Indenture Trustee; and

(iv) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.

If at any time the Indenture Trustee shall deem it no longer necessary or prudent in order to conform to any such law or take any such action or shall be advised by such counsel that it is no longer so necessary or prudent in the interest of the Lenders or in the event that the Indenture Trustee shall have been requested to do so in writing by a Majority in Interest of Lenders, the Indenture Trustee and the Owner Trustee shall execute and deliver an agreement supplemental hereto and all other instruments and agreements necessary or proper to remove any additional trustee or separate trustee. In the event that the Owner Trustee shall not have joined in the execution of such agreement supplemental hereto,

instruments and agreements, the Indenture Trustee may act on behalf of the Owner Trustee to the same extent provided above.

(c) Any additional trustee or separate trustee may at any time by an instrument in writing constitute the Indenture Trustee its agent or attorney-in-fact, with full power and authority, to the extent which may be authorized by law, to do all acts and things and exercise all discretions which it is authorized or permitted to do or exercise, for and in its behalf and in its name. In case any such additional trustee or separate trustee shall die, become incapable of acting, resign or be removed, all the assets, property, rights, powers, trusts, duties and obligations of such additional trustee or separate trustee, as the case may be, so far as permitted by law, shall vest in and be exercised by the Indenture Trustee, without the appointment of a new successor to such additional trustee or separate trustee unless and until a successor is appointed in the manner hereinbefore provided.

(d) Any request, approval or consent in writing by the Indenture Trustee to any additional trustee or separate trustee shall be sufficient warrant to such additional trustee or separate trustee, as the case may be, to take such action as may be so requested, approved or consented to.

(e) Each additional trustee and separate trustee appointed pursuant to this Section shall be subject to, and shall have the benefit of, the first two sentences of Section 7.01(a) hereof and Articles IV, V, VI and VIII hereof in so far as they apply to the Indenture Trustee.

ARTICLE VIII

Supplements and Amendments to this Trust Indenture and Other Documents

SECTION 8.01. At any time and from time to time, upon the written request of a Majority in Interest of Investors, (i) the Owner Trustee and the Indenture Trustee shall execute a supplement hereto for the purpose of adding provisions to, or changing or eliminating provisions of, this Trust Indenture as specified in such request and (ii) the Owner Trustee shall enter into such written amendment of or supplement to the Lease or the Manufacturing Agreements

as the Lessee may agree to and as may be specified in such request, or execute and deliver such written waiver or modification of the terms of the Lease or the Manufacturing Agreements as may be specified in such request; provided, however, that, without the consent of the Owner and each Lender (until all the unpaid principal amount of and accrued interest on the investment made by such Lender under the Participation Agreement shall have been paid in full), no such supplement to this Trust Indenture or amendment of or supplement to the Lease or the Manufacturing Agreements, or waiver or modification of the terms of any thereof, shall (i) modify any of the provisions of this Section or of Sections 5.01, 5.02 or 5.03 hereof or change the definition of Majority in Interest of Investors contained in Section 1.01 hereof, (ii) reduce the amount or extend the time of payment of any amount owing hereunder with respect to principal or interest to any Lender or reduce the rate of interest payable on such principal or alter or modify the provisions of Article III hereof with respect to the order of priorities in which distributions thereunder shall be made as between the Lenders and the Owner, (iii) reduce, modify or amend any indemnities in favor of any Lender or the Indenture Trustee, (iv) modify, amend or supplement the Lease or consent to any assignment of the Lease, in either case releasing the Lessee from its obligations in respect of the payment of rent or Casualty Value under the Lease or changing the absolute and unconditional character of such obligations as set forth in § 1 of the Lease or (v) modify, amend or supplement the final paragraph of § 10 of the Lease; and provided, further, that, without the consent of each Lender, no such supplement to this Trust Indenture or waiver or modification of the terms hereof shall deprive any Lender of the benefit of the lien of this Trust Indenture on the Trust Estate. Notwithstanding anything contained in this Section 8.01 to the contrary, in the event that any unit of Equipment has been settled for under the applicable Manufacturing Agreement but is not financed in part by funds made available by the Lenders to the Indenture Trustee on the Date of Deposit under the Participation Agreement, the Owner Trustee and the Indenture Trustee shall execute a supplement hereto, without the necessity for consent thereto by the Owner or any Lender, excluding such Equipment from the Trust Estate.

SECTION 8.02. If in the opinion of the Indenture Trustee any document required to be executed pursuant to the terms of Section 8.01 hereof affects any rights, duties,

immunities or indemnities in favor of the Indenture Trustee under this Trust Indenture, the Manufacturing Agreements or the Lease, the Indenture Trustee may in its discretion decline to execute such document.

SECTION 8.03. It shall not be necessary for any written request furnished pursuant to Section 8.01 hereof to specify the particular form of the proposed documents to be executed pursuant to said Section, but it shall be sufficient if such request shall indicate the substance thereof.

SECTION 8.04. Promptly after the execution by the Owner Trustee and the Indenture Trustee of any document entered into pursuant to Section 8.01 hereof, the Owner Trustee shall mail, by first class mail, postage prepaid, a conformed copy thereof to each Lender at its address last known to the Owner Trustee, but failure of the Owner Trustee to mail such conformed copies shall not impair or affect the validity of such document.

SECTION 8.05. The Owner Trustee shall not amend or supplement the Trust Agreement except to the extent permitted by, and in accordance with, the terms thereof, and unless a signed copy of such amendment or supplement has been delivered to the Indenture Trustee; provided, however, that Section 11.12 of the Trust Agreement, as originally executed, shall not be changed prior to the termination of this Trust Indenture pursuant to Section 9.01 hereof.

ARTICLE IX

Miscellaneous

SECTION 9.01. This Trust Indenture and the trusts created hereby shall terminate and this Trust Indenture shall be of no further force or effect upon the earlier of (i) the sale, transfer or other final disposition by the Indenture Trustee of all property at any time part of the Trust Estate and the final distribution by the Indenture Trustee of all moneys or other property or proceeds constituting part of the Trust Estate in accordance with the terms of Article III hereof, provided that at such time the Lessee shall have fully complied with all the terms of the Lease and the Participation Agreement and the Builder and the Contractor shall have complied with all the terms of the applicable Manufacturing Agreement, and (ii) twenty-one years less one day

after the death of the survivor of the issue, living on the date of the earliest acknowledgment of the execution of this Trust Indenture, of the present members of the Boards of Directors of the Owner Trustee or the Indenture Trustee, otherwise this Trust Indenture and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof. Upon payment in full of all amounts due to the Lenders hereunder and all amounts secured by the Trust Estate, the Indenture Trustee shall pay all moneys or other properties or proceeds constituting part of the Trust Estate to the Owner Trustee, and this Trust Indenture and the trusts created hereby shall terminate and shall be of no further force or effect.

SECTION 9.02. No Lender shall have legal title to any part of the Trust Estate. No transfer, by operation of law or otherwise, of the interests of the Lenders or other right, title and interest of any Lender in and to the Trust Estate or hereunder shall operate to terminate this Trust Indenture or the trusts hereunder or entitle any successor or transferee to an accounting or to the transfer to it of legal title to any part of the Trust Estate.

SECTION 9.03. Any assignment, sale, transfer or other conveyance by the Indenture Trustee of the interest of the Indenture Trustee in the Manufacturing Agreements or the Lease or any unit of Equipment made pursuant to the terms of this Trust Indenture, the Manufacturing Agreements or the Lease shall bind the Lenders and shall be effective to transfer or convey all right, title and interest of the Indenture Trustee, the Owner Trustee, the Owner and such Lenders in and to such agreements or such Equipment. No purchaser or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such sale or conveyance or as to the application of any sale or other proceeds with respect thereto by the Indenture Trustee.

SECTION 9.04. Nothing in this Trust Indenture, whether express or implied, shall be construed to give to any person other than the Indenture Trustee, the Owner Trustee and the Lenders any legal or equitable right, remedy or claim under or in respect of this Trust Indenture or the Trust Estate; but this Trust Indenture and the Trust Estate shall be held for the sole and exclusive benefit of the Indenture Trustee, the Owner Trustee and the Lenders.

SECTION 9.05. Unless otherwise expressly specified or permitted by the terms hereof, all notices shall be in writing, mailed by regular mail, postage prepaid, (i) if to the Indenture Trustee, addressed to it at the Trust Office, (ii) if to the Owner Trustee, addressed to it at 130 John Street, New York, New York 10038, Attention: Corporate Trust and Agency Division, (iii) if to the Owner or a Lender party to the Participation Agreement, addressed to such party at such address as such party shall have furnished by notice to the Indenture Trustee and the Owner Trustee, or, until an address is so furnished, addressed to such party at its address set forth in Paragraph 14 of the Participation Agreement or in Schedule A thereto and (iv) if to any successor or assign of any Lender, to such address as may be furnished to the Indenture Trustee and the Owner Trustee in writing for such purpose. Whenever any notice in writing is required to be given by the Indenture Trustee, the Owner Trustee or any Lender to any of the other of them, such notice shall be deemed given and such requirement satisfied if such notice is mailed by regular mail, postage prepaid, addressed as provided above.

SECTION 9.06. Any provision of this Trust Indenture which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. In the event of any inconsistency or conflict between any provision of this Trust Indenture and any provision of the Trust Agreement, such provision in this Trust Indenture shall govern and control.

SECTION 9.07. Subject to Section 8.01 hereof, no term or provision of this Trust Indenture may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party or other person against whom enforcement of the change, waiver, discharge or termination is sought; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

SECTION 9.08. This Trust Indenture may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one

and the same instrument.

SECTION 9.09. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the parties hereto and the Lenders and their respective successors and assigns. Any request, notice, direction, consent, waiver or other instrument or action by any Lender shall bind the successors and assigns thereof.

SECTION 9.10. The headings of the various articles herein are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof.

SECTION 9.11. This Trust Indenture shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this Trust Indenture to be executed in their respective corporate names by duly authorized officers, and their respective corporate seals to be hereunder affixed and duly attested, all as of the day and year first above written.

UNITED STATES TRUST COMPANY OF NEW YORK, as Owner Trustee,

by Gene B. Scocca
Asst Vice President

[Seal]

Attest: Joseph D. [Signature]
Assistant Secretary

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Indenture Trustee,

by [Signature]
Assistant Vice President

[Seal]

Attest: [Signature]
Corporate Trust Officer

SCHEDULE I TO TRUST INDENTURE

Allocation Schedule
on Each \$1,000,000 of
Equipment Obligations (Contractor Portion)

<u>Payment Number</u>	<u>Total Debt Service Payment</u>	<u>Interest Payment</u>	<u>Allocated to Principal</u>	<u>Principal Balance</u>
0	--	--	--	\$1,000,000.00
1	\$ 30,028.11	\$ 26,250.00	\$ 3,778.11	996,221.89
2	30,028.11	26,150.82	3,877.28	992,344.61
3	30,028.11	26,049.05	3,979.06	988,365.55
4	30,028.11	25,944.60	4,083.51	984,282.03
5	30,028.11	25,837.40	4,190.70	980,091.33
6	30,028.11	25,727.40	4,300.71	975,790.62
7	30,028.11	25,614.50	4,413.60	971,377.02
8	30,028.11	25,498.65	4,529.46	966,847.55
9	30,028.11	25,379.75	4,648.36	962,199.19
10	30,028.11	25,257.73	4,770.38	957,428.82
11	30,028.11	25,132.51	4,895.60	952,533.21
12	30,028.11	25,004.00	5,024.11	947,509.10
13	30,028.11	24,872.11	5,155.99	942,353.11
14	30,028.11	24,736.77	5,291.34	937,061.77
15	30,028.11	24,597.87	5,430.24	931,631.53
16	30,028.11	24,455.33	5,572.78	926,058.75
17	30,028.11	24,309.04	5,719.07	920,339.69
18	30,028.11	24,158.92	5,869.19	914,470.50
19	30,028.11	24,004.85	6,023.26	908,447.24
20	30,028.11	23,846.74	6,181.37	902,265.87
21	30,028.11	23,684.48	6,343.63	895,922.24
22	30,028.11	23,517.96	6,510.15	889,412.09
23	30,028.11	23,347.07	6,681.04	882,731.05
24	30,028.11	23,171.69	6,856.42	875,874.64
25	30,028.11	22,991.71	7,036.40	868,838.24
26	30,028.11	22,807.00	7,221.10	861,617.13
27	30,028.11	22,617.45	7,410.66	854,206.47
28	30,028.11	22,422.92	7,605.19	846,601.29
29	30,028.11	22,223.28	7,804.82	838,796.46
30	30,028.11	22,018.41	8,009.70	830,786.76
31	30,028.11	21,808.15	8,219.96	822,566.81
32	30,028.11	21,592.38	8,435.73	814,131.08
33	30,028.11	21,370.94	8,657.17	805,473.91
34	30,028.11	21,143.69	8,884.42	796,589.49

<u>Payment Number</u>	<u>Total Debt Service Payment</u>	<u>Interest Payment</u>	<u>Allocated to Principal</u>	<u>Principal Balance</u>
35	\$ 30,028.11	\$ 20,910.47	\$ 9,117.63	\$ 787,471.86
36	30,028.11	20,671.14	9,356.97	778,114.89
37	30,028.11	20,425.52	9,602.59	768,512.29
38	30,028.11	20,173.45	9,854.66	758,657.63
39	30,028.11	19,914.76	10,113.34	748,544.29
40	30,028.11	19,649.29	10,378.82	738,165.47
41	30,028.11	19,376.84	10,651.26	727,514.21
42	30,028.11	19,097.25	10,930.86	716,583.35
43	30,028.11	18,810.31	11,217.80	705,365.55
44	30,028.11	18,515.85	11,512.26	693,853.29
45	30,028.11	18,213.65	11,814.46	682,038.83
46	30,028.11	17,903.52	12,124.59	669,914.24
47	30,028.11	17,585.25	12,442.86	657,471.38
48	30,028.11	17,258.62	12,769.48	644,701.90
49	30,028.11	16,923.42	13,104.68	631,597.21
50	30,028.11	16,579.43	13,448.68	618,148.53
51	30,028.11	16,226.40	13,801.71	604,346.82
52	30,028.11	15,864.10	14,164.00	590,182.82
53	30,028.11	15,492.30	14,535.81	575,647.01
54	30,028.11	15,110.73	14,917.37	560,729.64
55	30,028.11	14,719.15	15,308.95	545,420.68
56	30,028.11	14,317.29	15,710.81	529,709.87
57	30,028.11	13,904.88	16,123.22	513,586.64
58	30,028.11	13,481.65	16,546.46	497,040.18
59	30,028.11	13,047.30	16,980.80	480,059.38
60	30,028.11	12,601.56	17,426.55	462,632.83
61	30,028.11	12,144.11	17,884.00	444,748.84
62	30,028.11	11,674.66	18,353.45	426,395.39
63	30,028.11	11,192.88	18,835.23	407,560.16
64	30,028.11	10,698.45	19,329.65	388,230.50
65	30,028.11	10,191.05	19,837.06	368,393.45
66	30,028.11	9,670.33	20,357.78	348,035.67
67	30,028.11	9,135.94	20,892.17	327,143.49
68	30,028.11	8,587.52	21,440.59	305,702.90
69	30,028.11	8,024.70	22,003.41	283,699.50
70	30,028.11	7,447.11	22,581.00	261,118.50
71	30,028.11	6,854.36	23,173.75	237,944.75
72	30,028.11	6,246.05	23,782.06	214,162.69
73	30,028.11	5,621.77	24,406.34	189,756.36
74	30,028.11	4,981.10	25,047.00	164,709.35
75	30,028.11	4,323.62	25,704.49	139,004.87
76	30,028.11	3,648.88	26,379.23	112,625.64

<u>Payment Number</u>	<u>Total Debt Service Payment</u>	<u>Interest Payment</u>	<u>Allocated to Principal</u>	<u>Principal Balance</u>
77	\$ 30,028.11	\$ 2,956.42	\$ 27,071.68	\$ 85,553.95
78	30,028.11	2,245.79	27,782.32	57,771.63
79	30,028.11	1,516.51	28,511.60	29,260.03
80	<u>30,028.11</u>	<u>768.08</u>	<u>29,260.03</u>	0.00
Totals	\$2,402,248.63	\$1,402,248.63	\$1,000,000.00	

SCHEDULE II TO TRUST INDENTURE

Allocation Schedule
on Each \$1,000,000 of
Equipment Obligations (Builder Portion)

<u>Payment Number</u>	<u>Total Debt Service Payment</u>	<u>Interest Payment</u>	<u>Allocated to Principal</u>	<u>Principal Balance</u>
0	--	--	--	\$1,000,000.00
1	\$ 33,280.78	\$ 26,250.00	\$ 7,030.78	992,969.22
2	33,280.78	26,065.44	7,215.33	985,753.89
3	33,280.78	25,876.04	7,404.74	978,349.16
4	33,280.78	25,681.67	7,599.11	970,750.05
5	33,280.78	25,482.19	7,792.59	962,951.46
6	33,280.78	25,277.48	8,003.30	954,948.16
7	33,280.78	25,067.39	8,213.39	946,734.77
8	33,280.78	24,851.79	8,428.99	938,305.78
9	33,280.78	24,630.53	8,650.25	929,655.54
10	33,280.78	24,403.46	8,877.32	920,778.22
11	33,280.78	24,170.43	9,110.35	911,667.87
12	33,280.78	23,931.28	9,349.49	902,318.38
13	33,280.78	23,685.86	9,594.92	892,723.46
14	33,280.78	23,433.99	9,846.78	882,876.67
15	33,280.78	23,175.51	10,105.26	872,771.41
16	33,280.78	22,910.25	10,370.53	862,400.89
17	33,280.78	22,638.02	10,642.75	851,758.13
18	33,280.78	22,358.65	10,922.12	840,836.01
19	33,280.78	22,071.95	11,208.83	829,627.18
20	33,280.78	21,777.71	11,503.06	818,124.12
21	33,280.78	21,475.76	11,805.02	806,319.10
22	33,280.78	21,165.88	12,114.90	794,204.20
23	33,280.78	20,847.86	12,432.92	781,771.28
24	33,280.78	20,521.50	12,759.28	769,012.01
25	33,280.78	20,186.57	13,094.21	755,917.80
26	33,280.78	19,842.84	13,437.93	742,479.86
27	33,280.78	19,490.10	13,790.68	728,689.18
28	33,280.78	19,128.90	14,152.68	714,536.50
29	33,280.78	18,756.58	14,524.19	700,012.31
30	33,280.78	18,375.32	14,905.45	685,106.85
31	33,280.78	17,984.05	15,296.72	669,810.13
32	33,280.78	17,582.52	15,698.26	654,111.87
33	33,280.78	17,170.44	16,110.34	638,001.53
34	33,280.78	16,747.54	16,533.24	621,468.30

<u>Payment Number</u>	<u>Total Debt Service Payment</u>	<u>Interest Payment</u>	<u>Allocated to Principal</u>	<u>Principal Balance</u>
35	\$ 33,280.78	\$ 16,313.54	\$ 16,957.23	\$ 604,501.07
36	33,280.78	15,868.15	17,412.62	587,088.44
37	33,280.78	15,411.07	17,869.70	569,218.74
38	33,280.78	14,941.99	18,338.78	550,879.96
39	33,280.78	14,460.60	18,820.18	532,059.78
40	33,280.78	13,966.57	19,314.21	512,745.57
41	33,280.78	13,459.57	19,821.20	492,924.37
42	33,280.78	12,939.26	20,341.51	472,582.86
43	33,280.78	12,405.30	20,875.48	451,707.38
44	33,280.78	11,857.32	21,423.46	430,283.93
45	33,280.78	11,294.95	21,985.82	408,298.10
46	33,280.78	10,717.83	22,562.95	385,735.15
47	33,280.78	10,125.55	23,155.23	362,579.93
48	33,280.78	9,517.72	23,763.05	338,816.87
49	33,280.78	8,893.94	24,386.83	314,430.04
50	33,280.78	8,253.79	25,026.99	289,403.06
51	33,280.78	7,596.83	25,683.95	263,719.11
52	33,280.78	6,922.63	26,358.15	237,360.96
53	33,280.78	6,230.73	27,050.05	210,310.91
54	33,280.78	5,520.66	27,760.11	182,550.80
55	33,280.78	4,791.96	28,488.82	154,061.98
56	33,280.78	4,044.13	29,236.65	124,825.33
57	33,280.78	3,276.66	30,004.11	94,821.22
58	33,280.78	2,489.06	30,791.72	64,029.50
59	33,280.78	1,680.77	31,600.00	32,429.50
60	33,280.78	851.27	32,429.50	0.00
Totals	\$1,996,846.53	\$996,846.53	\$1,000,000.00	

ANNEX A TO TRUST INDENTURE

Item 1:

<u>Type</u>	<u>Quantity</u>	<u>Lessee's Car Numbers (Inclusive)</u>
70-ton, 50' boxcars	283	ICG 580717-580999

Item 2:

<u>Type</u>	<u>Quantity</u>	<u>Lessee's Car Numbers (Inclusive)</u>
SD 40-2 locomotives	4	ICG 6030-6033

PARTICIPATION AGREEMENT

Dated as of November 26, 1975

among

ILLINOIS CENTRAL GULF RAILROAD COMPANY

UNITED STATES TRUST COMPANY OF NEW YORK,
as Owner Trustee

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Indenture Trustee

GENERAL ELECTRIC CREDIT CORPORATION

and

THE PARTIES NAMED IN SCHEDULE A HERETO

10-1/2% Certificates of Interest due 1976-1996 and
1976-1991

PARTICIPATION AGREEMENT dated as of November 26, 1975, among ILLINOIS CENTRAL GULF RAILROAD COMPANY, a Delaware corporation (hereinafter called the Lessee or the Contractor), UNITED STATES TRUST COMPANY OF NEW YORK, a New York corporation (hereinafter in such capacity, except as the context otherwise requires, called the Owner Trustee), as owner trustee under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement) with the Owner (as hereinafter defined), MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation (hereinafter called the Indenture Trustee), as indenture trustee under the Trust Indenture and Mortgage dated as of the date hereof (hereinafter called the Trust Indenture) with the Owner Trustee, GENERAL ELECTRIC CREDIT CORPORATION, a New York corporation (hereinafter called the Owner), and the parties named in Schedule A hereto (hereinafter called the Lenders).

The Owner Trustee is entering into Manufacturing Agreements dated as of the date hereof (hereinafter collectively called the Manufacturing Agreements) (a) with the Contractor, substantially in the form annexed hereto as Exhibit A, for the construction of new, standard-gauge railroad equipment referred to in Annex A to such Manufacturing Agreement and (b) with General Motors Corporation (Electro-Motive Division) (hereinafter called the Builder), substantially in the form annexed hereto as Exhibit B, for the construction and sale of the new, standard-gauge railroad equipment referred to in Annex A to such Manufacturing Agreement (all such railroad equipment constructed pursuant to the Manufacturing Agreements being hereinafter called the Equipment).

The Owner Trustee proposes to lease to the Lessee, and the Lessee proposes to lease from the Owner Trustee, such number of units of the Equipment as are both completed and available for use for their intended purpose subsequent to the Date of Deposit (as hereinafter defined) and delivered, accepted and settled for prior to December 31, 1975, under the Manufacturing Agreements, pursuant to a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the Lease), substantially in the form annexed hereto as Exhibit C.

The Owner Trustee and the Owner are entering into the Trust Agreement, substantially in the form annexed hereto as Exhibit D, pursuant to which the Owner Trustee declares a certain trust for the use and benefit of the Owner subject to the lien of the Trust Indenture.

The Owner Trustee and the Indenture Trustee are entering into the Trust Indenture, substantially in the form annexed hereto as Exhibit E, pursuant to which the Owner Trustee will convey and set over its interest in the Manufacturing Agreements, the Lease and the Equipment and all amounts of rent, insurance proceeds and requisition, indemnity or other payments with respect to the Equipment payable to the Owner Trustee as security for the benefit of the Lenders.

Pursuant hereto the Lenders and the Owner will finance on a long-term basis 70% and 30%, respectively, of the Cost of Construction (as defined in the Manufacturing Agreements) of the Equipment up to \$12,471,000.

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

1. Subject to the terms and conditions hereof, on each Closing Date (as defined in the Manufacturing Agreements) the Owner will make available to the Indenture Trustee in immediately available Baltimore or Federal funds, not later than 11:00 o'clock a.m., Baltimore time, sums equal to 30% of the Cost of Construction of the units of Equipment with respect to which settlement is being made under the applicable Manufacturing Agreement on such Closing Date; provided, however, that the Owner will not be obligated to make funds available to the Indenture Trustee on any Closing Date in excess of an amount equal to \$12,471,000 less the aggregate Cost of Construction theretofore paid to the Contractor and the Builder pursuant to the Manufacturing Agreements. Subject to the terms and conditions hereof, upon receipt by the Indenture Trustee of any amount required to be paid by the Owner pursuant to this Paragraph 1, the Indenture Trustee will apply such funds against the payment to the Contractor or the Builder, as the case may be, required by Article 3 of the applicable Manufacturing Agreement on such Closing Date.

2. Subject to the terms and conditions hereof,

each Lender, except Employees' Retirement System of Alabama, Teachers' Retirement System of Alabama, Life Insurance Company of Virginia and Pilot Life Insurance Company, will pay to the Indenture Trustee, in immediately available Baltimore or Federal funds, not later than 11:00 a.m., Baltimore time, on the date set forth opposite such Lender's name in Schedule A hereto (such date, in the case of each Lender, being hereinafter called the Date of Deposit), the amount set forth opposite such Lender's name in Schedule A hereto in respect of such Date of Deposit.

Upon payment to the Indenture Trustee of any amount required to be paid by a Lender pursuant to this Paragraph 2, the Indenture Trustee will execute and deliver to such Lender (or, upon the written request of such Lender, to the nominee or nominees of such Lender) a certificate or certificates of interest with respect to such payment dated the Date of Deposit substantially in the form annexed hereto as Exhibit F.

So long as, to the actual knowledge of the Indenture Trustee, (x) the Lessee is not in default under this Agreement and (y) no event of default or event which with lapse of time and/or demand provided for in the Trust Indenture or the Lease could constitute an event of default or an Event of Default thereunder shall have occurred and be continuing (any such default, event of default or event being hereinafter called a Default), the Indenture Trustee will, upon the written direction of the Lessee, invest and reinvest (whether through outright purchase or repurchase agreements, which repurchase agreements may, with the consent of the Lessee, be those of the Indenture Trustee) the moneys deposited with it pursuant to this Paragraph 2 in U.S. Treasury bills maturing not more than 45 days from the date of purchase (and in no event later than January 15, 1976) and purchased at a price not exceeding the principal amount thereof (hereinafter called "Investments"); and the Indenture Trustee agrees for the benefit of the Lenders that no such Investment will be sold prior to maturity unless such sale can be effected without causing a deficiency under this Paragraph 2.

Upon any sale or payment at maturity of any Investment, the proceeds thereof, plus any interest received by the Indenture Trustee thereon, shall, unless reinvested as permitted by this Paragraph 2, be held by the Indenture Trustee for application pursuant to Paragraph 6 hereof. The Lessee

agrees that Closing Dates requiring the use of proceeds from the sale of Investments will be scheduled by the Lessee so that they occur on dates on which such Investments mature or can be sold without resulting in any deficiency.

The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and any other day on which banking institutions in Baltimore, Maryland, or New York, New York, are authorized or obligated to remain closed. All interest under this Agreement shall be calculated on the basis of a 360-day year of twelve 30-day months.

As soon as practicable after the delivery of any certificate of interest, the Indenture Trustee will deliver to the Lender receiving such certificate a schedule of payments reflecting the dates and amounts of principal and interest payments to be made in respect of such certificate. Each Lender, simultaneously with the final payment to it of all amounts payable in respect of any certificate, will surrender such certificate to the Indenture Trustee.

Each of Employees' Retirement System of Alabama, Teachers' Retirement System of Alabama, Life Insurance Company of Virginia and Pilot Life Insurance Company (hereinafter in each case sometimes called a Transferee as well as a Lender) severally and unconditionally agrees to purchase on January 15, 1976 (hereinafter called the Purchase Date), without recourse or warranty, the interest of Morgan Guaranty Trust Company of New York (hereinafter sometimes called the Transferor as well as a Lender) in the certificates of interest to be issued by the Indenture Trustee to the Transferor on the Date of Deposit in the principal amounts of \$1,000,000, \$1,500,000, \$2,000,000 and \$1,000,000, respectively (hereinafter called the Interim Certificates). In order to consummate such purchase, each Transferee will pay to the Indenture Trustee, in accordance with the provisions of the next succeeding sentence, an amount equal to the principal amount of the Interim Certificate to be purchased hereunder by it from the Transferor. The Transferor agrees to surrender the Interim Certificates to the Indenture Trustee for cancellation on the Purchase Date. Upon each such surrender the Indenture Trustee will pay to the Transferor the principal amount of the Interim Certificates then surrendered, and accrued interest thereon, out of the payment made by the appropriate Transferee on such date in accordance with the provisions of this paragraph and the payment of interim rental made under the Lease on such date.

Upon payment to the Indenture Trustee of any amount required to be paid by a Transferee pursuant to this paragraph, the Indenture Trustee will execute and deliver to the appropriate Transferee a certificate of interest, dated the Purchase Date, in the principal amount paid therefor. Upon the making of such payment by a Transferee, it shall succeed to all the rights and interests of the Transferor hereunder and under the Trust Indenture, the Lease and the Consent attached thereto arising out of its investment in the applicable Interim Certificate. Prior to and until the making of its payment hereunder, no Transferee shall be deemed a "Lender" hereunder for purposes of receiving payment, giving instructions to the Indenture Trustee or for any similar purpose which, in context, is reserved to a "Lender" hereunder.

The forms of the Exhibits annexed to this Agreement are hereby approved by the Owner and the Lenders.

3. The Indenture Trustee will hold the moneys deposited with it pursuant to Paragraph 2 hereof and the rights under the Manufacturing Agreements acquired under the Indenture, the security interest and trust interest in the Trust Estate (as defined in the Trust Indenture) and any payments received by it pursuant to the Lease or the Consent in the form attached to the Lease in trust for the benefit of the Lenders in accordance with the interests of the Lenders therein as such interests shall from time to time appear. It is expressly understood and agreed that the obligations of the Indenture Trustee hereunder as such holder and with respect to the payments to the Lenders to be made by the Indenture Trustee are only those expressly set forth herein and in the Trust Indenture.

4. The obligation of any Lender to make its deposit on the Date of Deposit shall be subject to the receipt by the Indenture Trustee and Messrs. Cravath, Swaine & Moore, special counsel for the Lenders, of the following documents:

(a) an opinion of Messrs. Cravath, Swaine & Moore, special counsel for the Lenders, dated such Date of Deposit, to the effect that:

(i) this Agreement, assuming due authorization, execution and delivery by the Lenders, has been duly authorized, executed and delivered and constitutes a legal, valid and binding instrument;

(ii) the Trust Indenture, the Manufacturing Agreements and the Lease have been duly authorized, executed and delivered by the respective parties thereto and are legal, valid and binding instruments, enforceable in accordance with their terms;

(iii) the Indenture Trustee is vested with all the estates, rights, titles, interests, powers and privileges purported to be conveyed and set over to it by the Trust Indenture; the Trust Indenture duly creates for the benefit of the Lenders the security interest and trust interest in the Trust Estate which the Trust Indenture by its terms purports to create; and the beneficial interest of the Owner under the Trust Agreement in and to the Trust Estate is subject and subordinate to the rights of the Lenders under the Trust Indenture to the extent provided in the Trust Indenture;

(iv) the Manufacturing Agreements, the Lease, the Trust Agreement and the Trust Indenture have been duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and no other filing or recordation is necessary for the protection of the rights of the Indenture Trustee or the Lenders therein or in the Equipment in the United States of America or any State thereof or the District of Columbia;

(v) no consent, authorization or approval of, giving of notice to or registration with, or taking of any other action in respect of, the Interstate Commerce Commission or any other governmental or public body or authority of the United States of America, or of any State thereof or the District of Columbia is, to the knowledge of said counsel, necessary for the valid execution, delivery and performance of this Agreement, the Manufacturing Agreements, the Lease, the Trust Agreement or the Trust Indenture;

(vi) under the circumstances contemplated by this Agreement, it is not necessary to register the Trust Agreement, the Trust Indenture or the certificates of interest delivered pursuant hereto under

the Securities Act of 1933, as in effect on the date of such opinion, or to qualify an indenture with respect thereto under the Trust Indenture Act of 1939, as amended;

(vii) the legal opinions referred to in subparagraphs (b), (c), (d), (e) and (f) of this Paragraph 4 are satisfactory in form and scope to said special counsel and that in their opinion the Lenders are justified in relying thereon;

and as to such other matters incident to the transactions contemplated by this Agreement as the Lenders may reasonably request;

(b) an opinion of Messrs. Sullivan & Cromwell, counsel for the Owner Trustee, dated as of such Date of Deposit, to the effect set forth in clauses (i), (ii) and (v) of subparagraph (a) of this Paragraph 4, in so far as such matters relate to the Owner Trustee, and to the further effect that the Trust Agreement has been duly authorized, executed and delivered by the Owner Trustee and, assuming due authorization, execution and delivery by the Owner, is a legal and valid instrument binding upon the Owner Trustee and enforceable against the Owner Trustee in accordance with its terms;

(c) an opinion of counsel for the Indenture Trustee, dated as of such Date of Deposit, to the effect that:

(i) this Agreement and the Trust Indenture have been duly authorized, executed and delivered by the Indenture Trustee and, assuming due authorization, execution and delivery by the other parties thereto, are legal and valid instruments binding upon the Indenture Trustee and enforceable against the Indenture Trustee in accordance with their terms; and

(ii) no consent, authorization or approval of, giving of notice to or registration with, or taking of any other action in respect of, the Interstate Commerce Commission or any other governmental or public body or authority of the United States of America, or of any State thereof or the District of Columbia, is necessary for the valid execution, delivery and performance by the Indenture Trustee

of this Agreement or the Trust Indenture;

(d) an opinion of counsel for the Owner, dated as of such Date of Deposit, to the effect that:

(i) this Agreement and the Trust Agreement have been duly authorized, executed and delivered by the Owner and, assuming due authorization, execution and delivery by the other parties thereto, are legal and valid instruments binding upon the Owner and enforceable against the Owner in accordance with their terms; and

(ii) no consent, authorization or approval of, giving of notice to or registration with, or taking of any other action in respect of, the Interstate Commerce Commission or any other governmental or public body or authority of the United States of America, or of any State thereof or the District of Columbia, is necessary for the valid execution, delivery and performance by the Owner of this Agreement or the Trust Agreement;

(e) an opinion of counsel for the Lessee, dated as of such Date of Deposit, to the effect set forth in clause (v) of subparagraph (a) of this Paragraph 4, and to the further effect that:

(i) the Lessee is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation and is duly qualified and authorized to do business wherever necessary to carry on its present business and operations and to own its properties and to perform its obligations under this Agreement, the Manufacturing Agreement between the Owner Trustee and the Contractor and the Lease;

(ii) the Lessee has the full power, authority and legal right to enter into and perform its obligations under this Agreement, the Manufacturing Agreement between the Owner Trustee and the Contractor and the Lease, and the execution, delivery and performance of this Agreement, the Manufacturing Agreement between the Owner Trustee and the Contractor and the Lease have been duly authorized by all necessary corporate action on the part of

the Lessee, do not require any stockholder approval or approval or consent of any trustee or holders of any indebtedness or obligations of the Lessee, or such required approvals and consents have heretofore been duly obtained, certified copies thereof having been delivered to the Owner Trustee, the Indenture Trustee, the Lenders and the Owner, and do not contravene any law, governmental rule, regulation or order binding on the Lessee or the certificate of incorporation or by-laws of the Lessee and will not result in any breach of, or constitute a default under, any indenture or mortgage or material contract or other agreement or instrument to which the Lessee is a party or by which the Lessee is bound as guarantor or otherwise;

(iii) no consent, authorization or approval of, giving of notice to or registration with, or taking of any other action in respect of, the Interstate Commerce Commission or any other governmental or public body or authority of the United States of America, or of any State thereof or the District of Columbia, is necessary for the valid execution, delivery and performance of this Agreement, the Manufacturing Agreements, the Lease, the Trust Agreement or the Trust Indenture;

(iv) there are no pending or threatened actions or proceedings before any court or administrative agency which will in the opinion of such counsel materially adversely affect the condition, business or operations of the Lessee and its subsidiaries, taken as a whole, or the ability of the Lessee to perform its obligations under this Agreement, the Manufacturing Agreement between the Owner Trustee and the Contractor and the Lease, and, except as described in a letter heretofore delivered to the Owner and the Lenders, there is no such pending or threatened action or proceeding which would, if adversely determined, have any of the aforesaid materially adverse effects on the Lessee;

(v) this Agreement, the Manufacturing Agreement between the Owner Trustee and the Contractor and the Lease have been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery by the other par-

ties thereto, constitute legal, valid and binding agreements of the Lessee, enforceable in accordance with their terms; and

(vi) no mortgage, deed of trust or other lien of any nature whatsoever, which now covers or affects any property or interests therein of the Lessee, has attached, now attaches or hereafter will attach to the Equipment or in any manner affects or will affect adversely the Owner Trustee's, the Indenture Trustee's, the Lenders' or the Owner's right, title and interest therein; provided, however, that such liens may attach to the leasehold interest of the Lessee under the Lease in and to the Equipment to the extent permitted by § 12 of the Lease;

(f) an opinion of counsel for the Builder, dated as of the Date of Deposit, to the effect that the Builder is a duly organized and existing corporation in good standing under the laws of its jurisdiction of incorporation and has the power and authority to own its properties and to carry on its business as now conducted, and to the further effect that the Manufacturing Agreement between the Owner Trustee and the Builder has been duly authorized, executed and delivered by the Builder and, assuming due authorization, execution and delivery by the Owner Trustee, is a legal and valid instrument binding on the Builder and enforceable against the Builder in accordance with its terms;

(g) a certificate of an officer of the Lessee dated as of such Date of Deposit to the effect that the Lessee is not in default under this Agreement, the Manufacturing Agreement between the Owner Trustee and the Contractor or the Lease, and that the representations and warranties of the Lessee set forth in Paragraphs 7 and 12 of this Agreement are true and correct on and as of such Date of Deposit as though made on and as of such date;

(h) a certificate of an officer of the Builder dated as of such Date of Deposit to the effect that the Builder is not in default under the Manufacturing Agreement between the Owner Trustee and the Builder;

(i) a certificate of an officer of the Owner dated such Date of Deposit to the effect that, to the knowledge of such officer, the Owner is not in default under

this Agreement or the Trust Agreement and that the representations and warranties of the Owner set forth in Paragraph 12 of this Agreement are true and correct on and as of such Date of Deposit as though made on and as of such date; and

(j) in the case of the Transferor, counterparts of this Agreement executed by each of the Transferees, together with such evidence of the due authorization, execution and delivery of this Agreement by each of the Transferees as the Transferor shall reasonably request.

In giving the opinions specified in clauses (a), (b), (c), (d), (e) and (f) of this Paragraph 4, counsel may qualify its opinion to the effect that any agreement is a legal, valid and binding instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, applicable laws which may affect the remedies provided in the Lease, the Trust Agreement and the Trust Indenture, which applicable laws so affecting the aforesaid remedies do not in the opinion of such counsel make the remedies provided in such document inadequate for the realization of the benefits provided thereby, and principles of equity applicable to the enforceability of the remedy of specific performance. In giving the opinions specified in clause (a) of this Paragraph 4, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States, on the opinions of counsel for the Lessee, the Indenture Trustee or the Builder as to such matter. In giving the opinions specified in clauses (b) and (d) of this Paragraph 4, counsel may rely as to any matter governed by the law of any jurisdiction other than the State of New York or the United States on the opinions of counsel for the Lessee, the Indenture Trustee or the Builder as to such matter.

Following the Date of Deposit, the Indenture Trustee will promptly deliver one counterpart or copy of each document specified in this Paragraph 4 to each Lender who shall request the same.

5. The obligation of the Owner to make available to the Indenture Trustee pursuant to Paragraph 1 hereof any amounts required to be made available by the Owner to the

Indenture Trustee on any Closing Date and the obligation of the Owner Trustee to cause such amounts to be made available to the Contractor or the Builder, as the case may be, under the applicable Manufacturing Agreement shall be subject to the following:

(a) On the Date of Deposit:

(i) the Owner Trustee and the Owner shall have received opinions of counsel, in scope and substance satisfactory to the Owner and the Owner Trustee and its special counsel, Messrs. Sullivan & Cromwell, from the same persons and to the same effect as the opinions of counsel set forth in subparagraphs (b), (d) (in the case of the Owner Trustee), (e) and (f) of Paragraph 4 hereof;

(ii) the Lessee shall have performed all obligations to be performed by it on or prior to the Date of Deposit under this Agreement, the Manufacturing Agreement between the Owner Trustee and the Contractor and the Lease, and no Event of Default (or any event which, with notice or lapse of time or both, would become an Event of Default) shall have occurred under the Lease; the representations and warranties of the Lessee set forth in Paragraphs 7 and 12 of this Agreement shall be true and correct on and as of the Date of Deposit as though made on and as of such date; nothing shall have occurred which materially and adversely has affected or will affect the ability of the Lessee to carry on its business and to perform its obligations under this Agreement, the Manufacturing Agreement between the Owner Trustee and the Contractor or the Lease or which would otherwise materially and adversely affect the financial position or prospects of the Lessee; no unit of the Equipment shall have been completed or available for use for its intended purpose; and the Lessee shall have delivered to the Owner and the Owner Trustee a certificate, in form and substance satisfactory to the Owner and the Owner Trustee, of an officer of the Lessee dated the Date of Deposit to the effect set forth in this clause (ii);

(iii) the Builder shall have performed all obligations to be performed by it under the Manufacturing Agreement between the Owner Trustee and the Builder on or prior to the Date of Deposit; nothing shall have occurred which materially and adversely has affected or will affect the

ability of the Builder to perform its obligations under such Manufacturing Agreement; and the Builder shall have delivered to the Owner and the Owner Trustee a certificate, in form and substance satisfactory to the Owner and the Owner Trustee, of an officer of the Builder dated the Date of Deposit to the effect set forth in this clause (iii);

(iv) the Lease, the Trust Agreement and the Trust Indenture, together with any supplements thereto executed and delivered on or prior to the Date of Deposit, shall have been duly filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act;

(v) on the Date of Deposit the Owner shall have received the following additional documents:

(w) a certificate of an officer of the Contractor certifying that the Cost of Construction of each unit of Equipment being constructed under the Manufacturing Agreement between the Owner Trustee and the Contractor is comparable to the cost at which a comparable unit can be purchased on the open market and is a fair market value for such unit, and in any event provides for a reasonable profit to the Contractor determined in accordance with generally accepted accounting principles and in accordance with the accounting methods on the basis of which the Contractor computes its taxable income for Federal income tax purposes;

(x) a certificate of an officer of the Lessee to the effect that the units of the Equipment were not "placed in service" for Federal income tax purposes prior to the Date of Deposit;

(y) an opinion of Messrs. Sullivan & Cromwell, dated as of such Delivery Date and in form and substance satisfactory to Tax Counsel of General Electric Company, to the effect that the transactions contemplated by this Agreement satisfy the guidelines set forth by the Internal Revenue Service in Revenue Procedure 75-21, 1975-18 IRB 15, and further delineated in Revenue Procedure 75-28, 1975-21 IRB 19; and

(z) an opinion of an independent appraiser to be

selected by the Lessee and approved by the Owner to the effect that (x) the Cost of Construction of each unit of the Equipment is comparable to the cost at which a comparable unit can be purchased on the open market and is a fair market value for such unit, and (y) the fair market value of the Equipment at the end of the initial term of the Lease (without including in such value any increase or decrease for inflation during the initial term of the Lease, and after subtracting from such value any cost to the Owner for removal and delivery of possession of the Equipment to the Owner at the end of such initial term of the Lease) will be at least equal to 20% of the original cost of each unit of the Equipment and to the effect that the remaining useful life of each unit of the Equipment at the end of the initial term of the Lease will be equal to at least 20% of the originally estimated useful life of each such unit.

(b) the obligation of the Owner to furnish funds to the Indenture Trustee on any Closing Date and to cause the Owner Trustee to cause payment to be made of the cost of construction of units of Equipment on such Closing Date shall be subject only to the provisions of Article 4 of the Manufacturing Agreements and to the satisfaction, on the Date of Deposit, of the conditions set forth in clause (a) of this Paragraph 5. For purposes of the Manufacturing Agreement between the Owner Trustee and the Builder, the term "Closing Date" as used herein shall be deemed to mean the Delivery Date under such Manufacturing Agreement, and the obligation of the Owner as aforesaid shall be subject to the additional condition that on such Delivery Date the Owner Trustee and the Owner shall have received the following additional documents, simultaneously with delivery of and payment for the units of Equipment being delivered and paid for on such Delivery Date:

(i) an opinion of counsel for the Builder to the effect that at the time of delivery to the Owner Trustee of the units of the Equipment being delivered and financed on such Delivery Date, the Owner Trustee shall have legal title to such units free from all claims, liens, security interests and other encumbrances (other than the rights of

the Owner under the Trust Agreement, the rights of the Indenture Trustee under the Trust Indenture and the rights of the Lessee under the Lease);

(ii) an instrument of conveyance from the Builder to the Owner Trustee warranting to the Owner Trustee, the Indenture Trustee, the Owner and the Lenders that, at the time of delivery under such Manufacturing Agreement of the units of Equipment which are being delivered and paid for on such Delivery Date, the Owner Trustee shall have legal title to such units free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Lenders and the Owner under the Trust Agreement and the Trust Indenture and the rights of the Lessee under the Lease, and covenanting to defend the title to such units against demands of all persons whomsoever based on claims originating prior to the delivery of such units by the Builder under such Manufacturing Agreement;

(iii) a Certificate or Certificates of Acceptance (containing certification to the effect set forth in subparagraph (a)(iii) of this Paragraph 5) with respect to such units of Equipment as contemplated by Article 2 of such Manufacturing Agreement and § 2 of the Lease;

(iv) an invoice of the Builder for such units of Equipment accompanied by or having endorsed thereon a certification by the Owner Trustee and the Lessee as to its approval thereof; and

(v) a certificate of an officer of the Lessee to the effect that the units of Equipment being delivered and financed on such Delivery Date were not "placed in service" for Federal income tax purposes prior to such Delivery Date.

6. Subject to the terms and conditions hereof, the Indenture Trustee will, on each Closing Date:

(a) (i) in the case of a Closing Date under the Manufacturing Agreement between the Owner Trustee and the Contractor, pay to the Contractor, for application to the payment of the Contractor pursuant to Arti-

cle 3 of such Manufacturing Agreement due and payable on such Closing Date, out of the pro rata portion (hereinafter called the Contractor Portion) of the moneys paid to the Indenture Trustee pursuant to Paragraph 2 hereof on the Date of Deposit identified in Schedule A hereto as applicable to Schedule A Units (as defined in the Lease) and then on deposit with the Indenture Trustee, an amount equal to 70% of the Cost of Construction with respect to the Group of Equipment being settled for on such Closing Date pursuant to such Manufacturing Agreement; and (ii) in the case of the Closing Date under the Manufacturing Agreement between the Owner Trustee and the Builder, pay to the Builder, for application to the payment of the Builder pursuant to Article 3 of such Manufacturing Agreement due and payable on such Closing Date, out of the pro rata portion (hereinafter called the Builder Portion) of the moneys paid to the Indenture Trustee pursuant to Paragraph 2 hereof on the Date of Deposit identified in Schedule A hereto as applicable to Schedule B Units (as defined in the Lease) and then on deposit with the Indenture Trustee, an amount equal to 70% of the Cost of Construction with respect to the Group of Schedule B Units; and

(b) if such moneys then on deposit are insufficient to make such payment, promptly upon receipt of notice of closing with respect to such Group under the applicable Manufacturing Agreement and subject to the provisions of Paragraph 2 hereof, sell such portion of the Investments of funds furnished on the Date of Deposit attributable to the Contractor Portion (in the case of a closing pursuant to subparagraph (a)(i) of this Paragraph 6) or the Builder Portion (in the case of a closing pursuant to subparagraph (a)(ii) of this Paragraph 6) as, together with such moneys, may be necessary in order to provide sufficient funds for such payment and use such moneys and the funds so derived, together with interest received on such Investments as contemplated by Paragraph 2 hereof and held by the Indenture Trustee, to make such payment to the Contractor or the Builder, as the case may be, required to be made on such Closing Date pursuant to subparagraph (a) of this Paragraph 6.

The making of any such payment on any Closing Date by the Indenture Trustee shall be subject to the condition that the

Indenture Trustee and Messrs. Cravath, Swaine & Moore, special counsel for the Lenders, shall have received on such Closing Date copies of the documents specified in Article 4 of the applicable Manufacturing Agreement (or, in the case of the Builder, specified in Paragraph 5(b) hereof) delivered on such Closing Date.

If, on the earlier of (1) January 15, 1976, or (2) the date of any Default as to which the Indenture Trustee has actual knowledge (the earlier of said dates being hereinafter called the Cut-Off Date), the aggregate amount paid by the Indenture Trustee hereunder as provided in subparagraph (a) of this Paragraph 6 will be less than the amount theretofore deposited with the Indenture Trustee pursuant to Paragraph 2 hereof (the amount of said difference being hereinafter called the Surplus Deposit), the Indenture Trustee will promptly (i) notify the Lenders thereof, (ii) subject to the provisions hereof sell all Investments then held by the Indenture Trustee as promptly as possible and (iii) apply on the Cut-Off Date (or as promptly thereafter as possible) (a) the balance of the funds on deposit with the Indenture Trustee pursuant to Paragraph 2 hereof and (b) all proceeds of the sale of Investments and interest received by the Indenture Trustee on Investments, together with any moneys paid to the Indenture Trustee pursuant to the last paragraph of this Paragraph 6, to the prepayment, pro rata to each Lender, of a portion of the investment made by the Lenders hereunder without premium to the extent of the amount of the Surplus Deposit and to the payment of interest, pro rata to each Lender, on the amount so prepaid as provided in the next succeeding paragraph hereof, against surrender by each Lender to the Indenture Trustee of the certificates of interest theretofore delivered by the Indenture Trustee in respect of which a prepayment is to be made, as hereinafter provided, for new certificates of interest acknowledging such Lender's actual investment hereunder (and a new schedule of payments reflecting such investment). Each Lender, at its option, in lieu of surrendering its certificate or certificates of interest as provided in the immediately preceding sentence, may make appropriate notation on such certificate or certificates of interest of prepayment of a portion of its investment and notify the Indenture Trustee in writing that such notation has been made. Any remaining balance of such funds and proceeds and interest thereon received by the Indenture Trustee shall be paid by the Indenture Trustee to the Owner Trustee so long as the Indenture Trustee has no actual notice of a Default.

The Owner Trustee will pay or cause to be paid to the Indenture Trustee in immediately available Baltimore or Federal funds such amounts as will enable the Indenture Trustee to pay to the Lenders the following amounts on each of the following dates: (a) on the Cut-Off Date (or as promptly thereafter as practicable), an amount equal to interest at a rate equal to the minimum commercial lending rate of the Transferor in effect from time to time (hereinafter called the Prime Rate) on the portion of the Surplus Deposit attributable to amounts deposited by the Transferor and 10-1/2% per annum on the remainder of the Surplus Deposit, if any, prepaid to each Lender pursuant to the immediately preceding paragraph for the period from the Date of Deposit to the date of such prepayment; and (b) on January 15, 1976, such amount, if any, as, when added to the interest received by the Indenture Trustee under the Trust Indenture on such date, will enable the Indenture Trustee to pay to each Lender an amount equal to interest at the same respective rates as aforesaid on the aggregate investment of such Lender outstanding on January 15, 1976 (which shall be deemed to include the aggregate investment of the Transferor as of such date), from the Date of Deposit to January 15, 1976. Any change in the rate of interest payable to the Transferor due to a change in the Prime Rate as in effect from time to time shall be effective hereunder and under the Lease and the Trust Indenture on the date of such change, and the Transferor shall give the Indenture Trustee written notice of any such change in the Prime Rate as in effect from time to time.

7. The Lessee hereby represents and warrants to the Owner, the Owner Trustee and the Lenders as follows:

(i) the Lessee is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation and is duly qualified and authorized to do business wherever necessary to carry on its present business and operations and to own its properties and to perform its obligations under this Agreement, the Manufacturing Agreement between the Owner Trustee and the Contractor and the Lease;

(ii) the Lessee has the full power, authority and legal right to enter into and perform its obligations under this Agreement, the Manufacturing Agreement between the Owner Trustee and the Contractor and the Lease, and the execution, delivery and performance of this Agreement, the Manufacturing Agreement between

the Owner Trustee and the Contractor and the Lease have been duly authorized by all necessary corporate action on the part of the Lessee, do not require any stockholder approval or approval or consent of any trustee or holders of any indebtedness or obligations of the Lessee, or such required approvals and consents have heretofore been duly obtained, certified copies thereof having been delivered to the Owner Trustee, the Indenture Trustee, the Lenders and the Owner, and do not contravene any law, governmental rule, regulation or order binding on the Lessee or the certificate of incorporation or by-laws of the Lessee and will not result in any breach of, or constitute a default under, any indenture, mortgage, contract or other agreement or instrument to which the Lessee is a party or by which the Lessee is bound as guarantor or otherwise;

(iii) no consent, authorization or approval of, giving of notice to or registration with, or taking of any other action in respect of, the Interstate Commerce Commission or any other governmental or public body or authority of the United States of America, or of any State thereof or the District of Columbia, is necessary or advisable for the valid execution, delivery and performance of this Agreement, the Manufacturing Agreements, the Lease, the Trust Agreement or the Trust Indenture;

(iv) neither the Owner nor the Owner Trustee will, on any Closing Date solely by virtue of the transactions contemplated by this Agreement, be or become a "carrier", "common carrier" or "railroad" for purposes of the Interstate Commerce Act as presently in effect, nor, except with respect to the Equipment, will either of them be subject to regulation by the Interstate Commerce Commission;

(v) there are no pending or threatened actions or proceedings before any court or administrative agency which will materially adversely affect the condition, business or operations of the Lessee and its subsidiaries, taken as a whole, or the ability of the Lessee to perform its obligations under this Agreement, the Manufacturing Agreement between the Owner Trustee and the Contractor and the Lease, and except as described in a letter heretofore delivered to the Owner and the Lenders, there is no such pending or threatened action or proceeding which could, if adversely determined, have

any of the aforesaid materially adverse effects on the Lessee;

(vi) this Agreement, the Manufacturing Agreement between the Owner Trustee and the Contractor and the Lease have been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the Lessee, enforceable in accordance with their terms except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by applicable laws which may affect the remedies provided in the Lease, which laws do not make the remedies provided in such document inadequate for the realization of the benefits provided thereby;

(vii) no mortgage, deed of trust or other lien of any nature whatsoever, which now covers or affects any property or interests therein of the Lessee, now attaches or hereafter will attach to the Equipment or in any manner affects or will affect adversely the Owner Trustee's, the Indenture Trustee's, the Lenders' or the Owner's right, title and interest therein; provided, however, that such liens may attach to the leasehold interest of the Lessee under the Lease in and to the Equipment to the extent permitted by § 12 of the Lease;

(viii) at the time of delivery to the Owner Trustee of the units of Equipment, the Owner Trustee will have legal title to such units free from all claims, liens, security interests and other encumbrances (other than the rights of the Lenders and the Owner under the Trust Agreement and the Trust Indenture and the rights of the Lessee under the Lease);

(ix) the financial statements contained in the Railroad Annual Report Form R-1 (or Form A, as the case may be) of the Lessee for the three fiscal years ended December 31, 1974, and the financial statements contained in the quarterly reports on forms CBS and RE&I for the quarterly period ended September 30, 1975, correctly set forth the financial condition of the Lessee as of their respective dates, and the results of operations thereof for the periods covered thereby, and the Lessee has furnished the Lessor, the Owner and the Lend-

ers with true and correct copies of such financial statements, and, since the date of such quarterly financial statements, there has not been any material adverse change in the assets, liabilities, business or condition (financial or otherwise) of the Lessee;

(x) the Equipment has an estimated useful life of at least 28 years (in the case of Schedule A Units) or 20.5 years (in the case of Schedule B Units) and an estimated fair market value (without including in such value any increase or decrease for inflation or deflation during such initial term, and after subtracting from such value any cost to the Owner Trustee from removal and delivery of possession of the property to the Owner Trustee at the end of such initial term) on the expiration of the initial term of the Lease of at least 20% of the original cost of the Equipment; and

(xi) the Cost of Construction of the Equipment under the Manufacturing Agreement between the Owner Trustee and the Contractor shall not exceed in the aggregate the cost which would be charged by an independent manufacturer constructing property identical to the Equipment under circumstances identical with those contemplated by this Agreement and such Manufacturing Agreement.

8. The Indenture Trustee will hold all its estate, right, title and interest in and to the Trust Estate in trust for the benefit of the Lenders for payment to the Lenders and the Owner in accordance with the priorities set forth in Article III of the Trust Indenture. It is expressly understood and agreed that the obligations of the Indenture Trustee hereunder and under the Trust Indenture as such holder and with respect to the payments to the Lenders and the Owner to be made by the Indenture Trustee are only those expressly set forth herein and in the Trust Indenture.

The Indenture Trustee will apply all sums received by it constituting part of the Trust Estate as provided in Article III of the Trust Indenture. In the event of a payment under the Trust Indenture of amounts arising from a Casualty Occurrence (as defined in the Lease), the Indenture Trustee will furnish to each Lender a revised schedule or schedules of payments showing the reduction of such Lender's interest in the instalments of principal remaining unpaid and the interest payable thereon under the Trust Indenture.

A Lender shall have no further interest in, or other right with respect to, the Trust Estate when and if principal and interest referred to in the certificate or certificates of interest held by such Lender and all other sums payable to such Lender hereunder or under the Trust Indenture shall have been paid in full. Each Lender agrees that it will look solely to the income and proceeds from the Trust Estate as provided in the Trust Indenture and that neither the Owner, the Owner Trustee nor the Indenture Trustee is personally liable to the Lenders or any other party hereto for any amounts payable hereunder or under the Trust Indenture except as expressly set forth herein or therein.

The Owner hereby agrees to comply with all the terms of the Trust Agreement (as the same may hereafter be amended from time to time in accordance with the terms thereof) applicable to it. The Lessee hereby consents in all respects to the execution and delivery of the Trust Agreement and the Trust Indenture and to all the terms thereof, and the Lessee acknowledges receipt of an executed counterpart of the Trust Agreement and the Trust Indenture, it being agreed that such consent shall not be construed to require the Lessee's consent to any future supplement to or amendment, waiver or modification of the terms of the Trust Agreement or the Trust Indenture.

Neither any Lender nor the Owner shall have any obligation or duty to the Lessee or to any other Lender or the Owner with respect to the transactions contemplated hereby except those obligations or duties expressly set forth in this Agreement. Without limitation of the generality of the foregoing, under no circumstances whatsoever shall any Lender or the Owner as such be liable to the Lessee, the Contractor or the Builder or shall any Lender or the Owner be liable to any other Lender or the Owner, for any action or inaction on the part of the Owner Trustee or the Indenture Trustee in connection with the Trust Agreement, the Trust Indenture, the Lease, the Manufacturing Agreements, the ownership of the Equipment, the administration of the trusts created by the Trust Agreement and the Trust Indenture or otherwise, whether or not such action or inaction is caused by the wilful misconduct or negligence of the Owner Trustee or the Indenture Trustee.

9. All payments to be made by the Indenture Trustee to any Lender under the Trust Indenture shall (subject to timely receipt by the Indenture Trustee of available

funds) be made by check mailed to such Lender or its nominees on the date such payment is due or, upon written request of such Lender, by bank wire to the account of such Lender or its nominee at such banking institution as may be specified to the Indenture Trustee.

10. The Lessee will furnish the Owner Trustee, the Indenture Trustee, the Owner and each Lender (i) within 60 days after the end of each of the first three quarterly fiscal periods of the Lessee consolidated balance sheets of the Lessee and its consolidated subsidiaries as of the close of such periods, together with the related statements of income and surplus for such periods, all in reasonable detail and certified by the Treasurer of the Lessee and (ii) within 90 days after the close of each fiscal year of the Lessee the consolidated balance sheet of the Lessee and its consolidated subsidiaries as of the close of such fiscal year, together with the consolidated statements of income, surplus and source and application of funds for such fiscal year, all in reasonable detail and certified by a recognized national firm of independent public accountants, including their accompanying report thereon, (iii) within 90 days after the close of each fiscal year of the Lessee a certificate of the Lessee, signed by a principal financial officer or a vice president of the Lessee, to the effect that the signer has reviewed the relevant terms of this Agreement and the Lease and has made, or caused to be made under his supervision, a review of the transactions and condition of the Lessee during the preceding fiscal year, and that such review has not disclosed the existence during such period, nor does the signer have knowledge of the existence as at the date of such certificate, of any condition or event which constituted an Event of Default (as defined in the Lease) or which, after notice or lapse of time or both, would constitute an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Lessee has taken or is taking or proposes to take with respect thereto, (iv) promptly upon the filing of the same, the annual report under the Securities Exchange Act of 1934 of the Lessee for each fiscal year of the Lessee, and (v) from time to time such other information as the Owner Trustee, the Indenture Trustee, the Owner or the Lenders may reasonably request. The Lessee will furnish the Owner Trustee, the Indenture Trustee, the Owner and each Lender from time to time on request such information as the Owner Trustee or the Indenture Trustee may be required to furnish to any person pursuant to the Trust Agreement or the Trust Indenture.

11. As provided in Section 5.03 of the Trust Indenture, in case the Indenture Trustee is required to take action hereunder on behalf of the Lenders or action under the Trust Indenture on behalf of the Lenders, the Indenture Trustee shall be indemnified by the Lenders in proportion to their respective interests in the Trust Estate at the time such action is taken against any liability or expenses, including without limitation reasonable counsel fees, in connection with the taking of such action.

12. Each Lender (other than the Transferor with respect to the transfer of the Interim Certificates to the Transferees as contemplated by Paragraph 2 hereof) represents that it is acquiring its interest in amounts payable under the Trust Indenture and its interest in the Trust Estate for its own account and with its own general corporate assets, or for the account of one or more pension or trust funds or other institutional accounts, for investment and not with a view to, or for sale in connection with, the distribution of the same, nor with any present intention of distributing or selling the same but subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be within its control. Each Lender, if acquiring an interest in amounts payable under the Trust Indenture and its interest in the Trust Estate for the account of one or more pension or trust funds or other institutional accounts, represents that (except to the extent that it has otherwise advised Messrs. Cravath, Swaine & Moore, the Owner and the Owner Trustee in writing) it has sole investment discretion in respect of each such account for which it is acting.

The interest of the Lenders hereunder and under the Trust Indenture has not been registered under the Securities Act of 1933 and, accordingly, must be held indefinitely, unless an exemption from registration is available. Each Lender agrees that it will not transfer its interest hereunder or under the Trust Indenture in violation of said Act. Each Lender hereby agrees that any transfer authorized pursuant to the next preceding sentence of all or any part of its interest in amounts payable under the Trust Indenture and its interest in the Trust Estate shall be upon the express terms of this Agreement. Prior to any such transfer any Lender proposing to transfer its interest shall notify the Indenture Trustee in writing thereof (except that the Transferor shall not be obligated to give such notice with respect to the transfer of the Interim Certificates to the Transferees as

contemplated by Paragraph 2 hereof), surrender the appropriate certificate of interest theretofore delivered to it and the Indenture Trustee shall cause to be prepared and delivered to such Lender an appropriate agreement, to be entered into among such Lender, such transferee and the Indenture Trustee, evidencing such transfer upon the terms hereof, and such transferee shall make the representations set forth in the first paragraph of this Paragraph 12.

The Lessee represents and warrants that it has not directly or indirectly offered or sold any interest in the Estate (as defined in the Trust Agreement) or in the Trust Estate to, solicited offers to buy any thereof from, or otherwise approached or negotiated in respect of the purchase or sale or other disposition of any thereof with, any person so as to bring the transactions contemplated hereby within the provisions of Section 5 of the Securities Act of 1933. The Lessee will not offer any certificates of interest, conditional sale indebtedness or other securities to, or solicit any offer to buy any thereof from, any other person or approach or negotiate with any other person in respect thereof, so as to bring the transactions contemplated hereby within the provisions of Section 5 of said Securities Act.

The Owner represents and warrants that it has not directly or indirectly offered or sold any interest in the Estate or in the Trust Estate to, solicited offers to buy any thereof from, or otherwise approached or negotiated in respect of the purchase or sale or other disposition of any thereof with, any person so as to bring the transactions contemplated hereby within the provisions of Section 5 of the Securities Act of 1933. The Owner will not offer any certificates of interest, conditional sale indebtedness or other securities to, or solicit any offer to buy any thereof from, any other person or approach or negotiate with any other person in respect thereof, so as to bring the transactions contemplated hereby within the provisions of Section 5 of said Securities Act.

The Owner further represents and warrants that (a) no tax liens (including tax liens filed pursuant to Section 6323 of the United States Internal Revenue Code of 1954, as amended) have been filed and are currently in effect against the Owner which could adversely affect the interest of the Owner Trustee, the Indenture Trustee or the Lenders in the Equipment or the Lease or the rentals or other payments due or to become due thereunder and (b) no mortgage, deed of

trust or other lien or encumbrance of any nature whatsoever which now covers or affects any property or interest therein of the Owner, other than the Trust Agreement, the Trust Indenture and the Lease, now attaches or hereafter will attach to the Equipment or the interests of the Owner Trustee in the Lease so as to affect adversely the right, title and interest of the Owner Trustee therein.

13. It is agreed by and between the Lessee and the Owner that, except as otherwise provided in Paragraph 18 of this Agreement, the Owner, as the beneficial owner of the Equipment, shall be entitled to such deductions, credits and other benefits as are provided by the United States Internal Revenue Code of 1954, as amended to the date hereof (hereinafter called the Code), to an owner of property, including without limitation, (a) deductions for depreciation of each unit of the Equipment under section 167 of the Code commencing in the year that such unit is delivered to the Owner Trustee under the applicable Manufacturing Agreement computed on the basis that each such unit will have a basis under section 167(g) of the Code at least equivalent to the aggregate Cost of Construction in respect each such unit of the Equipment, and computed on the basis of a method of depreciation authorized by section 167 (b)(2) or (3) of the Code utilizing the asset depreciation range system of section 1.167(a)-11 of the Income Tax Regulations (hereinafter called the Regulations), of an asset depreciation period of 12 years and a net salvage value of zero (herein called the ADR Deduction) and (b) deductions with respect to interest payable under the provisions of the Trust Indenture (herein called the Interest Deduction).

The Lessee agrees that neither it nor any corporation controlled by it, in control of it, or under common control with it, directly or indirectly, will at any time take any action or file any returns or other documents inconsistent with the foregoing and that Lessee and any corporation controlled by it, in control of it or under common control with it, directly or indirectly, will file such returns, take such actions and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent thereof.

Notwithstanding anything to the contrary contained in the Lease, the Lessee represents and warrants that (a) at the time the Owner Trustee acquires title to each such unit it will not have been used by any person so as to preclude

"the original use of such property" within the meaning of section 167(c)(2) of the Code from commencing with the Owner; (b) at no time during the term of the Lease will the Owner be required to recapture pursuant to section 1245 of the Code part or all of the ADR Deduction allowed to the Owner in respect of any such unit of the Equipment; (c) for Federal income tax purposes, all amounts includible in the gross income of the Owner with respect to the Equipment and all deductions allowable to the Owner with respect to the Equipment will be treated as derived from, or allocable to, sources within the United States; and (d) the Lessee will maintain records and will use its best efforts to verify such use, which records will be furnished to the Owner within 30 days after receipt of a written demand therefor.

The Lessee shall certify to the Owner in writing prior to March 1 of each year the amount of rent (if any) payable with respect to the Equipment during the preceding calendar year which was allocable to sources outside the United States pursuant to section 862 of the Code.

If under any circumstances or for any reason whatsoever the Owner shall lose, or shall not have the right to claim, or shall suffer a disallowance of, or shall be required to recapture, all or any portion of the ADR Deduction or the Interest Deduction, or any item of income or deduction with respect to the Equipment shall not be treated as derived from, or allocable to, sources within the United States (any such event being hereinafter called a Loss), then the Lessee shall pay to the Owner as an indemnity, the amounts and at the times set forth below:

(i) In the case of any Loss of all or part of the ADR Deduction or the Interest Deduction, the Lessee shall pay to the Owner an amount equal to the sum of (A) an amount which, after deduction of all taxes required to be paid by the Owner in respect of the receipt of such amount under the laws of any Federal, state or local government or taxing authority in the United States, shall be equal to the sum of the aggregate amount of additional Federal, state or local income taxes payable from time to time as a result of any such Loss (other than a Loss of the ADR Deduction referred to in clause (ii) below), plus the aggregate amount of any interest, penalties or additions to tax payable by the Owner from time to time as a result of any Loss, which are not deductible by the Owner for Federal income tax purposes,

plus (B) the aggregate amount of any interest, penalties or additions to tax payable by the Owner from time to time as a result of any Loss, which are deductible by the Owner for Federal income tax purposes. Any amount payable to the Owner pursuant to this subdivision (i) shall be payable within 30 days after receipt of a written demand therefor from the Owner (but not prior to payment by the Owner of the additional Federal, state or local income tax, as the case may be, which becomes due as a result of the Loss) accompanied by a written statement describing in reasonable detail such Loss and the computation of the amount so payable.

(ii) In the case of any Loss of all or part of the ADR Deduction not due to a reduction in the Owner's basis in the Equipment under section 167(g) of the Code below the amount of the Cost of Construction therefor, the Lessee shall pay to the Owner, for the period after the payment by the Owner of the additional Federal income tax which becomes due as a result of such Loss, an amount computed separately for each year or portion thereof equal to interest at the prime interest rate of Bankers Trust Company in effect from time to time, but not less than the rate of 10-1/2% per annum, on (x) the aggregate additional Federal, state and local income taxes paid by the Owner as a result of such Loss during the year or portion thereof for which the computation is made and all prior years or portions thereof, less (y) the aggregate reduction in Federal, state or local income taxes realized by the Owner as a result of such Loss during the year or portion thereof for which the computation is made and all prior years or portions thereof. The amount or amounts payable from time to time pursuant to this subdivision (ii) shall be payable in equal instalments within each calendar year on the dates that rent is payable, pursuant to § 3 of the Lease, provided that within 30 days prior to such dates the Lessee shall have received a written demand for such payment accompanied by a written statement describing in reasonable detail such Loss and the computation of the amount so payable.

(iii) With respect to a Loss of income and deductions from sources within the United States, (A) for each taxable year of the Owner, an amount which, after deduction of all taxes to be paid by the Owner in respect of the receipt of such amount under the laws of

any Federal, state or local government or taxing authority in the United States, shall be equal to the excess of the foreign tax credit which would have been allowable to the Owner with respect to such year and all prior years if the Owner had not participated in the transactions contemplated by this Agreement over the foreign tax credit actually allowable to the Owner with respect to such years (the "Excess") and the amount of any interest, penalties or additions to tax payable by the Owner as a result of such Loss which are not deductible for Federal income tax purposes, which amounts shall be payable at such time as the tax attributable to such Excess is payable (but not sooner than 30 days after receipt by the Lessee of a written demand therefor accompanied by a written statement describing in reasonable detail such Loss and the computation of the amount so payable) plus (B) the amount of any interest, penalties or additions to tax payable by the Owner as a result of such Loss which are deductible for Federal income tax purposes, which amount shall be payable at such time as the Excess is payable (but not sooner than 30 days after receipt by the Lessee of a written demand therefor accompanied by a written statement describing in reasonable detail such Loss and the computation of the amount so payable). No payment shall be required of the Lessee with respect to a Loss of income and deductions from sources within the United States in the event the Owner would not be entitled to claim in any taxable year any foreign tax credit had the Owner not participated in the transactions contemplated hereby. If, for any taxable year of the Owner, the Excess calculated pursuant to clause (A) of this subdivision (iii) shall be a negative amount, then the Owner shall pay the Lessee within 30 days after the date of such determination (accompanied by a written statement from the Owner describing in reasonable detail such computation) an amount equal to the amount necessary to make such negative Excess equal to zero, plus an amount equal to the sum of any Federal, state or local government tax benefits realized as a result of payments made as required by this sentence; provided, however, that the Owner shall not be obligated to make payment under this subdivision (iii) to the extent that the amount of such payment would exceed (x) the amount of all prior payments by the Lessee to the Owner under this subdivision (iii) less (y) the amount of all prior payments by the Owner to the Lessee under this subdivision (iii).

Notwithstanding anything to the contrary set forth hereinabove, no amount shall be payable as an indemnity hereunder in respect of any Loss to the extent that such Loss is a direct result of the occurrence of any of the following events:

(i) a voluntary transfer or other voluntary disposition by the Owner of any interest in such unit of Equipment without the consent of the Lessee, unless, in each case, an Event of Default (as defined in the Lease) shall have occurred and be continuing;

(ii) the failure of the Owner to claim in a timely and proper manner the ADR Deduction, the Interest Deduction or any foreign tax credit (other than a failure to claim such credits or deductions based on determination in good faith by the Owner that such credits or deductions are not properly allowable in whole or in part);

(iii) the failure of the Owner to have sufficient income to benefit from the ADR Deduction or the Interest Deduction, as applicable;

(iv) a Casualty Occurrence (as defined in the Lease) if the Lessee shall have paid the Casualty Value in accordance with § 7 of the Lease; or

(v) any voluntary act of the Owner not required, contemplated or permitted by this Agreement, the Manufacturing Agreements, the Trust Agreement, the Trust Indenture or the Lease and not attributable to any act or omission of the Lessee.

If at any time prior to the disposition of a unit of Equipment in a taxable transaction the Owner is required to include in its gross income an amount in respect of any improvement and/or addition to such unit of Equipment made by the Lessee (hereinafter called Capital Expenditures), then the Lessee shall pay to the Owner, as an indemnity, such amount or amounts which, after deduction of all taxes required to be paid by the Owner in respect of the receipt of such amounts under the laws of any Federal, state or local government or taxing authority of the United States, shall be equal to the sum of the aggregate additional Federal, state or local income taxes payable by the Owner from time to time as a result of such Expenditure plus the amount of any interest,

penalties or additions to tax payable as a result of any such Expenditure (less any Federal, state or local tax benefits resulting from payment of any amounts reimbursed hereunder). If as a result of any such Capital Expenditure the aggregate Federal, state or local income taxes paid by the Owner for any taxable year shall be less than the amount of such taxes which would have been payable by the Owner had no such Capital Expenditure been made, then the Owner shall pay the Lessee the amount of such savings in taxes plus any additional tax benefits realized by the Owner as the result of such payment; provided, however, that the Owner shall not be obligated to make any payment pursuant to this sentence to the extent that the amount of such payment would exceed (x) the amount of all prior payments by the Lessee to the Owner pursuant to this paragraph in respect of any Capital Expenditure less (y) the amount of all prior payments by the Owner to the Lessee hereunder, and the amount by which such payment would exceed such amount shall reduce pro tanto any subsequent obligation of the Lessee to make any payments to the Owner pursuant to the first sentence of this paragraph. The amount payable to the Owner pursuant to this paragraph shall be paid within thirty days after receipt of the written demand therefor from the Owner (but not prior to payment by the Owner of the additional Federal, state or local income tax, as the case may be, which becomes due as a result of the said inclusion) accompanied by a written statement describing in reasonable detail such inclusion and the computation of the amount so payable. Any payment due to the Lessee from the Owner pursuant to this paragraph shall be paid within thirty days after the Owner realizes any such savings in its income taxes or additional tax benefits, as the case may be. The Owner agrees to contest the inclusion in its gross income of any amount with respect to a Capital Expenditure to the extent, and under the circumstances, set forth in the ninth paragraph of this Paragraph 13.

The Lessee agrees that, within thirty days after the close of any calendar year (or in the event the Owner gives the Lessee written notice that the Owner's taxable year closes on a date specified therein other than December 31, within thirty days after said date) in which the Lessee has made Capital Expenditures, the Lessee will give written notice thereof to the Owner describing such Capital Expenditures in reasonable detail and specifying the cost thereof with respect to each unit of Equipment.

If the Internal Revenue Service shall propose an

adjustment in the Federal income taxes of the Owner for which the Lessee would be required to indemnify the Owner pursuant to this Paragraph 13 and if such proposed adjustment would contravene one or more of the express Rulings (as defined below) issued to the Owner by the Internal Revenue Service from time to time with regard to the transactions contemplated by this Agreement (which Rulings shall not have been subsequently revoked), then the Owner shall contest such proposed adjustment to the extent requested from time to time by the Lessee in a timely written request; provided, however, that Tax Counsel of General Electric Company shall determine in his sole discretion the nature of all action to be taken by the Owner to contest such proposed adjustment, including: (i) whether any such contest shall initially be by way of judicial or administrative proceedings, (ii) whether any such proposed adjustment shall be contested by resisting payment thereof or by paying the same and seeking a refund thereof, and (iii) if the Owner shall undertake judicial action with respect to such proposed adjustment, the court or other judicial body before which such action shall be commenced. Notwithstanding the foregoing provisions of this paragraph, the Owner shall be under no obligation to contest any such proposed adjustment as provided above, unless, in the opinion of Messrs. Sullivan & Cromwell, or other special tax counsel selected by the Owner and approved by the Lessee, the proposed adjustments contravene the express Rulings, as of the date such adjustment was proposed; provided, however, that if any Ruling is revoked by the Internal Revenue Service, then a proposed adjustment shall not be deemed to contravene such Ruling for purposes of this Paragraph 13. If, in the opinion of said special tax counsel, the proposed adjustments do not contravene any express Ruling, then upon receipt of a timely request from the Lessee to do so the Owner shall in good faith use its best efforts (determined in the sole discretion of Tax Counsel of General Electric Company to be reasonable, proper and consistent with the overall tax interests of General Electric Company and its subsidiaries) to contest the validity of such proposed adjustment; provided, however, that the Owner shall be under no obligation to undertake any action to contest the validity of a proposed adjustment described in this sentence beyond the level of an Internal Revenue Service auditing agent and the Lessee shall not be relieved from its obligations to indemnify the Owner under this Paragraph 13 by virtue of the Owner's failure to take any action to contest the validity of a proposed adjustment which is not required pursuant to this sentence or the next sentence. The Owner shall not

be required to take any action pursuant to this paragraph unless and until the Lessee shall have agreed to indemnify the Owner in a manner satisfactory to the Owner for any liability or loss which the Owner may incur as a result of contesting the validity of any proposed adjustment and shall have agreed to pay the Owner on demand all costs and expenses which the Owner may incur in connection with contesting such proposed adjustment. In the event the Owner elects to pay the tax resulting from a proposed adjustment and proceeds to seek a refund thereof, the Lessee shall pay to the Owner an amount equal to interest at a rate equal to the prime interest rate of Bankers Trust Company in effect from time to time on the amount of the tax in question, computed from the date of payment of such tax to the date of final determination of the Owner's claim for refund, such amount to be payable in equal instalments within each calendar year on the dates on which rental for such period is payable under the Lease. Upon the receipt by the Owner of a refund of any tax unpaid by it in respect of which the Lessee has paid interest thereon while such tax payable was contested by the Owner, any interest on such refund paid to the Owner by the United States Government shall be paid to the Lessee forthwith upon receipt by the Owner.

For purposes of this Paragraph 13, the term "Owner" shall include General Electric Credit Corporation, General Electric Company and the affiliated group, within the meaning of section 1504 of the Code, of which such corporations are members.

The indemnities contained in this Paragraph 13 shall survive the expiration or other termination of the Lease or this Agreement, and are expressly made for the benefit of, and shall be enforceable by, the Owner and its successors, assigns and agents.

The Owner shall apply for the Rulings (as defined in the next paragraph). Nothing herein shall preclude the Owner from applying for and seeking such other rulings of the Internal Revenue Service not inconsistent with the Rulings as the Owner may deem advisable. The Lessee agrees to join in such request for Rulings and to furnish such documents, records and representations, including, but not limited to, evidence of the estimated useful life and estimated residual value of the units of Equipment sufficient to support the matters claimed in any such request for such Rulings as shall be deemed necessary and appropriate for such request

by the Owner.

For purposes of this Paragraph 13, the term "Rulings" shall mean rulings by the Internal Revenue Service to the effect that, for Federal income tax purposes:

(i) The trust established pursuant to the Trust Agreement will be subject to Subpart E, Part I of Subchapter J of the Code. The Owner will be treated as the owner of the entire trust and shall take into account, for the purpose of determining General Electric Company's consolidated Federal income tax liability, all items of income deduction (including depreciation on the Equipment and interest payable pursuant to the Trust Indenture) and credit (not including investment credits with respect to the units of Equipment) to which the Owner would have been entitled had the said trust not been in existence.

(ii) The Owner will be treated as the purchaser, owner, lessor and original user of the Equipment.

(iii) The Lease is a lease under which the Owner will be treated as the lessor and the Lessee is the lessee.

(iv) For purposes of determining the depreciation allowable with respect to the Equipment, the basis of each unit of Equipment in the hands of the Owner is the "Cost of Construction" for such unit as defined in the Manufacturing Agreement applicable to such unit (including the portion paid with funds deposited by the Lenders pursuant to this Agreement) plus all other items includible in basis under section 1012 of the Code.

(v) The Owner will be entitled to take into account depreciation on the Equipment; and the Owner will be entitled to elect to use any method of accelerated depreciation permitted by section 167(b)(2) or (3) of the Code and to determine the "reasonable allowance" for depreciation of the Equipment pursuant to section 167(m) of the Code and section 1.167(a)-11 of the Regulations.

(vi) The Equipment falls within Asset Guideline Class No. 00.25 of Revenue Procedure 72-10, 1972-1

C.B. 721, and may be assigned an asset depreciation period (useful life) of 12 years in accordance with section 167(m) of the Code and section 1.167(a)-11 of the Regulations.

(vii) The Owner may, at any time during the asset depreciation period for the Equipment and without the prior consent of the Commissioner of Internal Revenue, change from the double-declining balance method of depreciation to the sum-of-the-years digit method or from the sum-of-the-years digit method to the straight-line method in accordance with section 1.167(a)-11(c)(1) (iii) of the Regulations.

(viii) The Owner will be entitled to deduct the interest paid or accrued on the certificates of interest issued to the Lenders or under the terms of the Trust Indenture pursuant to section 163 of the Code.

(ix) The Lessee, as lessee under the Lease, will be entitled to deduct rentals payable under the Lease pursuant to section 162(a)(3) of the Code in accordance with its method of accounting.

(x) The subleasing by the Lessee of any unit of Equipment or the use of any such unit by a sublessee of a sublessee or a user under the terms of a car contract in accordance with the provisions of Section 12 of the Lease, in each case as contemplated by the Lease and described in the request for the Rulings, will not constitute a disposition of such unit for purposes of section 1245 of the Code; provided that such sublessee or user is not a person in whose hands such unit could not qualify as "section 38 property" which is not "public utility property" within the meaning of the Code.

(xi) The representation that at the end of the initial term of the Lease the Equipment will have a residual value of at least 20% of its original cost will not prevent the Owner from determining as of a later date a salvage value for depreciation purposes in an amount less than 10% of the original cost after making the reduction permitted by section 167(f) of the Code.

14. All documents and funds deliverable hereunder to the Owner Trustee shall be delivered to it at its address

at 130 John Street, New York, New York 10038, attention of Corporate Trust and Agency Division, or as the Owner Trustee may otherwise specify. All documents and funds deliverable hereunder to the Indenture Trustee shall be delivered to it at its address at Two Hopkins Plaza, P. O. Box 2258, Baltimore, Maryland 21203, attention of Corporate Trust Department, or as the Indenture Trustee may otherwise specify. All documents, notices and funds deliverable hereunder or under the Trust Indenture to any Lender shall be delivered or mailed to it at its address as set forth in Schedule A hereto, or as it may otherwise specify. All documents deliverable hereunder to the Owner shall be delivered to it at P. O. Box 8300, Stamford, Connecticut 06904, attention of Manager-Operations, Leasing and Industrial Loans and attention of Loan Officer-Rail. All documents deliverable to Messrs. Cravath, Swaine & Moore shall be delivered to it at One Chase Manhattan Plaza, New York, N. Y. 10005.

15. The Owner agrees to pay or cause payment to be made of all reasonable costs and expenses incident to the preparation, execution and delivery of this Agreement, the Lease, the Trust Agreement, the Trust Indenture and the Manufacturing Agreements, including the reasonable fees, expenses and disbursements of the Owner Trustee and special counsel for the Owner Trustee and counsel for the Owner (but not including the fees, expenses and disbursements of the Indenture Trustee, counsel for the Indenture Trustee and the Lessee and special counsel for the Lenders), and all reasonable fees and expenses of Salomon Brothers related to the placement of the investments to be made by the Lenders hereunder. The Owner and Salomon Brothers have agreed that the fees, expenses and disbursements of the Indenture Trustee, counsel for the Indenture Trustee and special counsel for the Lenders shall be paid by Salomon Brothers if the transactions contemplated hereby are consummated, and, if such transactions are not consummated, such fees, expenses and disbursements shall be paid by the Owner.

16. The terms of this Agreement and all rights and obligations of the parties hereto hereunder shall be governed by the laws of the State of New York. Such terms, rights and obligations may not be changed orally but may be changed only by an agreement in writing signed by the party against whom enforcement of such change is sought.

17. The Lessee hereby confirms for the benefit of the Owner and the Lenders the indemnities and undertakings

of the Lessee contained in the Lease, to the extent that such indemnities and undertakings purport to run to the benefit of the Lenders or the Owner, as the case may be, that the same shall be enforceable by the Owner or the Lenders, as the case may be, as fully as if set forth in full herein, and the statements therein that the obligations of the Lessee thereunder and hereunder shall continue in full force and effect notwithstanding the expiration or other termination of the Lease, except as provided therein.

18. The Owner agrees that it will execute and file a Section 48(d) Election (as hereinafter defined) with the Lessee within the time period prescribed in section 1.48-4(f)(2) of the Income Tax Regulations, provided that the Owner shall have received such Section 48(d) Election from the Lessee at least 30 days prior to the expiration of such time period, and provided further that the Owner shall not object to any statement set forth in such Election as false or inaccurate. For purposes of this Paragraph 18, the term "Section 48(d) Election" shall mean a written statement described in section 1.48-4(f)(1) of the Income Tax Regulations which specifies the Equipment as the property with respect to which the election under section 48(d) of the Code is being made. The Section 48(d) Election shall be prepared by, and at the expense of, the Lessee. The Owner has not made and shall not be deemed to have made any warranty or representation, either express or implied, (i) as to the validity or effectiveness of the Section 48(d) Election as an election under section 48(d) of the Code to treat the Lessee as having acquired the Equipment for purposes of the investment tax credit allowed under section 38 of the Code, (ii) as to the truth or accuracy of any statement in such Election, except the name, address and taxpayer account number of the Owner and the district director's office with which income tax returns of the Owner are filed, or (iii) as to the fulfillment of the conditions specified in section 1.48-4(a)(1) of the Income Tax Regulations with respect to the Equipment, it being agreed that, as between the Owner and the Lessee, the Lessee shall bear sole responsibility for the validity and effectiveness of such Election under section 48(d) of the Code. The Owner agrees that it will not claim any investment tax credit under section 38 of the Code in respect of the Equipment.

19. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized officers or other persons, as of the date first above written.

ILLINOIS CENTRAL GULF RAILROAD COMPANY,

by

Title:

[CORPORATE SEAL]

ATTEST:

Title:

UNITED STATES TRUST COMPANY OF NEW YORK, as Owner Trustee,

by

Title:

[CORPORATE SEAL]

ATTEST:

Title:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Indenture Trustee,

by

Title: Assistant Vice President

[CORPORATE SEAL]

ATTEST:

Title: Corporate Trust Officer

GENERAL ELECTRIC CREDIT CORPORATION,

by

Title:

[CORPORATE SEAL]

ATTEST:

Title:

BOARD OF ADMINISTRATION OF THE WATER &
POWER EMPLOYEES RETIREMENT PLAN OF THE
CITY OF LOS ANGELES,

by

EMPLOYEES' RETIREMENT SYSTEM OF ALABAMA,

by

TEACHERS' RETIREMENT SYSTEM
OF ALABAMA,

by

THE LIFE INSURANCE COMPANY OF VIRGINIA,

by

THE LINCOLN NATIONAL LIFE INSURANCE
COMPANY,

by

MUTUAL SERVICE LIFE INSURANCE COMPANY,

by

NAVY MUTUAL AID ASSOCIATION,

by

PILOT LIFE INSURANCE COMPANY,

by

THE JOSEPH AND HELEN REGENSTEIN FOUNDATION

by

THE UNION LABOR LIFE INSURANCE COMPANY,

by

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,

by

SCHEDULE A
to
PARTICIPATION AGREEMENT

Name and Address	Date of Deposit	Amount		Maximum Aggregate Commitment
		Applicable to Schedule A Units	Applicable to Schedule B Units	
Morgan Guaranty Trust Company of New York 299 Park Avenue New York, New York 10017	December 2, 1975	Separate amounts of \$1,679,255.87, \$1,259,441.91, \$839,627.94 and \$839,627.94	Separate amounts of \$320,744.13, \$240,558.09, and \$160,372.06 and \$160,372.06	Separate amounts of \$2,000,000, \$1,500,000, \$1,000,000 and \$1,000,000
Attention: Jeremy G. G. Allen Assistant Vice President				
Board of Administration of the Water & Power Employees Retirement Plan of the City of Los Angeles 111 North Hope Street - Room 315 Post Office Box 111 Los Angeles, California 90051*	December 2, 1975	\$ 419,813.97	\$ 80,186.03	\$ 500,000
Attention: Mr. Allan F. Larson Administrator-Secretary				
The Lincoln National Life Insurance Company 1301 South Harrison Street Fort Wayne, Indiana 46801**	December 2, 1975	\$1,259,441.91	\$ 240,558.09	\$1,500,000
Attention: Securities Investment Department				

* Certificate of Interest to be registered in the name of LAWAPR, a California general partnership.

** All payments to be made by check mailed to Joint Custody Account No. 20328 of The Lincoln National Life Insurance Company at Morgan Guaranty Trust Company of New York, P.O. Box 238, Church Street Station, New York, N. Y. 10008, Attention of Allen R. Tepe, Assistant Vice President.

<u>Name and Address</u>	<u>Date of Deposit</u>	<u>Amount Applicable to Schedule A Units</u>	<u>Amount Applicable to Schedule B Units</u>	<u>Maximum Aggregate Commitment</u>
Mutual Service Life Insurance Company 1919 University Avenue St. Paul, Minnesota 55104	December 2, 1975	\$209,906.98	\$ 40,093.02	\$250,000
Notices addressed Attention: Mr. Loren Haugland				
Payments addressed Attention: Investment Accounting Department				
Navy Mutual Aid Association Arlington Annex - Room 1601 Washington, D.C. 20370*	December 2, 1975	\$419,813.97	\$ 80,186.03	\$500,000
Attention: Captain Thomas M. Davis, USN. Ret. Secretary & Treasurer				
The Joseph and Helen Regenstein Foundation 3450 North Kimball Avenue Chicago, Illinois 60618**	December 2, 1975	\$209,906.98	\$ 40,093.02	\$250,000

* Certificate of Interest to be registered in the name of, and payments to be made to, Ince & Co. (A-34718), in care of Morgan Guaranty Trust Company of New York, P. O. Box 1479, Church Street Station, New York, N. Y. 10008.

** All payments to be made by wire transfer to Account No. 77-01136, Continental Illinois National Bank and Trust Company of Chicago, 231 South La Salle Street, Chicago, Illinois 60693.

Name and Address	Date of Deposit	Amount Applicable to Schedule A Units	Amount Applicable to Schedule B Units	Maximum Aggregate Commitment
The Union Labor Life Insurance Company 850 Third Avenue - Third Floor New York, New York 10022	December 2, 1975	\$ 209,906.98	\$ 40,093.02	\$250,000
Attention: Mr. George Holland Senior Vice President				
Employees' Retirement System of Alabama In care of State Capitol Montgomery, Alabama 36104	*	\$ 839,627.94	\$160,372.06	\$1,000,000
Attention: Dr. David G. Bronner Secretary-Treasurer				
Teachers' Retirement System of Alabama, In care of State Capitol Montgomery, Alabama 36104	*	\$1,259,441.91	\$240,558.09	\$1,500,000
Attention: Dr. David G. Bronner Secretary-Treasurer				

* Certificate of Interest will be purchased from Morgan Guaranty Trust Company of New York on January 15, 1976.

<u>Name and Address</u>	<u>Date of Deposit</u>	<u>Amount Applicable to Schedule A Units</u>	<u>Amount Applicable to Schedule B Units</u>	<u>Maximum Aggregate Commitment</u>
The Life Insurance Company of Virginia Post Office Box 27601 Richmond, Virginia 23261**	*	\$1,679,255.87	\$320,744.13	\$2,000,000

Notices (other than notices of Payment) Addressed Attention: Bond Division

Notices of Payment Addressed Attention: Treasurer

Pilot Life Insurance Company *
Post Office Box 20727
Greensboro, North Carolina 27420†

Attention: Mr. Joseph Gorrell
Vice President

* Certificate of Interest will be purchased from Morgan Guaranty Trust Company of New York on January 15, 1976.

** Payments to made by wire transfer to Life of Virginia Account No. 10-00-527, United Virginia Bank, Richmond, Virginia.

† All payments to be made to Account No. 021-168-018, North Carolina National Bank, 101 West Friendly Avenue, Greensboro, North Carolina 27420.

EXHIBIT A TO
PARTICIPATION AGREEMENT

MANUFACTURING AGREEMENT dated as of November 26, 1975, between ILLINOIS CENTRAL GULF RAILROAD COMPANY (hereinafter called the Contractor) and UNITED STATES TRUST COMPANY OF NEW YORK (hereinafter, in its capacity as owner trustee as set forth below, called the Company), as owner trustee under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement) with General Electric Credit Corporation (hereinafter called GECC).

WHEREAS the Company desires to have the units of new, standard gauge railroad equipment (hereinafter referred to individually as a Unit and collectively as Units or the Equipment) described in Item 1 of Annex A attached hereto constructed or completed from materials acquired and owned by the Company or to be purchased by the Contractor as an independent contractor acting on behalf of the Company and owned by the Company, and with materials, labor and other services to be paid for by the Company to the Contractor in accordance with the terms and subject to the conditions set forth herein, such Equipment to be the property of the Company;

WHEREAS the Company has requested the Contractor to construct the Equipment, title thereto and to all materials heretofore and hereafter used in connection therewith to remain in the Company throughout the period of construction and thereafter, and the Contractor desires to perform such work for the Company; and

WHEREAS the Company is entering into a Participation Agreement dated as of the date hereof (hereinafter called the Participation Agreement) with the Contractor, Mercantile-Safe Deposit and Trust Company (hereinafter called the Indenture Trustee), as indenture trustee under a Trust Indenture and Mortgage dated as of the date hereof (hereinafter called the Trust Indenture) with the Company, GECC and the lenders listed in Schedule A thereto (hereinafter called the Lenders) substantially in the form of Annex B hereto providing for the financing of the Cost of Construction of the Equipment to be paid on the Closing Dates (Cost of Construction and Closing Dates being hereinafter defined);

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

ARTICLE 1. Construction of Equipment. Subject to the terms and conditions hereinafter set forth, the Contractor, as an independent contractor, agrees to construct and assemble the Equipment for the Company as its property and agrees to deliver the Equipment as hereinbelow provided, and the Company agrees that it will pay the Contractor the Cost of Construction of the Equipment, each Unit of which will be constructed in accordance with the specifications referred to in Item 1 of Annex A hereto and in accordance with such modifications thereof as may have been agreed upon in writing by the Contractor and the Company (which specifications and modifications, if any, are hereinafter called the Specifications) and will, at or before delivery thereof to the Company or its duly appointed representative pursuant to Article 2 hereof, have the following ownership markings stencilled on each side thereof in a conspicuous place in letters not less than one inch in height:

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

The Contractor agrees that the design, quality and component parts of the Equipment will conform, on the date of completion of manufacture thereof, to all Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards recommended by the Association of American Railroads reasonably interpreted as being applicable to new railroad equipment of the character of the Units of the Equipment; provided, however, that if any such requirements, specifications or standards shall have been promulgated or amended after the respective dates on which the Equipment was ordered, the Cost of Construction of the Equipment affected thereby may be appropriately adjusted by written agreement of the Contractor and the Company.

The Contractor agrees that in the construction of the Equipment there shall be used exclusively articles, supplies, materials and parts (hereinafter collectively called materials) to be purchased by the Contractor as an independent contractor acting on behalf of the Company and owned by the Company.

The Company hereby authorizes the Contractor to act for the Company in the purchase, for the account of the Company, of all materials necessary in the construction of the Equipment, and the Contractor, as an independent contractor, agrees to enter into appropriate contracts, at the lowest practicable prices, with the sellers of materials necessary for the construction of the Equipment, the cost of such materials to be paid by the Company, in accordance with the terms and subject to the conditions set forth herein, as part of the Cost of Construction. Every contract for the purchase of such materials shall be entered into by the Contractor as independent contractor and shall expressly recite that the purchase is for the Company, but notwithstanding any such provision, the Contractor shall pay for such materials upon delivery thereof and the Company shall not have any liability to the seller of materials for payment therefor. The Contractor agrees that all title to and property in the materials purchased for the construction of the Equipment shall be vested in the Company free and clear of all liens, charges and other encumbrances of any other kind and nature, whether of the Contractor or others, and the Contractor hereby specifically waives any right it has or may have to claim any lien or charges for any purpose whatsoever upon the Equipment or upon any materials used in the construction thereof.

ARTICLE 2. Delivery. The Contractor will deliver the Equipment to the Company, freight charges, if any, prepaid, at such point or points within the United States of America as shall be determined by the mutual agreement of the Contractor and the Company and in accordance with the delivery schedule set forth in Item 1 of Annex A hereto; provided, however, that no Unit of the Equipment shall be delivered under this Agreement until this Agreement, the Trust Agreement and the Trust Indenture shall have been filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act.

The Contractor represents and warrants that at the time of delivery the Equipment will be new railroad equipment free and clear of all liens, claims or charges of any nature whatsoever arising from acts of the Contractor and that no amortization or depreciation will have been claimed by any person with respect thereto.

The Contractor's obligation as to time of delivery

is subject to delays resulting from causes beyond the Contractor's reasonable control, including, but not limited to, acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riot or civil commotion, sabotage, strikes, labor shortages, differences with workmen, accidents, fire, flood, explosion, damage to plant, equipment or facilities or delays in receiving necessary materials or delays of carriers or subcontractors.

Notwithstanding the preceding provisions of this Article 2, any Unit of the Equipment not delivered and accepted on or before December 31, 1975, shall be excluded from this Agreement and not included in the terms "Equipment" or "Units" as used in this Agreement, and the Company shall be relieved of its obligation to pay for such Equipment. In the event of any such exclusion the Contractor and the Company shall execute an agreement supplemental hereto limiting this Agreement to the Equipment not so excluded herefrom and providing for the assignment to the Contractor of all right, title and interest of the Company in and to the materials owned by the Company and furnished to the Contractor or purchased by the Contractor on behalf of the Company for utilization in the construction of the excluded Equipment, and the Company shall take such other steps, including the execution of instruments of transfer, as may reasonably be requested by the Contractor for the purpose of acknowledging and perfecting the interest of the Contractor in any Unit so excluded from this Agreement or such materials and the Company shall have no further obligation or liability in respect of Units so excluded or such materials.

The Equipment shall be subject to inspection and approval prior to delivery by inspectors or other authorized representatives of the Company, and the Contractor shall grant to any such inspector or other representative reasonable access to its plant. From time to time upon the completion of the construction of each Unit or a number of Units of the Equipment, each Unit shall thereupon be presented to an inspector or other authorized representative of the Company for inspection at the Contractor's plant and, if each such Unit conforms to the Specifications and the other requirements, specifications and standards set forth or referred to in Article 1 hereof, such inspector or authorized representative shall promptly execute and deliver to the Contractor, in such number of counterparts or copies as may be reasonably requested, a certificate of acceptance (hereinafter called

a Certificate of Acceptance) stating that such Unit or Units described and specified therein by numbers have been inspected, delivered and accepted on behalf of the Company and are marked in accordance with Article 1 hereof; provided, however, that the Contractor shall not thereby be relieved of its warranty contained in Article 5.

On acceptance of each of the Units of the Equipment, pursuant to this Article 2 on behalf of the Company as aforesaid, the Company assumes with respect thereto the responsibility and risk of loss or damage, except as otherwise provided in the Lease dated as of the date hereof (hereinafter called the Lease) between the Company, as Lessor, and the Contractor, as Lessee.

ARTICLE 3. Cost of Construction. The cost of construction per Unit of the Equipment is set forth in Item 1 of Annex A hereto. Such cost, which shall include freight charges, if any, prepaid by the Contractor, from the Contractor's plant to the point of delivery, is subject to such increase or decrease as may be or has been agreed to by the Contractor and the Company. The term "Cost of Construction" as used herein shall mean the cost or costs as so increased or decreased.

The Equipment shall be delivered and settled for on one or more Closing Dates fixed as hereinafter provided (the Equipment being settled for on a Closing Date being hereinafter called a Group), provided, however, that each Group other than the Group for which settlement shall be made on the final Closing Date shall contain at least 100 Units. Subject to the provisions of Article 4 hereof, the Company hereby promises to pay or cause to be paid, out of funds received by the Company from GECC and the Indenture Trustee in accordance with the terms of the Participation Agreement, in immediately available funds to the Contractor at such place in Chicago, Illinois, or New York, New York, as the Contractor may designate, on the Closing Date with respect to a Group, an amount equal to the Cost of Construction of all Units of the Equipment in such Group as set forth in the invoices therefor; provided, however, that at no time shall the aggregate Cost of Construction theretofore paid to the Contractor plus the Cost of Construction which is required to be paid on such Closing Date exceed \$10,471,000.

The term "Closing Date" with respect to a Group of

the Equipment shall mean each date specified by the Contractor for settlement of a Group of Equipment, in a written notice to the Company specifying the Cost of Construction of such Group, but in no event shall such date be less than seven days after the preceding Closing Date.

If on any Closing Date the aggregate Cost of Construction of the Equipment for which settlement has theretofore been and is then being made under this Agreement would, but for the provisions of this sentence, exceed the Maximum Cost of Construction specified in Item 2 of Annex A hereto (or such higher amount as the Company may at its option agree to prior to delivery of any Unit that, but for such agreement, would otherwise be excluded from this Agreement), the Contractor will, upon request of the Company, execute an agreement supplemental hereto excluding from this Agreement such Unit or Units then proposed to be settled for and specified by the Company as will, after giving effect to such exclusion, reduce such aggregate Cost of Construction to not more than the Maximum Cost of Construction specified in Item 2 of Annex A hereto (or such higher amount as aforesaid) and the Company shall take such other steps, including the execution of instruments of transfer, for the purpose of assigning to the Contractor all right, title and interest of the Company in and to the materials owned by the Company and furnished to the Contractor or purchased by the Contractor on behalf of the Company for utilization in the construction of the excluded Equipment, and the Company shall take such other steps, including the execution of instruments of transfer, as may reasonably be requested by the Contractor for the purpose of acknowledging and perfecting the interest of the Contractor in any Unit so excluded from this Agreement or such materials and the Company shall have no further obligation or liability in respect of Units so excluded or such materials.

All payments provided for in this Agreement shall be made in funds immediately available at the place designated by the Contractor for payment pursuant to this Article 3.

ARTICLE 4. Conditions to Obligations of the Company. The obligation of the Company to pay to the Contractor the amount required to be paid pursuant to the second paragraph of Article 3 hereof with respect to the Group of Equipment for which settlement is then being made is subject to the satisfaction, as of the Date of Deposit (as defined in

the Participation Agreement), of the conditions set forth in Paragraph 5 of the Participation Agreement and to the receipt by the Company and GECC on or prior to such Closing Date of the following documents with respect to the Units of the Equipment being settled for on such Closing Date:

(i) an opinion of counsel for the Contractor, dated such Closing Date, to the effect that at the time of delivery to the Company of such Units of Equipment, the Company had legal title to such units free from all claims, liens, security interests and other encumbrances (other than the rights of GECC under the Trust Agreement, the rights of the Indenture Trustee under the Trust Indenture and the rights of the Contractor as Lessee under the Lease);

(ii) an instrument of conveyance from the Contractor to the Company warranting to the Company, the Indenture Trustee, GECC and the Lenders (as defined in the Participation Agreement) that, at the time of delivery under such Units of Equipment, the Company had legal title to such Units free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Lenders and the Owner under the Trust Agreement and the Trust Indenture and the rights of the Contractor as Lessee under the Lease, and covenanting to defend the title to such Units against demands of all persons whomsoever based on claims originating prior to the delivery of such Units by the Contractor hereunder;

(iii) a Certificate or Certificates of Acceptance with respect to such units of Equipment as contemplated by Article 2 hereof and § 2 of the Lease; and

(iv) an invoice of the Contractor for such Units of Equipment accompanied by or having endorsed thereon a certification by the Company as to its approval thereof.

In addition to the foregoing conditions, the Contractor shall not complete construction of any Unit of the Equipment hereunder subsequent to, and shall have no obligation to pay the Cost of Construction of any Unit of the Equipment not completed prior to, receipt of a written notice from the Company, the Indenture Trustee, any Lender or GECC notifying the Contractor of (i) the occurrence of any Event of Default as described in § 10 of the Lease, or event which with lapse of time and/or demand, could

constitute such Event of Default, (ii) the material falseness of any of the representations and warranties of the Contractor made by it in Paragraphs 7 and 12 of the Participation Agreement at and as of the time such representations and warranties were so made or (iv) the fact that any of the conditions contained in Paragraphs 4 and 5 of the Participation Agreement have not been met or waived.

ARTICLE 5. Contractor's Warranty of Materials and Workmanship. The Contractor warrants that the Units of the Equipment will be built in accordance with the Specifications and with the other requirements, specifications and standards set forth or referred to in Article 1 above and warrants that the Equipment will be free from defects in material and workmanship or design under normal use and service.

The Contractor further agrees that neither the inspection as provided in Article 2 of this Agreement, nor any examination or acceptance of any Units of the Equipment as provided in said Article 2, shall be deemed a waiver or modification by the Company of any of its rights under this Article.

ARTICLE 6. Notice. Any notice hereunder to the party designated below shall be deemed to be properly served if delivered or mailed to it at the following specified addresses:

(a) to the Company, at 130 John Street, New York, New York 10038, attention of Corporate Trust and Agency Division, with copies to GECC at P. O. Box 8300, Stamford, Connecticut 06904, attention of Manager--Operations, Leasing and Industrial Loan Financing, and attention of Loan Officer--Rail, and

(b) to the Contractor, at 233 North Michigan Avenue, Chicago, Illinois 60601, attention of the Treasurer,

or such other addresses as may have been furnished in writing by such party to the other party to this Agreement.

ARTICLE 7. Assignments by the Contractor. All or any of the rights, benefits or advantages of the Contractor under this Agreement, including the right to receive the Cost of Construction of all Units of the Equipment, may be assigned by the Contractor and reassigned by any assignee at any time or from time to time; provided, however, that no

such assignment shall subject any such assignee to, or relieve the Contractor from, any of the Contractor's warranties, indemnities or other obligations contained in this Agreement or relieve the Contractor or a successor or successors to its manufacturing property and business from any of its obligations to construct and deliver the Equipment in accordance with the Specifications or to respond to its warranties, indemnities or other obligations whether contained herein or created by law, or relieve the Company of its obligations to the Contractor under this Agreement, which, according to their terms and context, are intended to survive an assignment.

Upon any such assignment, either the assignor or the assignee shall give written notice to the Company, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee (if not otherwise stated in the assignment), and such assignee shall by virtue of such assignment acquire all the Contractor's right, title and interest in and to the rights, benefits and advantages of the Contractor thereby assigned subject only to such reservation as may be contained in such assignment. From and after the receipt by the Company of the notification of any such assignment, all payments thereafter to be made by the Company hereunder shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

ARTICLE 8. Assignment by the Company. All or any portion of the rights, benefits or advantages of the Company under this Agreement, including, without limitation, (a) title to the materials utilized in the construction of the Equipment, (b) the right to accept delivery of the Equipment and to be named in the instrument of conveyance therefor to be delivered by the Contractor, (c) the right to receive any and all monies due or to become due to the Company in respect of the Equipment and for all claims for damages in respect of such Equipment arising as a result of any default by the Contractor, and (d) all rights of the Company to perform under this Agreement and compel performance of the terms hereof, may be assigned by the Company and re-assigned by any assignee at any time or from time to time. Upon any such assignment, either the assignor or the assignee shall give written notice to the Contractor, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee (if not otherwise stated in the assignment), and such assignee shall by virtue

of such assignment acquire all the Company's right, title and interest in and to the rights, benefits and advantages of the Company thereby assigned subject only to such reservation as may be contained in such assignment. The Contractor recognizes that the Company has agreed in the Trust Indenture, among other things, to assign to the Indenture Trustee this Agreement and the rights, benefits and advantages of the Company hereunder, and to mortgage in favor of the Indenture Trustee the Equipment, subject to the reservations and conditions therein set forth.

ARTICLE 9. Article Headings. All article headings are inserted for convenience only and shall not affect the construction or interpretation of this Agreement.

ARTICLE 10. Effect and Modification of Agreement. This Agreement, and the Annexes attached hereto, exclusively and completely state the rights and agreements of the Contractor and the Company with respect to the construction of the Equipment and supersede all purchase agreements, purchase orders and other agreements, oral or written, with respect to the construction of the Equipment. No variation of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and duly executed on behalf of the Company and the Contractor.

ARTICLE 11. Law Governing. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

ARTICLE 12. Successors and Assigns. As used herein the terms Contractor, Company, GECC, Indenture Trustee and Lenders shall be deemed to include the successors and assigns of the Contractor, the Company, GECC, the Indenture Trustee and the Lenders, as the case may be.

ARTICLE 13. Recording. Upon the execution and delivery of this Agreement, the Contractor will, at its expense, cause this Agreement to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act.

ARTICLE 14. Execution. This Agreement may be

simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Agreement is dated for convenience as of the date specified in the introductory paragraph of this Agreement, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names by duly authorized officers and their respective corporate seals to be hereunto affixed and duly attested, all as of the day, month and year first above written.

ILLINOIS CENTRAL GULF RAILROAD
COMPANY,

by

Treasurer

[Corporate Seal]

Attest:

Assistant Secretary

UNITED STATES TRUST COMPANY
OF NEW YORK, as Owner Trustee,

by

Vice President

[Corporate Seal]

Attest:

Assistant Secretary

ANNEX A

ITEM 1:

<u>Type</u>	<u>Quantity</u>	<u>Illinois Central Gulf Railroad Company Car Numbers (Inclusive)</u>	<u>Unit Cost of Construction</u>	<u>Total Cost of Construction</u>	<u>Months of Delivery</u>	<u>Specifications (Contract Number)</u>
70-ton, 50' box cars	283	ICG 580717- 580999	\$37,000	\$10,471,000	December 1975	0-403

ITEM 2: The Maximum Cost of Construction referred to in Article 3 is \$10,471,000.

EXHIBIT B TO
PARTICIPATION AGREEMENT

MANUFACTURING AGREEMENT dated as of November 26, 1975, between GENERAL MOTORS CORPORATION (ELECTRO-MOTIVE DIVISION) (hereinafter called the Builder) and UNITED STATES TRUST COMPANY OF NEW YORK (hereinafter, in its capacity as owner trustee as set forth below, called the Company), as owner trustee under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement) with General Electric Credit Corporation (hereinafter called GECC).

WHEREAS the Builder agrees to construct, sell and deliver to the Company and the Company agrees to purchase the units of new, standard gauge railroad equipment (hereinafter referred to individually as a Unit and collectively as Units or the Equipment) described in Item 1 of Annex A attached hereto;

WHEREAS the Company will pay to the Builder, as the purchase price for the Equipment, the Cost of Construction of the Equipment to be paid on the Delivery Date (Cost of Construction and Delivery Date being hereinafter defined); and

WHEREAS the Company is entering into a Participation Agreement dated as of the date hereof (hereinafter called the Participation Agreement) with Illinois Central Gulf Railroad Company, Mercantile-Safe Deposit and Trust Company (hereinafter called the Indenture Trustee), as indenture trustee under a Trust Indenture and Mortgage dated as of the date hereof (hereinafter called the Trust Indenture) with the Company, GECC and the lenders listed in Schedule A thereto (hereinafter called the Lenders) substantially in the form of Annex B hereto providing for the financing of the Cost of Construction of the Equipment to be paid on the Delivery Date;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

ARTICLE 1. Construction of Equipment. Subject to the terms and conditions hereinafter set forth, the Builder agrees to construct and assemble the Equipment and to sell and deliver the Equipment as hereinbelow provided, and the

Company agrees that it will pay the Builder, as the purchase price for the Equipment, the Cost of Construction of the Equipment, each Unit of which will be constructed in accordance with the specifications referred to in Item 1 of Annex A hereto and in accordance with such modifications thereof as may have been agreed upon in writing by the Builder and the Company (which specifications and modifications, if any, are hereinafter called the Specifications) and will, at or before delivery thereof to the Company or its duly appointed representative pursuant to Article 2 hereof, have the following ownership markings stencilled on each side thereof in a conspicuous place in letters not less than one inch in height:

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

The Builder agrees that the design, quality and component parts of the Equipment will conform, on the date of completion of manufacture thereof, to all Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards recommended by the Association of American Railroads reasonably interpreted as being applicable to new railroad equipment of the character of the Units of the Equipment; provided, however, that if any such requirements, specifications or standards shall have been promulgated or amended after the respective dates on which the Equipment was ordered, the Cost of Construction of the Equipment affected thereby may be appropriately adjusted by written agreement of the Builder and the Company.

ARTICLE 2. Delivery. The Builder will deliver to the Company, on the Delivery Date concurrently with settlement therefor, the Units of the Equipment, freight charges, if any, prepaid, at such point or points within the United States of America as shall be determined by the mutual agreement of the Builder and the Company and in accordance with the delivery schedule set forth in Item 1 of Annex A hereto; provided, however, that no Unit of the Equipment shall be delivered under this Agreement unless and until all the conditions set forth in Paragraph 5 of the Participation Agreement have been satisfied.

The Builder represents and warrants that at the time of delivery the Equipment will be new railroad equipment free and clear of all liens, claims or charges of any nature whatsoever arising from acts of the Builder and that no

amortization or depreciation will have been claimed by any person with respect thereto.

The Builder's obligation as to time of delivery is subject to delays resulting from causes beyond the Builder's reasonable control, including, but not limited to, acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riot or civil commotion, sabotage, strikes, labor shortages, differences with workmen, accidents, fire, flood, explosion, damage to plant, equipment or facilities or delays in receiving necessary materials or delays of carriers or subcontractors.

Notwithstanding the preceding provisions of this Article 2, any Unit of the Equipment not delivered and accepted on or before December 31, 1975, shall be excluded from this Agreement and not included in the terms "Equipment" or "Units" as used in this Agreement, and the Company shall be relieved of its obligation to pay for such Equipment. In the event of any such exclusion the Builder and the Company shall execute an agreement supplemental hereto limiting this Agreement to the Equipment not so excluded herefrom.

The Equipment shall be subject to inspection and approval prior to delivery by inspectors or other authorized representatives of the Company, and the Builder shall grant to any such inspector or other representative reasonable access to its plant. From time to time upon the completion of the construction of each Unit or a number of Units of the Equipment, each Unit shall thereupon be presented to an inspector or other authorized representative of the Company for inspection at the Builder's plant and, if each such Unit conforms to the Specifications and the other requirements, specifications and standards set forth or referred to in Article 1 hereof, such inspector or authorized representative shall promptly execute and deliver to the Builder, in such number of counterparts or copies as may be reasonably requested, a certificate of acceptance (hereinafter called a Certificate of Acceptance) stating that such Unit or Units have been inspected, delivered and accepted on behalf of the Company and are marked in accordance with Article 1 hereof; provided, however, that no Certificate of Acceptance shall be executed and delivered prior to the time the Units covered by such Certificate of Acceptance are delivered pursuant to the first paragraph of this Article 2; provided, further that the Builder shall not thereby be relieved of its warranty contained in Article 5 or its indemnity contained in Article 6.

On acceptance of each of the Units of the Equipment, pursuant to this Article 2 on behalf of the Company as aforesaid, the Company assumes with respect thereto the responsibility and risk of loss or damage.

ARTICLE 3. Cost of Construction. The cost of construction per Unit of the Equipment is set forth in Item 1 of Annex A hereto. Such cost, which shall include freight charges, if any, prepaid by the Builder, from the Builder's plant to the point of delivery, is subject to such increase or decrease as may be or has been agreed to by the Builder and the Company. The term "Cost of Construction" as used herein shall mean the cost or costs as so increased or decreased.

The Equipment shall be delivered and settled for on one Delivery Date fixed as hereinafter provided (the Equipment being simultaneously delivered, accepted and settled for on such Delivery Date being hereinafter called the Group). Subject to the provisions of Article 4 hereof, the Company hereby promises to pay or cause to be paid in immediately available funds to the Builder at such place in Chicago, Illinois, or New York, New York, as the Builder may designate, on the Delivery Date with respect to the Group simultaneously with delivery and acceptance of the Units in such Group and as the purchase price therefor, an amount equal to the Cost of Construction of all Units of the Equipment in the Group as set forth in the invoices therefor; provided, however, that at no time shall the aggregate Cost of Construction theretofore paid to the Builder plus the Cost of Construction which is required to be paid on such Delivery Date exceed \$2,000,000.

The term "Delivery Date" with respect to the Group of the Equipment shall mean the date specified by the Builder as the delivery date for such Group pursuant to Article 2 hereof.

If on the Delivery Date the aggregate Cost of Construction of the Equipment for which settlement is then being made under this Agreement would, but for the provisions of this sentence, exceed the Maximum Cost of Construction specified in Item 2 of Annex A hereto (or such higher amount as the Company may at its option agree to prior to delivery of any Unit that, but for such agreement, would otherwise be excluded from this Agreement), the Builder will, upon request of the Company, execute an agreement supplemental hereto excluding from this Agreement such Unit or Units then pro-

posed to be settled for and specified by the Company as will, after giving effect to such exclusion, reduce such aggregate Cost of Construction to not more than the Maximum Cost of Construction specified in Item 2 of Annex A hereto (or such higher amount as aforesaid).

All payments provided for in this Agreement shall be made in funds immediately available at the place designated by the Builder for payment pursuant to this Article 3.

ARTICLE 4. Conditions to Obligations of the Company. The obligation of the Company to pay to the Builder the amount required to be paid pursuant to the second paragraph of Article 3 hereof with respect to the Group of Equipment on the Delivery Date is subject to the satisfaction of the conditions set forth in Paragraph 5 of the Participation Agreement and the receipt by the Company from GECC and the Indenture Trustee in accordance with the terms of the Participation Agreement of funds in the amount of such payment.

ARTICLE 5. Builder's Warranty of Materials and Workmanship. The Builder warrants that the Units of the Equipment are of the kind and quality described in, or will be built in accordance with, the Specifications and with the other requirements, specifications and standards set forth or referred to in Article 1 above and are suitable for the ordinary purposes for which the Equipment is used and warrants each Unit of the Equipment to be free from defects in material and workmanship which may develop under normal use and service within two years from date of delivery of such unit or before such Unit has been operated 250,000 miles, whichever event shall first occur. The Builder agrees to correct such defects, which examination shall disclose to the Builder's satisfaction to be defective, by repair or replacement F.O.B. factory and such correction shall constitute fulfillment of the Builder's obligation with respect to such defect under this warranty.

The Builder warrants specialties not of its own specification or design to the same extent that the suppliers of such specialties warrant such items to the Builder.

There are no warranties with respect to material and workmanship, expressed or implied, made by the Builder except the warranties set out above.

The Builder reserves the right to make changes in

the design of, or add any improvements to, Units of the Equipment at any time without incurring any obligation to make similar changes or additions in respect of Units of the Equipment previously delivered to the Company.

The Builder further agrees that neither the inspection as provided in Article 2 of this Agreement, nor any examination or acceptance of any Units of the Equipment as provided in said Article 2, shall be deemed a waiver or a modification by the Company of any of its rights under this Article or Article 6 hereof.

ARTICLE 6. Patent Indemnity. The Builder agrees to indemnify, protect and hold harmless the Company from and against any and all liability, claims, demands, cost, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Company because of the use in or about the construction or operation of the Equipment, or any Unit thereof, of any design, article or material which infringes or is claimed to infringe on any patent or other right.

The Builder shall defend any suit or proceeding brought against the Company to the extent the same is based on a claim that the Equipment of Builder's specification, or any part thereof, furnished under this Agreement constitutes an infringement of any patent, if notified promptly in writing and given authority, information and assistance (at the Builder's expense) for the defense of same, and the Builder shall pay all damages and costs awarded therein against the Company.

In case any Unit of the Equipment or any part thereof is in such suit held to constitute infringement and the use of such Unit or part is enjoined, the Builder shall at its option and at its own expense either procure for the Company the right to continue using such Unit or part, or replace the same with non-infringing equipment subject to the Trust Agreement and the Trust Indenture or modify it so it becomes non-infringing, or remove such Unit and refund the Cost of Construction and the transportation and installation costs thereof. If the Cost of Construction is so refunded, such refund shall be applied in like manner as payments in respect of Casualty Occurrences under the Trust Indenture.

The Builder will not assume liability for patent infringement by reason of purchase, manufacture, sale or use

of devices not included in and covered by its specification.

The foregoing states the entire liability of the Builder for patent infringement by the Equipment or any part thereof.

ARTICLE 7. Notice. Any notice hereunder to the party designated below shall be deemed to be properly served if delivered or mailed to it at the following specified addresses:

(a) to the Company, at 130 John Street, New York, New York 10038, attention of Corporate Trust and Agency Division, with copies to GECC at P. O. Box 8300, Stamford, Connecticut 06904, attention of Manager-- Operations, Leasing and Industrial Loan Financing, and attention of Loan Officer--Rail, and

(b) to the Builder, at General Motors Corporation (Electro-Motive Division), La Grange, Illinois 60525, attention of G. D. Briggs, Division Comptroller,

or such other addresses as may have been furnished in writing by such party to the other party to this Agreement.

ARTICLE 8. Assignments by the Builder. All or any of the rights, benefits or advantages of the Builder under this Agreement, including the right to receive the Cost of Construction of all Units of the Equipment, may be assigned by the Builder and reassigned by any assignee at any time or from time to time; provided, however, that no such assignment shall subject any such assignee to, or relieve the Builder from, any of the Builder's warranties, indemnities or other obligations contained in this Agreement or relieve the Builder or a successor or successors to its manufacturing property and business from any of its obligations to construct and deliver the Equipment in accordance with the Specifications or to respond to its warranties, indemnities or other obligations whether contained herein or created by law, or relieve the Company of its obligations to the Builder under this Agreement, which, according to their terms and context, are intended to survive an assignment.

Upon any such assignment, either the assignor or the assignee shall give written notice to the Company, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee (if not otherwise stated in the assignment), and such assignee

shall by virtue of such assignment acquire all the Builder's right, title and interest in and to the rights, benefits and advantages of the Builder thereby assigned subject only to such reservation as may be contained in such assignment. From and after the receipt by the Company of the notification of any such assignment, all payments thereafter to be made by the Company hereunder shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

ARTICLE 9. Assignment by the Company. All or any portion of the rights, benefits or advantages of the Company under this Agreement, including, without limitation, (a) the right to accept delivery of the Equipment and to be named in the instrument of conveyance therefor to be delivered by the Builder, (b) the right to receive any and all monies due or to become due to the Company in respect of the Equipment and for all claims for damages in respect of such Equipment arising as a result of any default by the Builder and for indemnification under Article 6 hereof, and (c) all rights of the Company to perform under this Agreement and compel performance of the terms hereof, may be assigned by the Company and reassigned by any assignee at any time or from time to time. Upon any such assignment, either the assignor or the assignee shall give written notice to the Builder, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee (if not otherwise stated in the assignment), and such assignee shall by virtue of such assignment acquire all the Company's right, title and interest in and to the rights, benefits and advantages of the Company thereby assigned subject only to such reservation as may be contained in such assignment. The Builder recognizes that the Company has agreed in the Trust Indenture, among other things, to assign to the Indenture Trustee this Agreement and the rights, benefits and advantages of the Company hereunder, and to mortgage in favor of the Indenture Trustee the Equipment, subject to the reservations and conditions therein set forth.

ARTICLE 10. Article Headings. All article headings are inserted for convenience only and shall not affect the construction or interpretation of this Agreement.

ARTICLE 11. Effect and Modification of Agreement. This Agreement, and the Annexes attached hereto, exclusively and completely state the rights and agreements of the Builder and the Company with respect to the construction of the Equipment and supersede all purchase agreements, purchase

orders and other agreements, oral or written, with respect to the construction of the Equipment. No variation of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and duly executed on behalf of the Company and the Builder.

ARTICLE 12. Law Governing. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

ARTICLE 13. Successors and Assigns. As used herein the terms Builder, Company, GECC, Indenture Trustee and Lenders shall be deemed to include the successors and assigns of the Builder, the Company, GECC, the Indenture Trustee and the Lenders, as the case may be.

ARTICLE 14. Recording. Upon the execution and delivery of this Agreement, the Builder will, at its expense, cause this Agreement to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act.

ARTICLE 15. Execution. This Agreement may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Agreement is dated for convenience as of the date specified in the introductory paragraph of this Agreement, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names by duly authorized officers and their respective corporate seals to be hereunto affixed and duly attested, all as of the day, month

and year first above written.

GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION)

by

[Corporate Seal]

Attest:

UNITED STATES TRUST COMPANY
OF NEW YORK, as Owner Trustee,

by

Vice President

[Corporate Seal]

Attest:

Assistant Secretary

ANNEX A

ITEM 1:

Type	Quantity	Illinois Central Gulf Railroad Company Car Numbers (Inclusive)	Unit Cost of Construction	Total Cost of Construction	Months of Delivery	Specifications (Contract Number)
SD 40-2 Locomotives	4	ICG 6030-6033	\$500,000	\$2,000,000	December	EM 8087 Contract No. 75640

ITEM 2: The Maximum Cost of Construction referred to in Article 3 is \$2,000,000.

EXHIBIT C TO
PARTICIPATION AGREEMENT

LEASE OF RAILROAD EQUIPMENT

dated as of November 26, 1975

between

ILLINOIS CENTRAL GULF RAILROAD COMPANY

and

UNITED STATES TRUST COMPANY OF NEW YORK,
as Owner Trustee under a Trust Agreement
dated as of November 26, 1975, with
General Electric Credit Corporation

LEASE OF RAILROAD EQUIPMENT dated as of November 26, 1975, between ILLINOIS CENTRAL GULF RAILROAD COMPANY (hereinafter called the Lessee), and UNITED STATES TRUST COMPANY OF NEW YORK, as owner trustee under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement) with GENERAL ELECTRIC CREDIT CORPORATION (said trust company, so acting, being hereinafter called the Lessor, and said corporation being hereinafter called the Owner).

WHEREAS the Lessor is entering into manufacturing agreements dated as of the date hereof (hereinafter respectively called the Schedule A Manufacturing Agreement and the Schedule B Manufacturing Agreement, and the Schedule A and Schedule B Manufacturing Agreements being hereinafter sometimes collectively called the Manufacturing Agreements) with the Lessee and General Motors Corporation (Electro-Motive Division), respectively (the Lessee and said Division, in such capacity, being hereinafter collectively called the Builders), wherein (a) the Lessee has agreed to act as an independent contractor on behalf of Lessor in the construction of the units of new, standard-gauge railroad equipment described in Schedule A hereto (hereinafter called the Schedule A Equipment) and (b) said Division has agreed to construct and sell to Lessor the units of new, standard-gauge railroad equipment described in Schedule B hereto (hereinafter called the Schedule B Equipment, and the Schedule A Equipment and the Schedule B Equipment being hereinafter sometimes collectively called the Equipment);

WHEREAS the Lessee desires to lease such number of units of the Equipment as are delivered and accepted and settled for under the Manufacturing Agreements (such units of Schedule A Equipment being hereinafter called the Schedule A Units, such units of Schedule B Equipment being hereinafter called the Schedule B Units, and the Schedule A Units and the Schedule B Units being hereinafter sometimes collectively called the Units) at the respective rentals and for the respective terms and upon the conditions hereinafter provided; and

WHEREAS the Lessor and Mercantile-Safe Deposit and Trust Company, as indenture trustee (hereinafter called the Indenture Trustee), are entering into the Trust Indenture and

Mortgage dated as of the date hereof (hereinafter called the Security Documentation) wherein the Lessor will convey and set over its interest in the Manufacturing Agreements, this Lease and the Equipment and all amounts of rent, insurance proceeds and requisition, indemnity or other payments with respect to the Equipment payable to the Lessor hereunder as security for the benefit of the Lenders (hereinafter called the Lenders) listed in Schedule A to the Participation Agreement dated as of the date hereof (hereinafter called the Participation Agreement) among the Lessee, the Lessor, the Indenture Trustee, the Owner and the Lenders (the Owner and the Lenders being hereinafter sometimes collectively called the Investors);

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

§ 1. Net Lease. This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Lessor, the Indenture Trustee, the Owner or the Lenders or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now

have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

§ 2. Delivery and Acceptance of Units. The Lessor hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the Manufacturing Agreements. The Lessor will cause each Unit to be delivered, subject to the conditions set forth in Article 2 of the applicable Manufacturing Agreement, on each Closing Date (in the case of the Schedule A Manufacturing Agreement) or Delivery Date (in the case of the Schedule B Manufacturing Agreement) to the Lessee at the point or points within the United States of America at which such Unit is delivered to the Lessor under the Manufacturing Agreements. Upon such delivery, the Lessee will cause an employee of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit on such Closing Date or Delivery Date and execute and deliver to the Lessor a certificate of acceptance (hereinafter called the Certificate of Acceptance) in accordance with the provisions of Article 2 of each of the Manufacturing Agreements, stating that such Unit has been inspected and accepted on behalf of the Lessee and the Lessor on such Closing Date or Delivery Date and is marked in accordance with § 5 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease.

§ 3. Rentals. (a) Schedule A Units. The Lessee agrees to pay to the Lessor, as rental for each Schedule A Unit subject to this Lease, one interim rental payment payable on January 15, 1976, and 80 consecutive quarterly payments payable on each January 15, April 15, July 15 and October 15 in each year, commencing April 15, 1976. The interim rental payment payable on January 15, 1976, shall be in an amount equal to .02795% of the Cost of Construction (as defined in the Schedule A Manufacturing Agreement) of each Schedule A Unit subject to this Lease, less the amount of such Cost of Construction provided from funds furnished by the Transferor (as defined in the Participation Agreement), for each day elapsed from the Closing Date (as defined in the Schedule A Manufacturing Agreement) for such Unit to and including the date of such payment. The next 80 rental payments shall each be in an amount equal to 2.51601% of the Cost of Construction of each Schedule A Unit then subject

to this Lease.

(b) Schedule B Units. The Lessee agrees to pay to the Lessor, as rental for each Schedule B Unit subject to this Lease, one interim rental payment payable on January 15, 1976, and 60 consecutive quarterly payments payable on each January 15, April 15, July 15 and October 15 in each year, commencing on April 15, 1976. The interim rental payment payable on January 15, 1976, shall be in an amount equal to .03299% of the Cost of Construction (as defined in the Schedule B Manufacturing Agreement) of each Schedule B Unit subject to this Lease, less the amount of such Cost of Construction provided from funds furnished by the Transferor, for each day elapsed from the Delivery Date (as defined in the Schedule B Manufacturing Agreement) for such Unit to and including the date of such payment. The next 60 rental payments shall each be in an amount equal to 2.96894% of the Cost of Construction of each Schedule B Unit then subject to this Lease.

(c) Additional Interim Rental Payment. In addition to the interim rental payments payable on January 15, 1976, pursuant to § 3(a) and § 3(b) hereof, the Lessee shall pay to the Lessor, on January 15, 1976, as additional interim rental hereunder, an amount equal to the respective amounts required to be paid by the Lessor pursuant to the last paragraph of Paragraph 6 of the Participation Agreement.

The Lessee further agrees that each rental payment pursuant to this § 3 shall be accompanied by a certificate of the Lessee signed by a financial officer of the Lessee to the effect that the signer does not have knowledge of the existence as at such date of any condition or event which constitutes an Event of Default or which, after notice or lapse of time or both, would constitute an Event of Default.

The Lessee agrees that it will not take any action or omit to take any action which would result in a delay or hindrance in or prohibition of the orderly flow of rental payments as contemplated by this § 3 and the Consent of the Lessee annexed hereto.

If any of the rental payment dates referred to above is not a business day, the rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term "business day" as used herein means a calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Baltimore, Maryland, New York, New York, or Chicago, Illinois, are authorized or obligated to remain closed.

The Lessee agrees to make all the payments provided for in this Lease for the account of the Lessor at its address set forth in § 17 hereof, on or before 11:00 a.m., Baltimore time, or as the Lessor shall otherwise direct, on the date upon which such payments are due and payable. The Lessor hereby directs the Lessee to make all payments payable to the Lessor provided for in this Lease to the Indenture Trustee at its address set forth in § 17 hereof. The Lessee agrees to make each such payment provided for herein as contemplated by this paragraph in immediately available funds at the place of payment.

§ 4. Term of Lease. The term of this Lease as to each Schedule A Unit shall begin on the date of delivery and acceptance of such Schedule A Unit hereunder and, subject to the provisions of §§ 7, 10 and 13 hereof, shall terminate on the date on which the final payment of rent in respect thereof is due pursuant to § 3(a) hereof. The term of this Lease as to each Schedule B Unit shall begin on the date of delivery and acceptance of such Schedule B Unit and, subject to the provisions of §§ 7, 10 and 13 hereof, shall terminate on the date on which the final payment of rent in respect thereof is due pursuant to § 3(b) hereof. The obligations of the Lessee hereunder (including, but not limited to, the obligations under §§ 6, 7, 9, 11 and 14 hereof) shall commence on the date hereof and shall survive the expiration of the term of this Lease.

Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights of the Lessor, the Indenture Trustee and the Investors under the Trust Agreement and the Security Documentation.

§ 5. Identification Marks. The Lessee will cause each Unit to be kept numbered with the road number set forth in Schedule A or Schedule B hereto, or in the case of any Unit not there listed such road number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "Owned by a Bank or Trust Company under a Security Agreement Filed under the Interstate Commerce Act, Section 20c", or other appropriate words designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's title to and property in such Unit, the rights

of the Lessor under this Lease, the rights of the Owner under the Trust Agreement and the rights of the Lenders under the Security Documentation. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace promptly any such words which may be removed, defaced, obliterated or destroyed. The Lessee will not change the road number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Lessor and the Indenture Trustee and filed, recorded and deposited by the Lessee in all public offices where this Lease, the Trust Agreement and the Security Documentation shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Lessor and the Indenture Trustee an opinion of counsel to that effect and to the further effect that no further filing, recording or deposit (or giving of notice) with any other Federal, state or local government or agency thereof is necessary in order to protect the interests of the Lessor, the Indenture Trustee or the Investors in and to the Units in the United States of America. The Units may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates.

Except as provided in the immediately preceding paragraph, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership.

§ 6. Taxes. Whether or not any of the transactions contemplated hereby are consummated, the Lessee agrees to pay, and to indemnify and hold the Lessor, the Owner, the Indenture Trustee and the Lenders harmless from, all taxes, assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon the Lessor, the Owner, the Indenture Trustee, the Lenders, the Lessee, the Trust Estate (as defined in the Security Documentation) or otherwise, by any Federal, state or local government or governmental subdivision in the United States or by any foreign country or subdivision thereof, upon or with respect to: any Unit or any part thereof; the purchase, ownership, delivery, leasing, possession, use, operation, transfer of title, return or other disposition thereof; the rentals, receipts or earnings arising therefrom; or this Lease, the Trust Agreement, the Participation Agreement, the Security Documentation, any payment made pursuant to any such

agreement, or the property, the income or other proceeds received with respect to property held in trust by the Lessor under the Trust Agreement (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes"); excluding, however: (i) Taxes of the United States or of any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is entitled to a credit therefor against its United States Federal income taxes or is indemnified by the Lessee pursuant to Paragraph 13 of the Participation Agreement) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the Lessor (in its individual capacity), the Owner, the Lenders, or the Indenture Trustee, other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Lease, provided that such Taxes of any foreign country or subdivision thereof incurred as a result of the indemnified party being taxed by such foreign country or jurisdiction on its worldwide income without regard to the transactions contemplated by this Lease shall be excluded whether or not the indemnified party is entitled to a credit against its United States Federal income taxes; (ii) any Taxes imposed as a direct result of a voluntary transfer or other voluntary disposition (other than any transfer following a Casualty Occurrence with respect to a Unit or the occurrence of an Event of Default) by the Lessor or the Owner or any transfer or disposition by the Lessor or the Owner resulting from bankruptcy or other proceedings for the relief of creditors in which the Lessor or the Owner is the debtor, whether voluntary or involuntary, of any interest in any Unit or interest in rentals under this Lease; (iii) any Taxes imposed on or measured by any fees or compensation received by the Lessor or the Indenture Trustee; and (iv) Taxes which are imposed on or measured solely by the net income of the Lessor, the Lenders or the Indenture Trustee if and to the extent that such Taxes are in substitution for or reduce the Taxes payable by any other person which the Lessee has not agreed to pay or indemnify against pursuant to this § 6; provided, however, that the Lessee shall not be required to pay any Taxes during the period it may be contesting the same in the manner provided in the next succeeding paragraph. The Lessee further agrees to pay on or before the time or times prescribed by law any tax imposed on or measured solely by the net income of the Lessee (or the affiliated group, within the meaning of section 1504 of the Internal Revenue Code of 1954, as amended, of which the Lessee is a member) under the laws of the United

States or of any state or political subdivision thereof, or of any foreign country or subdivision thereof which, if unpaid, might result in a lien or other encumbrance upon any Unit; provided, however, that the Lessee shall not be required to pay any such tax during the period it may be contesting the same.

If claim is made against the Lessor, the Owner, the Lenders or the Indenture Trustee for any Taxes indemnified against under this § 6, such party shall promptly notify the Lessee. If reasonably requested by the Lessee in writing, the Lessor, the Lenders or the Indenture Trustee, as the case may be, shall, upon receipt of any indemnity satisfactory to it and to the Owner for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Lessee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. The Lessee may also contest, at its own expense, the validity, applicability or amount of such Taxes in the name of the Lessor, the Owner, the Lenders or the Indenture Trustee; provided that no proceeding or actions relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of the Lessor, the Owner, the Lenders, or the Indenture Trustee in any such proceeding or action) without the prior written consent of the Lessor, the Owner, the Lenders or the Indenture Trustee, as the case may be. If the Lessor, the Owner, the Lenders or the Indenture Trustee shall obtain a refund of all or any part of such Taxes previously reimbursed by the Lessee in connection with any such contest or an amount representing interest thereon, the Lessor, the Lenders or the Indenture Trustee, as the case may be, or the Owner shall pay to the Lessee the amount of such refund or interest net of expenses; provided, however, that no Event of Default and no event which with notice or lapse of time or both would constitute an Event of Default shall have occurred and be continuing.

In case any report or return is required to be made with respect to any obligation of the Lessee under this § 6 or arising out of this § 6, except obligations resulting from the second sentence of the first paragraph of this § 6, the Lessee shall either make such report or return in

such manner as will show the interests of the Lessor in the Units, or shall promptly notify the Lessor, the Owner and the Indenture Trustee of such requirement and shall make such report or return in such manner as shall be satisfactory to the Lessor and the Indenture Trustee. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Lessee.

All the obligations of the Lessee under this § 6 shall survive and continue, but only with respect to periods included in the term of this Lease, notwithstanding payment in full of all amounts due under the Security Documentation or the termination of this Lease. Payments due from the Lessee to the Lessor, the Owner, the Lenders, or the Indenture Trustee under this § 6 shall be made directly to the party indemnified.

To the extent that the Lessee may be prohibited by law from performing in its own name the duties required by this § 6, the Lessor hereby authorizes the Lessee to act in its own name and on its behalf; provided, however, that the Lessee shall indemnify and shall hold the Lessor harmless from and against any and all claims, costs, expenses, damages, losses and liabilities, incurred in connection therewith as a result of, or incident to, any action or failure to act by the Lessee pursuant to this authorization.

For purposes of this § 6, the term "Unit" shall include all materials at any time acquired and owned by the Lessor, or purchased by the Lessee as an independent contractor on behalf of the Lessor and owned by the Lessor, as contemplated by the Manufacturing Agreement between the Lessor and the Lessee, as independent contractor.

The Lessee shall, whenever requested by the Lessor, the Indenture Trustee or the Owner, submit to the Lessor and the Indenture Trustee copies of the returns, statements, reports, billings and remittances, or furnish other evidence satisfactory to the Lessor, the Indenture Trustee and the Owner, of the Lessee's performance of its duties under this § 6. The Lessee shall also furnish promptly upon request such data as the Lessor, the Indenture Trustee or the Owner reasonably may require to permit the Lessor's, the Indenture Trustee's and the Owner's compliance with the requirements of taxing jurisdictions.

§ 7. Maintenance; Casualty Occurrences; Insurance.

The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit (including any parts installed on or replacements made to any Unit which are considered an accession thereto as provided in the third paragraph of § 9) which is subject to this Lease in good operating order, repair and condition.

In the event that any Unit shall be or become worn out, lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being hereinafter called Casualty Occurrences), prior to the return of such Unit in the manner set forth in § 14 hereof, the Lessee shall promptly and fully notify the Lessor with respect thereto. On the rental payment date next succeeding such Casualty Occurrence, the Lessee shall pay to the Lessor an amount equal to the rental payment or payments in respect of such Unit due and payable on such date plus a sum equal to the Casualty Value (as hereinafter defined) of such Unit as of the date of such payment in accordance with Schedule C (in the case of each Schedule A Unit) or Schedule D (in the case of each Schedule B Unit) attached hereto and shall pay to the persons entitled thereto any other amounts then due and payable by Lessee hereunder, under the Schedule A or Schedule B Manufacturing Agreement or under the Participation Agreement. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and the Lessor shall be entitled to recover possession of such Unit. The Lessor hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof, at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Lessor, and any other amounts then due hereunder, under the Schedule A or Schedule B Manufacturing Agreement or under the Participation Agreement to the persons entitled thereto, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Lessor.

The Casualty Value of each Schedule A Unit as of the payment date on which payment is to be made as aforesaid shall be that percentage of the Cost of Construction of such Schedule A Unit as is set forth in Schedule C hereto. The Casualty Value of each Schedule B Unit as of the payment date on which payment is to be made as aforesaid shall be that

percentage of the Cost of Construction of such Schedule B Unit as is set forth in Schedule D hereto.

Whenever any Unit shall suffer a Casualty Occurrence after termination of this Lease and before such Unit shall have been returned in the manner provided in § 14 hereof, the Lessee shall promptly and fully notify the Lessor with respect thereto and pay to the Lessor an amount equal to the Casualty Value of such Unit, which shall be an amount equal to the greater of the Fair Market Value of such Unit (determined as provided in § 13 hereof) or 20% of the Cost of Construction of such Unit. Upon the making of any such payment by the Lessee in respect of any Unit (except in the case of the loss, theft or complete destruction of such Unit), the Lessor shall be entitled to recover possession of such Unit.

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

The Lessee will, at all times prior to the return of the Units to the Lessor, at its own expense, cause to be carried and maintained property insurance in respect of the Units at the time subject hereto, and public liability insurance, in amounts and against risks customarily insured against by the Lessee and others in the industry similarly situated in respect of similar owned equipment. If the Lessor shall receive any net insurance proceeds as the result of insurance carried by the Lessee or any condemnation payments in respect of a Unit suffering a Casualty Occurrence, the Lessor shall, subject to the Lessee having made payment of the Casualty Value in respect of such Unit and payment of any other amounts then due hereunder, under the Schedule A or Schedule B Manufacturing Agreement and under the Participation Agreement, (a) in the case of Schedule A Units, pay such proceeds or condemnation payments to the Lessee, up to an amount equal to the Casualty Value with respect to such Unit paid by the Lessee, and any balance of such proceeds or condemnation payments shall remain the property of the Lessor; and (b) in the case of Schedule B Units, pay such proceeds or condemnation payments to the Lessee. All insurance proceeds received by the Lessor in respect of any Unit not suffering a Casualty Occurrence shall be paid to the Lessee upon proof satisfactory to the Lessor that any damage to such Unit in respect

of which such proceeds were paid has been fully repaired.

§ 8. Reports. On or before March 31 in each year, commencing with the calendar year 1976, the Lessee will furnish to the Lessor and the Indenture Trustee an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all Units then leased hereunder and covered by the Trust Agreement and the Security Documentation, the amount, description and numbers of all Units that have suffered a Casualty Occurrence during the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending such repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Lessor may reasonably request and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and markings required by § 5 hereof and by the Manufacturing Agreements have been preserved or replaced. The Lessor, the Indenture Trustee and the Owner shall have the right, by their agents, to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Lessor, the Indenture Trustee or the Owner may request during the continuance of this Lease.

§ 9. Disclaimer of Warranties; Compliance with Laws and Rules; Indemnification. THE LESSOR, THE INDENTURE TRUSTEE AND THE INVESTORS MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND THE LESSOR, THE INDENTURE TRUSTEE AND THE INVESTORS MAKE NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE OR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, it being agreed that all such risks, as between the Lessor, the Indenture Trustee, the Investors and the Lessee, are to be borne by the Lessee. Without limiting the generality of the foregoing or anything else contained in this Lease, the Lessor, the Indenture Trustee and the Investors shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection

therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee, the Investors, the Indenture Trustee and the Lessor that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor, the Indenture Trustee or the Investors based on any of the foregoing matters.

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

The Lessee, at its own cost and expense, may from time to time make such alterations, modifications and additions (including, without limitation, any special devices, racks or assemblies at any time attached or affixed to any Unit, the cost of which is not included in the Cost of Construction of such Unit and which are not required for the operation or use of such Unit by the Interstate Commerce Commission, the United States Department of Transportation or any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over such Unit) (hereinafter collectively called Additions) to the Units in addition to altera-

tions, modifications and additions in compliance with the first sentence of § 7 hereof as the Lessee may deem desirable in the proper conduct of its business so long as such Additions shall not be inconsistent with the continuing operation of the Units in accordance with their original conventional purpose and shall not diminish the value, utility or condition of the Units below the value, utility and condition thereof immediately prior to the making of such Additions assuming the Units were then in the condition required to be maintained by the terms of this Lease; provided, however, that no such Addition shall be made if it is not readily removable from the Unit to which it relates without material damage thereto and without causing material damage to the Unit or diminishing or impairing the value or utility which the Unit would have had at such time had such Addition not been made.

Title to all Parts (as hereinbelow defined) incorporated in or installed as part of the Units shall without further act vest in the Lessor and be subject to a valid first lien and prior perfected security interest under the Security Documentation in the following cases: (i) such Part is in replacement of or in substitution for, and not in addition to, any Part originally incorporated in or installed as part of a Unit at the time of the acceptance thereof hereunder or any Part in replacement of, or in substitution for any such original Part, (ii) such Part is required to be incorporated in or installed as part of the Units pursuant to the terms of the first sentence of § 7 hereof or the second paragraph of this § 9, and (iii) notwithstanding the provisions of the third paragraph of this § 9 such Part cannot be readily removed from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which such Unit shall have had at such time had such alteration or addition not occurred. In all other cases, if no Event of Default under § 10 hereof (or other event which after lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, title to Parts incorporated in or installed as parts of the Units as a result of such alterations or additions shall vest in the Lessee. The term Part for the purposes of this paragraph shall include any appliance, part, instrument, accessory, furnishing or other equipment of any nature which may from time to time be incorporated in or installed as part of any Unit.

Except as otherwise provided in § 14 of this Lease, the Lessee shall pay, and shall protect, indemnify and hold the Lessor (in its individual and in its trust capacities),

the Owner, the Indenture Trustee and the Lenders, and their respective successors, assigns, agents and servants (hereinafter called Indemnified Persons), harmless from and against any and all causes of action, suits, penalties, claims, demands or judgments, of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements, expenses [including, without limitation, attorneys' fees and expenses of any Indemnified Person] relating thereto) in any way relating to or arising, or alleged to arise out of this Lease or the Units, including, without limitation, those in any way relating to or arising or alleged to arise out of (i) the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale (other than any disposition by the Lessor or the Owner of the Equipment at or subsequent to the termination of this Lease), return or other disposition of any Unit or portion thereof; (ii) any latent and other defects, whether or not discoverable by the Lessor or the Lessee; (iii) any claim for patent, trademark or copyright infringement; (iv) any claims based on strict liability in tort; (v) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner growing out of or connected with, or alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment or materials in connection with the Units prior to or during the term of this Lease (or subsequent thereto to the extent provided in §§ 11 and 14 of this Lease) (whether owned or under the control of the Lessor, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; (vi) any violation, or alleged violation, of any provision of this Lease (except by the Lessor) or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof; (vii) any claim against the Lessor arising out of any of the Lessor's obligations under the Security Documentation or the Participation Agreement, except to the extent such claim arises from an act or omission of the Lessor; or (viii) any claim arising out of the Indenture Trustee's holding a security interest under the Security Documentation; provided, however, that the foregoing indemnity with respect to any Indemnified Person shall not extend to any loss, damage, injury, liability, claim or demand resulting from the wilful misconduct or gross negligence of such Indemnified Person, the inaccuracy of

any representation or warranty made by such Indemnified Person in connection with the transactions contemplated hereby or the breach of any covenant or agreement by such Indemnified Person in connection with the transactions contemplated hereby. All payments hereunder shall be made directly to the indemnified party. The Lessee shall be obligated under this § 9, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person except if such Indemnified Person is indemnified by the Lessee under the Participation Agreement or the Manufacturing Agreements, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Lessee under this § 9 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any claim indemnified against hereunder, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Lessee and approved by such Indemnified Person, as the case may be, and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including, without limitation, attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to make any payment under this § 9, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the gross amount of such payment. The Lessee and the Lessor each agrees to give each other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against. Upon the payment in full of any indemnities as contained in this § 9 by the Lessee, and provided that no Event of Default (or other event which with lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, the Lessee shall be subrogated to any right of such Indemnified Person in respect of the matter against which indemnity has been given. Any payments received by such Indemnified Person from any person (except the Lessee) as a result of any matter with respect

to which such Indemnified Person has been indemnified by the Lessee pursuant to this § 9 shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments previously made.

The Lessee further agrees to indemnify, protect and hold harmless the Lenders and the Indenture Trustee as third party beneficiaries hereof from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Lenders, the Indenture Trustee, the Owner or the Lessor because of the use in or about the construction or operation of any of the Units of any article or material specified by the Lessee and not manufactured by the Builders or either of them or of any design, system, process, formula or combination specified by the Lessee and not developed or purported to be developed by the Builders or either of them which infringes or is claimed to infringe on any patent or other right. The Lessee will give notice to General Motors Corporation (Electro-Motive Division) of any claim known to the Lessee from which liability may be charged against said Division hereunder.

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

For purposes of this § 9, the term "Unit" shall include all materials at any time acquired and owned by the Lessor, or purchased by the Lessee as an independent contractor on behalf of the Lessor and owned by the Lessor, as contemplated by the Manufacturing Agreement between the Lessor and the Lessee, as independent contractor.

The Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports (other than income tax returns) required to be filed by the Lessor with any Federal, state or

other regulatory authority by reason of the ownership by the Lessor of the Units or the leasing thereof to the Lessee.

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

(A) default shall be made in payment of any amount provided for in §§ 3, 7 or 13 hereof, and such default shall continue for seven days;

(B) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or any interest herein, or of the right to possession of the Units, or any thereof;

(C) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein or in the Manufacturing Agreements or either of them or the Participation Agreement, and such default shall continue for 30 days after written notice from the Lessor to the Lessee specifying the default and demanding that the same be remedied;

(D) a petition for reorganization under Section 77 of the Bankruptcy Act, as now constituted or as said Section 77 may hereafter be amended, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease, the Manufacturing Agreements and the Participation Agreement shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees, within 30 days after such appointment, if any, or 60 days after such petition shall have been filed, whichever shall be earlier; or

(E) any other proceedings shall be commenced by

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

then, in any such case, the Lessor, at its option, may declare this Lease to be in default by notice in writing to the Lessee and may:

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

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Lessor, subject to the applicable provisions of law, may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes

whatever and without any duty to account to the Lessee with respect to such action or inaction or for any proceeds arising therefrom; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as damages for loss of a bargain and not as a penalty, in lieu of the rental for such Units which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Units, whichever of the following amounts the Lessor, in its sole discretion, shall specify in such notice of termination: (x) an amount equal to the excess, if any, of the present value, at the time of such termination, of the entire unpaid balance of all rental for such Units which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Units over the then present value of the rental which the Lessor reasonably estimates to be obtainable for such Units during such period, such present value to be computed in each case on the basis of a 8-1/2% per annum discount, compounded quarterly, from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, or (y) an amount equal to the excess, if any, of the Casualty Value as of the rental payment date on or next preceding the date of termination over the amount the Lessor reasonably estimates to be the sales value of such Unit at such time; provided, however, that in the event the Lessor shall sell any Unit, the Lessor, in lieu of collecting any amounts payable to the Lessor by the Lessee pursuant to the preceding clauses (x) and (y) of this subparagraph (b) with respect to such Unit, may, if it shall so elect, demand that the Lessee pay the Lessor and the Lessee shall pay the Lessor on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, in lieu of the rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit, an amount equal to the excess, if any, of the Casualty Value for such Unit, as of the rental

payment date on or next preceding the date of termination, over the net proceeds of such sale.

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

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

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

Notwithstanding the foregoing, if the Lessee defaults in the payment of any amount required to be paid hereunder, the Owner may itself make such payment and the amount of such payment and the reasonable costs and expenses of the Owner incurred in connection with such payment shall be payable by the Lessee to the Owner upon demand; provided, however, that the Owner shall not be entitled to make such payment with respect to rental provided in § 3 hereunder with respect to more than two consecutive defaults in the payment of such rental by the Lessee unless the Owner, concurrently with the making of such payment, executes and delivers to the Indenture Trustee and the Lenders an agreement of the Owner, in form and substance satisfactory to the Indenture Trustee and the Lenders, guaranteeing the performance by the Lessee of its obligations contained in the first sentence of § 7 of this Lease.

§ 11. Return of Units Upon Default. If this Lease shall terminate pursuant to § 10 hereof, the Lessee shall forthwith deliver possession of the Units to the Lessor. Each Unit so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted. For the purpose of delivering possession of any Unit or Units to the Lessor as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Unit or Units have been interchanged to return the Unit or Units so interchanged) and at the usual speed place such Units upon such storage tracks of the Lessee or any of its affiliates as the Lessor reasonably may designate;

(b) permit the Lessor to store such Units for a period of time, which shall not exceed 18 months, on such tracks at the risk of the Lessee without charge for insurance, rent or storage until such Units have been sold, leased or otherwise disposed of by the Lessor; and

(c) transport the same to any place on the lines of railroad operated by the Lessee or any of its affiliates or to any connecting carrier for shipment, all as directed by the Lessor.

The assembling, delivery, storage, insurance and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store, insure and transport the Units. During any storage period, the Lessee will, at its own cost and expense, maintain and keep the Equipment in good order and repair and will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of any such Unit, to inspect the same.

All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Lessor and, if received by the Lessee, shall be promptly

turned over to the Lessor. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which .02795% of the Cost of Construction of such Unit (if such Unit is a Schedule A Unit) or .03299% of the Cost of Construction of such Unit (if such Unit is a Schedule B Unit) for each such day exceeds the actual earnings received by the Lessor on such Unit for each such day.

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

§ 12. Assignment; Possession and Use. This Lease shall be assignable in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. All the rights of the Lessor hereunder shall inure to the benefit of the Lessor's assigns. The Lessee recognizes that the Lessor has agreed in the Trust Indenture, among other things, to assign to the Indenture Trustee this Lease and the rights, benefits and advantages of the Lessor hereunder, and to mortgage in favor of the Indenture Trustee the Units, subject to the reservations and conditions therein set forth.

So long as the Lessee shall not be in default under this Lease and subject to the security interest of the Lenders under the Security Documentation, the Lessee shall be entitled to the uninterrupted and undisturbed possession and full use of the Units in accordance with the terms of this Lease and the Security Documentation, but, without the prior written consent of the Lessor, the Lessee shall not assign or transfer its leasehold interest under this Lease in the Units or any of them. The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by, or liabilities in favor of, any party which, if unpaid, might diminish the amount of rent due and payable under § 3 hereof or might become a lien, charge, security interest or other

encumbrance (other than an encumbrance created by the Lessor or resulting from claims against the Lessor not related to the ownership or leasing of the Units unless the Lessor shall have failed to satisfy such encumbrance promptly) upon or with respect to any Unit or any other part of the Trust Estate, or the interest of the Lessor, the Indenture Trustee, the Investors or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises; provided, however, that the Lessee shall not be required to discharge any such lien, claim, security interest or other encumbrance which attaches solely to the leasehold interest of the Lessee under this Lease in and to the Equipment unless any such lien, security interest or encumbrance would, in the reasonable opinion of the Owner, adversely affect the interests of the Lessor and the Owner in the Equipment or in this Lease. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of the immediately succeeding paragraph.

So long as the Lessee shall not be in default under this Lease and subject to the security interest of the Lenders under the Security Documentation, the Lessee shall be entitled to the possession of the Units and to the use of the Units by it or any affiliate upon lines of railroad owned or operated by it or any such affiliate or upon lines of railroad over which the Lessee or any such affiliate has trackage or other operating rights or over which railroad equipment of the Lessee or any such affiliate is regularly operated pursuant to contract, and also to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements, but only upon and subject to all the terms and conditions of this Lease, and to all rights of the Lessor, the Indenture Trustee and the Investors under the Trust Agreement and the Security Documentation. The Lessee may receive and retain compensation for such use from other railroads so using any of the Units. The Lessee represents and warrants to the Lessor, the Indenture Trustee and the Investors that the Units will be used, and are intended for use, in connection with interstate commerce.

Nothing in this § 12 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the

Units to any railroad corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which shall have duly assumed the obligations of the Lessee hereunder) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety, provided that such assignee or transferee will not, upon the effectiveness of such merger, consolidation or acquisition, be in default under any provision of this Lease.

§ 13. Renewal Option. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not less than 120 days prior to the end of the original term or any extended term of this Lease, as the case may be, with respect to Schedule A or Schedule B Units, as the case may be, elect to extend the term of this Lease in respect of all but not fewer than all the Schedule A Units or Schedule B Units, as the case may be, then covered by this Lease for an additional two-year period commencing on the scheduled expiration of the original term or any extended term of this Lease, as the case may be, in respect of such Units, provided that no such extended term shall extend beyond four years from the date of expiration of the original term of this Lease in respect of such Units. Rentals during any renewal term shall be at an amount equal to "Fair Market Rental" of the Schedule A Units or Schedule B Units, as the case may be, then covered by this Lease, payable in arrears in four quarterly payments for each one-year period, such payments to be made on the quarterly anniversary of the termination of the original term of this Lease in respect of such Schedule A Units or Schedule B Units.

Fair Market Rental during each extended term of this Lease shall be determined on the basis of, and shall be equal in amount to, the rental which would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease and, in such determination, costs of removal from the location of current use shall not be a deduction from such rental. If, after 30 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, the Owner and the Lessee are unable to agree upon a determination of the Fair Market Rental of the applicable Units, such rental shall be determined in accordance with the foregoing definition by the following procedure: If either party to such

determination shall have given written notice to the other requesting determination of such value by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 10 business days after such notice is given, each party shall appoint an independent appraiser within 15 business days after such notice is given, and the two appraisers so appointed shall within 25 business days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 25 business days after such notice is given, either party may apply, to make such appointment, to the American Arbitration Association, and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the applicable Units subject to the proposed extended term within 60 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such latter average shall be final and binding upon the parties hereto as the Fair Market Rental. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne equally by the Lessee and the Owner in the event the Lease is renewed pursuant to this § 13. Otherwise such expense shall be paid entirely by the Lessee.

Notwithstanding the foregoing, the Casualty Value of each Unit as of any rental payment date during any extended term provided for in this § 13 shall mean a sum equal to (i) in the case of the initial extended term, the greater of (a) 20% of the Cost of Construction of such Unit or (b) the sum of (1) the "Fair Market Value" of such Unit as of the last day of such initial extended term (determined

as of the first day of such initial extended term as provided in this § 13) plus (2) an amount determined by multiplying (x) an amount equal to the excess of the Fair Market Value of such Unit as of the first day of such initial extended term (determined as of such first day as provided in this § 13) over such Fair Market Value as of the last day of such initial extended term by (y) a fraction of which the numerator shall be the number of days in such extended term following such date and of which the denominator shall be the total number of days in such initial extended term (it being understood that such Fair Market Value shall be determined as provided in this § 13 concurrently with the determination of Fair Market Rental hereunder, provided that for such purpose, "value" and "Value" shall be substituted for, respectively, "rental" and "Rental"; "buyer" shall be substituted for "lessee"; "seller" shall be substituted for "lessor"; and "sell" shall be substituted for "lease", in each case in which each such substituted term appears in the second paragraph of this § 13); or (ii) subsequent to the last day of such initial extended term, the sum of (1) and (2) in clause (b) above (computed, in the case of a subsequent extended term, using the dates and number of days in such subsequent extended term rather than the initial extended term).

§ 14. Return of Units upon Expiration of Term.

As soon as practicable on or after the expiration of the original or extended term of this Lease with respect to any Unit, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Unit to the Lessor upon such storage tracks of the Lessee or any of its affiliates as the Lessor may designate, or, in the absence of such designation, as the Lessee may select, and permit the Lessor to store such Unit on such tracks for a period not exceeding 180 days and transport the same, at any time within such 180-day period, to any reasonable place on the lines of railroad operated by the Lessee or any of its affiliates, or to any connecting carrier for shipment, all as directed by the Lessor, the movement and storage of such Units to be at the expense and risk of the Lessee. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising,

either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence. Each Unit returned to the Lessor pursuant to this § 14 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, and (ii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads and/or the applicable rules of any governmental agency or other organization with jurisdiction. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. All amounts earned in respect of any Units after the date of termination of this Lease with respect to such Units shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which .02795% of the Cost of Construction of such Unit (if such Unit is a Schedule A Unit) or .03299% of the Cost of Construction of such Unit (if such Unit is a Schedule B Unit) for each such day exceeds the actual earnings received by the Lessor on such Unit for each such day.

§ 15. Recording. The Lessee, at its own expense, will cause this Lease, the Manufacturing Agreements, the Trust Agreement, the Security Documentation and any assignment hereof or thereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. The Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor, the Indenture Trustee, the Lenders or the Owner for the purpose of proper protection, to their satisfaction, of the Lessor's, the Indenture Trustee's, the Lenders' and the Owner's respective interests in the Units, or for the purpose of carrying out the intention of this Lease, the Trust Agreement and the Security Documentation; and the Lessee will promptly furnish

to the Lessor and the Indenture Trustee evidence of all such filing, registering, depositing or recording, and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Lessor and the Indenture Trustee. This Lease, the Manufacturing Agreements, the Trust Agreement and the Security Documentation shall be filed and recorded with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any Unit.

§ 16. Interest on Overdue Rentals. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay, to the extent legally enforceable, an amount equal to 11-1/2% per annum on the overdue rentals and other obligations for the period of time during which they are overdue or such lesser amount as may be legally enforceable.

§ 17. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when mailed, first class, postage prepaid, addressed as follows:

(a) if to the Lessor, at 130 John Street, New York, New York 10038, attention of Corporate Trust and Agency Division, with a copy to the Owner, at P. O. Box 8300, Stamford, Connecticut 06904, attention of Manager-Operations, Leasing and Industrial Loans and attention of Loan Officer-Rail; and

(b) if to the Indenture Trustee, at Two Hopkins Plaza, P. O. Box 2258, Baltimore, Maryland 21203, attention of Corporate Trust Department; and

(c) if to the Lessee, at 233 North Michigan Avenue, Chicago, Illinois 60601, attention of the Treasurer,

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

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

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

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

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

§ 21. Immunities; No Recourse. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, undertakings and agreements herein made on the part of the Lessor are each and every one of them made and intended not as personal representations, undertakings and agreements by United States Trust Company of New York or for the purpose or with the intention of binding said trust company personally, but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Lease is executed and delivered by said trust company solely in the exercise of the powers expressly conferred upon said trust company as trustee under the Trust Agreement; and except in the case of gross negligence or wilful misconduct no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said trust company, or on account of any representation, undertaking or agreement of the Lessor, either expressed or implied, all such personal liability, if any, being expressly waived and released by the

Lessee and by all persons claiming by, through or under the Lessee.

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

UNITED STATES TRUST COMPANY
OF NEW YORK, as Owner Trustee,

by

Vice President

Attest:

Assistant Secretary

ILLINOIS CENTRAL GULF
RAILROAD COMPANY,

by

Treasurer

Attest:

Assistant Secretary

SCHEDULE A TO LEASE

<u>Type</u>	<u>Quantity</u>	<u>Lessee's Road Numbers (Both Inclusive)</u>
70-ton, 50' box cars	283	ICG 580717-580999

SCHEDULE B TO LEASE

<u>Type</u>	<u>Quantity</u>	<u>Lessee's Road Numbers (Both Inclusive)</u>
SD 40-2 locomotives	4	ICG 6030-6033

SCHEDULE C TO LEASE
CASUALTY VALUE TABLE
(BOXCARS)

<u>Payment Number</u>	<u>Percentage</u>	<u>Payment Number</u>	<u>Percentage</u>
1	103.12%	42	83.61%
2	103.54	43	82.46
3	103.91	44	81.28
4	104.22	45	80.08
5	104.48	46	78.85
6	104.68	47	77.60
7	104.83	48	76.33
8	104.93	49	75.04
9	104.98	50	73.73
10	104.97	51	72.39
11	104.92	52	71.03
12	104.82	53	69.65
13	104.67	54	68.25
14	104.47	55	66.83
15	104.22	56	65.38
16	103.93	57	63.91
17	103.59	58	62.41
18	103.26	59	60.88
19	102.77	60	59.34
20	102.29	61	57.76
21	101.77	62	56.16
22	101.20	63	54.53
23	100.60	64	52.88
24	99.96	65	51.20
25	99.29	66	49.49
26	98.59	67	47.75
27	97.86	68	45.98
28	97.11	69	44.18
29	96.32	70	42.35
30	95.50	71	40.48
31	94.66	72	38.59
32	93.79	73	36.66
33	92.89	74	34.70
34	91.96	75	32.71
35	91.01	76	30.68
36	90.03	77	28.62
37	89.02	78	26.52
38	87.99	79	24.38
39	86.93	80	22.21
40	85.85	81 and	20.00
41	84.74	thereafter.	

SCHEDULE D TO LEASE
CASUALTY VALUE TABLE
(LOCOMOTIVES)

<u>Payment Number</u>	<u>Percentage</u>	<u>Payment Number</u>	<u>Percentage</u>
1	102.99%	32	78.72%
2	102.83	33	77.21
3	102.81	34	75.67
4	102.73	35	74.09
5	102.59	36	72.47
6	102.39	37	70.81
7	102.13	38	69.12
8	102.82	39	67.39
9	101.45	40	65.62
10	101.02	41	63.82
11	100.54	42	61.98
12	100.00	43	60.10
13	99.41	44	58.19
14	98.76	45	56.24
15	98.06	46	54.25
16	97.31	47	52.23
17	96.50	48	50.17
18	95.64	49	48.08
19	94.72	50	45.95
20	93.76	51	43.79
21	92.75	52	41.59
22	91.68	53	39.35
23	90.56	54	37.07
24	89.40	55	34.76
25	88.20	56	32.40
26	86.96	57	30.01
27	85.69	58	27.57
28	84.37	59	25.09
29	83.01	60	22.57
30	81.62	61 and	20.00
31	80.19	thereafter	

CONSENT

The undersigned, ILLINOIS CENTRAL GULF RAILROAD COMPANY, a Delaware corporation, the Lessee named in the foregoing Lease, hereby acknowledges receipt of copies of the Trust Agreement and the Trust Indenture referred to in said Lease, consents to all the terms and conditions of the Trust Agreement and the Trust Indenture and acknowledges that in order to secure its obligations set forth in the Trust Indenture to the Lenders, as such term is used in said Lease, UNITED STATES TRUST COMPANY OF NEW YORK, as Owner Trustee, has conveyed and set over to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Indenture Trustee, its right, title and interest in the Trust Estate (as defined in said Trust Indenture), including the Lease and all rent and other sums payable hereunder.

The Lessee hereby agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages, indemnities (other than indemnities payable directly to the indemnified party under the Lease) and other moneys provided for in the Lease (which moneys are hereinafter called the Payments) due and to become due under the Lease or otherwise in respect of the Units leased thereunder, directly in immediately available funds to the Indenture Trustee at Two Hopkins Plaza, P. O. Box 2258, Baltimore, Maryland 20203 (or at such other address as may be furnished in writing to the Lessee by the Indenture Trustee);

(2) the Indenture Trustee shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Indenture Trustee were named therein as the Lessor;

(3) the Indenture Trustee shall not, by virtue of the Trust Indenture, be or become subject to any liability or obligation under the Lease or otherwise;

(4) the Lease shall not, without the prior written consent of the Indenture Trustee, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alternation or impairment of the Lease, the Trust Indenture or this consent and agreement or of any of the rights created by any thereof; and

(5) the rentals provided in § 3 of the Lease and the casualty payments provided in § 7 of the Lease have been calculated so as to be sufficient to pay in full any payments required to be made to the Lenders on account of principal and interest pursuant to the Trust Indenture.

ILLINOIS CENTRAL GULF RAILROAD
COMPANY,

by

Vice President

EXHIBIT D TO
PARTICIPATION AGREEMENT

TRUST AGREEMENT dated as of November 26, 1975, between GENERAL ELECTRIC CREDIT CORPORATION, a New York corporation (hereinafter called GECC), and UNITED STATES TRUST COMPANY OF NEW YORK, a New York corporation (hereinafter in its capacity as Trustee hereunder, except as the context otherwise requires, called the Owner Trustee).

W I T N E S S E T H :

ARTICLE I

Definitions

SECTION 1.01. For all purposes of this Trust Agreement the following terms shall have the following meanings (such definitions to be equally applicable to both the singular and plural forms of the terms defined):

"Builder" shall mean General Motors Corporation (Electro-Motive Division), and its successors and assigns, in its capacity as Builder under the Manufacturing Agreement to which it is a party.

"Business Day" shall mean a calendar day, excluding Saturday, Sunday and any other day on which banking institutions in Baltimore, Maryland, New York, New York, or Chicago, Illinois, are authorized to remain closed.

"Contractor" shall mean Illinois Central Gulf Railroad Company, and its successors and assigns, in its capacity as Contractor under the Manufacturing Agreement to which it is a party.

"Equipment" shall mean the units of new, standard gauge railroad equipment described in Annex A attached hereto and, prior to the inclusion thereof in such units of railroad equipment, the articles, supplies, materials and parts acquired by the Contractor as independent contractor under the Manufacturing Agreement to which it is a party on behalf of the Owner Trustee.

LEASE OF RAILROAD EQUIPMENT dated as of November 26, 1975, between ILLINOIS CENTRAL GULF RAILROAD COMPANY (hereinafter called the Lessee), and UNITED STATES TRUST COMPANY OF NEW YORK, as owner trustee under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement) with GENERAL ELECTRIC CREDIT CORPORATION (said trust company, so acting, being hereinafter called the Lessor, and said corporation being hereinafter called the Owner).

WHEREAS the Lessor is entering into manufacturing agreements dated as of the date hereof (hereinafter respectively called the Schedule A Manufacturing Agreement and the Schedule B Manufacturing Agreement, and the Schedule A and Schedule B Manufacturing Agreements being hereinafter sometimes collectively called the Manufacturing Agreements) with the Lessee and General Motors Corporation (Electro-Motive Division), respectively (the Lessee and said Division, in such capacity, being hereinafter collectively called the Builders), wherein (a) the Lessee has agreed to act as an independent contractor on behalf of Lessor in the construction of the units of new, standard-gauge railroad equipment described in Schedule A hereto (hereinafter called the Schedule A Equipment) and (b) said Division has agreed to construct and sell to Lessor the units of new, standard-gauge railroad equipment described in Schedule B hereto (hereinafter called the Schedule B Equipment, and the Schedule A Equipment and the Schedule B Equipment being hereinafter sometimes collectively called the Equipment);

WHEREAS the Lessee desires to lease such number of units of the Equipment as are delivered and accepted and settled for under the Manufacturing Agreements (such units of Schedule A Equipment being hereinafter called the Schedule A Units, such units of Schedule B Equipment being hereinafter called the Schedule B Units, and the Schedule A Units and the Schedule B Units being hereinafter sometimes collectively called the Units) at the respective rentals and for the respective terms and upon the conditions hereinafter provided; and

WHEREAS the Lessor and Mercantile-Safe Deposit and Trust Company, as indenture trustee (hereinafter called the Indenture Trustee), are entering into the Trust Indenture and

Mortgage dated as of the date hereof (hereinafter called the Security Documentation) wherein the Lessor will convey and set over its interest in the Manufacturing Agreements, this Lease and the Equipment and all amounts of rent, insurance proceeds and requisition, indemnity or other payments with respect to the Equipment payable to the Lessor hereunder as security for the benefit of the Lenders (hereinafter called the Lenders) listed in Schedule A to the Participation Agreement dated as of the date hereof (hereinafter called the Participation Agreement) among the Lessee, the Lessor, the Indenture Trustee, the Owner and the Lenders (the Owner and the Lenders being hereinafter sometimes collectively called the Investors);

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

§ 1. Net Lease. This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Lessor, the Indenture Trustee, the Owner or the Lenders or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now

have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

§ 2. Delivery and Acceptance of Units. The Lessor hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the Manufacturing Agreements. The Lessor will cause each Unit to be delivered, subject to the conditions set forth in Article 2 of the applicable Manufacturing Agreement, on each Closing Date (in the case of the Schedule A Manufacturing Agreement) or Delivery Date (in the case of the Schedule B Manufacturing Agreement) to the Lessee at the point or points within the United States of America at which such Unit is delivered to the Lessor under the Manufacturing Agreements. Upon such delivery, the Lessee will cause an employee of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit on such Closing Date or Delivery Date and execute and deliver to the Lessor a certificate of acceptance (hereinafter called the Certificate of Acceptance) in accordance with the provisions of Article 2 of each of the Manufacturing Agreements, stating that such Unit has been inspected and accepted on behalf of the Lessee and the Lessor on such Closing Date or Delivery Date and is marked in accordance with § 5 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease.

§ 3. Rentals. (a) Schedule A Units. The Lessee agrees to pay to the Lessor, as rental for each Schedule A Unit subject to this Lease, one interim rental payment payable on January 15, 1976, and 80 consecutive quarterly payments payable on each January 15, April 15, July 15 and October 15 in each year, commencing April 15, 1976. The interim rental payment payable on January 15, 1976, shall be in an amount equal to .02795% of the Cost of Construction (as defined in the Schedule A Manufacturing Agreement) of each Schedule A Unit subject to this Lease, less the amount of such Cost of Construction provided from funds furnished by the Transferor (as defined in the Participation Agreement), for each day elapsed from the Closing Date (as defined in the Schedule A Manufacturing Agreement) for such Unit to and including the date of such payment. The next 80 rental payments shall each be in an amount equal to 2.51601% of the Cost of Construction of each Schedule A Unit then subject

to this Lease.

(b) Schedule B Units. The Lessee agrees to pay to the Lessor, as rental for each Schedule B Unit subject to this Lease, one interim rental payment payable on January 15, 1976, and 60 consecutive quarterly payments payable on each January 15, April 15, July 15 and October 15 in each year, commencing on April 15, 1976. The interim rental payment payable on January 15, 1976, shall be in an amount equal to .03299% of the Cost of Construction (as defined in the Schedule B Manufacturing Agreement) of each Schedule B Unit subject to this Lease, less the amount of such Cost of Construction provided from funds furnished by the Transferor, for each day elapsed from the Delivery Date (as defined in the Schedule B Manufacturing Agreement) for such Unit to and including the date of such payment. The next 60 rental payments shall each be in an amount equal to 2.96894% of the Cost of Construction of each Schedule B Unit then subject to this Lease.

(c) Additional Interim Rental Payment. In addition to the interim rental payments payable on January 15, 1976, pursuant to § 3(a) and § 3(b) hereof, the Lessee shall pay to the Lessor, on January 15, 1976, as additional interim rental hereunder, an amount equal to the respective amounts required to be paid by the Lessor pursuant to the last paragraph of Paragraph 6 of the Participation Agreement.

The Lessee further agrees that each rental payment pursuant to this § 3 shall be accompanied by a certificate of the Lessee signed by a financial officer of the Lessee to the effect that the signer does not have knowledge of the existence as at such date of any condition or event which constitutes an Event of Default or which, after notice or lapse of time or both, would constitute an Event of Default.

The Lessee agrees that it will not take any action or omit to take any action which would result in a delay or hindrance in or prohibition of the orderly flow of rental payments as contemplated by this § 3 and the Consent of the Lessee annexed hereto.

If any of the rental payment dates referred to above is not a business day, the rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term "business day" as used herein means a calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Baltimore, Maryland, New York, New York, or Chicago, Illinois, are authorized or obligated to remain closed.

The Lessee agrees to make all the payments provided for in this Lease for the account of the Lessor at its address set forth in § 17 hereof, on or before 11:00 a.m., Baltimore time, or as the Lessor shall otherwise direct, on the date upon which such payments are due and payable. The Lessor hereby directs the Lessee to make all payments payable to the Lessor provided for in this Lease to the Indenture Trustee at its address set forth in § 17 hereof. The Lessee agrees to make each such payment provided for herein as contemplated by this paragraph in immediately available funds at the place of payment.

§ 4. Term of Lease. The term of this Lease as to each Schedule A Unit shall begin on the date of delivery and acceptance of such Schedule A Unit hereunder and, subject to the provisions of §§ 7, 10 and 13 hereof, shall terminate on the date on which the final payment of rent in respect thereof is due pursuant to § 3(a) hereof. The term of this Lease as to each Schedule B Unit shall begin on the date of delivery and acceptance of such Schedule B Unit and, subject to the provisions of §§ 7, 10 and 13 hereof, shall terminate on the date on which the final payment of rent in respect thereof is due pursuant to § 3(b) hereof. The obligations of the Lessee hereunder (including, but not limited to, the obligations under §§ 6, 7, 9, 11 and 14 hereof) shall commence on the date hereof and shall survive the expiration of the term of this Lease.

Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights of the Lessor, the Indenture Trustee and the Investors under the Trust Agreement and the Security Documentation.

§ 5. Identification Marks. The Lessee will cause each Unit to be kept numbered with the road number set forth in Schedule A or Schedule B hereto, or in the case of any Unit not there listed such road number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "Owned by a Bank or Trust Company under a Security Agreement Filed under the Interstate Commerce Act, Section 20c", or other appropriate words designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's title to and property in such Unit, the rights

of the Lessor under this Lease, the rights of the Owner under the Trust Agreement and the rights of the Lenders under the Security Documentation. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace promptly any such words which may be removed, defaced, obliterated or destroyed. The Lessee will not change the road number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Lessor and the Indenture Trustee and filed, recorded and deposited by the Lessee in all public offices where this Lease, the Trust Agreement and the Security Documentation shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Lessor and the Indenture Trustee an opinion of counsel to that effect and to the further effect that no further filing, recording or deposit (or giving of notice) with any other Federal, state or local government or agency thereof is necessary in order to protect the interests of the Lessor, the Indenture Trustee or the Investors in and to the Units in the United States of America. The Units may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates.

Except as provided in the immediately preceding paragraph, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership.

§ 6. Taxes. Whether or not any of the transactions contemplated hereby are consummated, the Lessee agrees to pay, and to indemnify and hold the Lessor, the Owner, the Indenture Trustee and the Lenders harmless from, all taxes, assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon the Lessor, the Owner, the Indenture Trustee, the Lenders, the Lessee, the Trust Estate (as defined in the Security Documentation) or otherwise, by any Federal, state or local government or governmental subdivision in the United States or by any foreign country or subdivision thereof, upon or with respect to: any Unit or any part thereof; the purchase, ownership, delivery, leasing, possession, use, operation, transfer of title, return or other disposition thereof; the rentals, receipts or earnings arising therefrom; or this Lease, the Trust Agreement, the Participation Agreement, the Security Documentation, any payment made pursuant to any such

agreement, or the property, the income or other proceeds received with respect to property held in trust by the Lessor under the Trust Agreement (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes"); excluding, however: (i) Taxes of the United States or of any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is entitled to a credit therefor against its United States Federal income taxes or is indemnified by the Lessee pursuant to Paragraph 13 of the Participation Agreement) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the Lessor (in its individual capacity), the Owner, the Lenders, or the Indenture Trustee, other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Lease, provided that such Taxes of any foreign country or subdivision thereof incurred as a result of the indemnified party being taxed by such foreign country or jurisdiction on its worldwide income without regard to the transactions contemplated by this Lease shall be excluded whether or not the indemnified party is entitled to a credit against its United States Federal income taxes; (ii) any Taxes imposed as a direct result of a voluntary transfer or other voluntary disposition (other than any transfer following a Casualty Occurrence with respect to a Unit or the occurrence of an Event of Default) by the Lessor or the Owner or any transfer or disposition by the Lessor or the Owner resulting from bankruptcy or other proceedings for the relief of creditors in which the Lessor or the Owner is the debtor, whether voluntary or involuntary, of any interest in any Unit or interest in rentals under this Lease; (iii) any Taxes imposed on or measured by any fees or compensation received by the Lessor or the Indenture Trustee; and (iv) Taxes which are imposed on or measured solely by the net income of the Lessor, the Lenders or the Indenture Trustee if and to the extent that such Taxes are in substitution for or reduce the Taxes payable by any other person which the Lessee has not agreed to pay or indemnify against pursuant to this § 6; provided, however, that the Lessee shall not be required to pay any Taxes during the period it may be contesting the same in the manner provided in the next succeeding paragraph. The Lessee further agrees to pay on or before the time or times prescribed by law any tax imposed on or measured solely by the net income of the Lessee (or the affiliated group, within the meaning of section 1504 of the Internal Revenue Code of 1954, as amended, of which the Lessee is a member) under the laws of the United

States or of any state or political subdivision thereof, or of any foreign country or subdivision thereof which, if unpaid, might result in a lien or other encumbrance upon any Unit; provided, however, that the Lessee shall not be required to pay any such tax during the period it may be contesting the same.

If claim is made against the Lessor, the Owner, the Lenders or the Indenture Trustee for any Taxes indemnified against under this § 6, such party shall promptly notify the Lessee. If reasonably requested by the Lessee in writing, the Lessor, the Lenders or the Indenture Trustee, as the case may be, shall, upon receipt of any indemnity satisfactory to it and to the Owner for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Lessee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. The Lessee may also contest, at its own expense, the validity, applicability or amount of such Taxes in the name of the Lessor, the Owner, the Lenders or the Indenture Trustee; provided that no proceeding or actions relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of the Lessor, the Owner, the Lenders, or the Indenture Trustee in any such proceeding or action) without the prior written consent of the Lessor, the Owner, the Lenders or the Indenture Trustee, as the case may be. If the Lessor, the Owner, the Lenders or the Indenture Trustee shall obtain a refund of all or any part of such Taxes previously reimbursed by the Lessee in connection with any such contest or an amount representing interest thereon, the Lessor, the Lenders or the Indenture Trustee, as the case may be, or the Owner shall pay to the Lessee the amount of such refund or interest net of expenses; provided, however, that no Event of Default and no event which with notice or lapse of time or both would constitute an Event of Default shall have occurred and be continuing.

In case any report or return is required to be made with respect to any obligation of the Lessee under this § 6 or arising out of this § 6, except obligations resulting from the second sentence of the first paragraph of this § 6, the Lessee shall either make such report or return in

such manner as will show the interests of the Lessor in the Units, or shall promptly notify the Lessor, the Owner and the Indenture Trustee of such requirement and shall make such report or return in such manner as shall be satisfactory to the Lessor and the Indenture Trustee. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Lessee.

All the obligations of the Lessee under this § 6 shall survive and continue, but only with respect to periods included in the term of this Lease, notwithstanding payment in full of all amounts due under the Security Documentation or the termination of this Lease. Payments due from the Lessee to the Lessor, the Owner, the Lenders, or the Indenture Trustee under this § 6 shall be made directly to the party indemnified.

To the extent that the Lessee may be prohibited by law from performing in its own name the duties required by this § 6, the Lessor hereby authorizes the Lessee to act in its own name and on its behalf; provided, however, that the Lessee shall indemnify and shall hold the Lessor harmless from and against any and all claims, costs, expenses, damages, losses and liabilities, incurred in connection therewith as a result of, or incident to, any action or failure to act by the Lessee pursuant to this authorization.

For purposes of this § 6, the term "Unit" shall include all materials at any time acquired and owned by the Lessor, or purchased by the Lessee as an independent contractor on behalf of the Lessor and owned by the Lessor, as contemplated by the Manufacturing Agreement between the Lessor and the Lessee, as independent contractor.

The Lessee shall, whenever requested by the Lessor, the Indenture Trustee or the Owner, submit to the Lessor and the Indenture Trustee copies of the returns, statements, reports, billings and remittances, or furnish other evidence satisfactory to the Lessor, the Indenture Trustee and the Owner, of the Lessee's performance of its duties under this § 6. The Lessee shall also furnish promptly upon request such data as the Lessor, the Indenture Trustee or the Owner reasonably may require to permit the Lessor's, the Indenture Trustee's and the Owner's compliance with the requirements of taxing jurisdictions.

§ 7. Maintenance; Casualty Occurrences; Insurance.

The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit (including any parts installed on or replacements made to any Unit which are considered an accession thereto as provided in the third paragraph of § 9) which is subject to this Lease in good operating order, repair and condition.

In the event that any Unit shall be or become worn out, lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being hereinafter called Casualty Occurrences), prior to the return of such Unit in the manner set forth in § 14 hereof, the Lessee shall promptly and fully notify the Lessor with respect thereto. On the rental payment date next succeeding such Casualty Occurrence, the Lessee shall pay to the Lessor an amount equal to the rental payment or payments in respect of such Unit due and payable on such date plus a sum equal to the Casualty Value (as hereinafter defined) of such Unit as of the date of such payment in accordance with Schedule C (in the case of each Schedule A Unit) or Schedule D (in the case of each Schedule B Unit) attached hereto and shall pay to the persons entitled thereto any other amounts then due and payable by Lessee hereunder, under the Schedule A or Schedule B Manufacturing Agreement or under the Participation Agreement. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and the Lessor shall be entitled to recover possession of such Unit. The Lessor hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof, at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Lessor, and any other amounts then due hereunder, under the Schedule A or Schedule B Manufacturing Agreement or under the Participation Agreement to the persons entitled thereto, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Lessor.

The Casualty Value of each Schedule A Unit as of the payment date on which payment is to be made as aforesaid shall be that percentage of the Cost of Construction of such Schedule A Unit as is set forth in Schedule C hereto. The Casualty Value of each Schedule B Unit as of the payment date on which payment is to be made as aforesaid shall be that

percentage of the Cost of Construction of such Schedule B Unit as is set forth in Schedule D hereto.

Whenever any Unit shall suffer a Casualty Occurrence after termination of this Lease and before such Unit shall have been returned in the manner provided in § 14 hereof, the Lessee shall promptly and fully notify the Lessor with respect thereto and pay to the Lessor an amount equal to the Casualty Value of such Unit, which shall be an amount equal to the greater of the Fair Market Value of such Unit (determined as provided in § 13 hereof) or 20% of the Cost of Construction of such Unit. Upon the making of any such payment by the Lessee in respect of any Unit (except in the case of the loss, theft or complete destruction of such Unit), the Lessor shall be entitled to recover possession of such Unit.

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

The Lessee will, at all times prior to the return of the Units to the Lessor, at its own expense, cause to be carried and maintained property insurance in respect of the Units at the time subject hereto, and public liability insurance, in amounts and against risks customarily insured against by the Lessee and others in the industry similarly situated in respect of similar owned equipment. If the Lessor shall receive any net insurance proceeds as the result of insurance carried by the Lessee or any condemnation payments in respect of a Unit suffering a Casualty Occurrence, the Lessor shall, subject to the Lessee having made payment of the Casualty Value in respect of such Unit and payment of any other amounts then due hereunder, under the Schedule A or Schedule B Manufacturing Agreement and under the Participation Agreement, (a) in the case of Schedule A Units, pay such proceeds or condemnation payments to the Lessee, up to an amount equal to the Casualty Value with respect to such Unit paid by the Lessee, and any balance of such proceeds or condemnation payments shall remain the property of the Lessor; and (b) in the case of Schedule B Units, pay such proceeds or condemnation payments to the Lessee. All insurance proceeds received by the Lessor in respect of any Unit not suffering a Casualty Occurrence shall be paid to the Lessee upon proof satisfactory to the Lessor that any damage to such Unit in respect

of which such proceeds were paid has been fully repaired.

§ 8. Reports. On or before March 31 in each year, commencing with the calendar year 1976, the Lessee will furnish to the Lessor and the Indenture Trustee an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all Units then leased hereunder and covered by the Trust Agreement and the Security Documentation, the amount, description and numbers of all Units that have suffered a Casualty Occurrence during the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending such repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Lessor may reasonably request and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and markings required by § 5 hereof and by the Manufacturing Agreements have been preserved or replaced. The Lessor, the Indenture Trustee and the Owner shall have the right, by their agents, to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Lessor, the Indenture Trustee or the Owner may request during the continuance of this Lease.

§ 9. Disclaimer of Warranties; Compliance with Laws and Rules; Indemnification. THE LESSOR, THE INDENTURE TRUSTEE AND THE INVESTORS MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND THE LESSOR, THE INDENTURE TRUSTEE AND THE INVESTORS MAKE NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE OR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, it being agreed that all such risks, as between the Lessor, the Indenture Trustee, the Investors and the Lessee, are to be borne by the Lessee. Without limiting the generality of the foregoing or anything else contained in this Lease, the Lessor, the Indenture Trustee and the Investors shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection

therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee, the Investors, the Indenture Trustee and the Lessor that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor, the Indenture Trustee or the Investors based on any of the foregoing matters.

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

The Lessee, at its own cost and expense, may from time to time make such alterations, modifications and additions (including, without limitation, any special devices, racks or assemblies at any time attached or affixed to any Unit, the cost of which is not included in the Cost of Construction of such Unit and which are not required for the operation or use of such Unit by the Interstate Commerce Commission, the United States Department of Transportation or any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over such Unit) (hereinafter collectively called Additions) to the Units in addition to altera-

tions, modifications and additions in compliance with the first sentence of § 7 hereof as the Lessee may deem desirable in the proper conduct of its business so long as such Additions shall not be inconsistent with the continuing operation of the Units in accordance with their original conventional purpose and shall not diminish the value, utility or condition of the Units below the value, utility and condition thereof immediately prior to the making of such Additions assuming the Units were then in the condition required to be maintained by the terms of this Lease; provided, however, that no such Addition shall be made if it is not readily removable from the Unit to which it relates without material damage thereto and without causing material damage to the Unit or diminishing or impairing the value or utility which the Unit would have had at such time had such Addition not been made.

Title to all Parts (as hereinbelow defined) incorporated in or installed as part of the Units shall without further act vest in the Lessor and be subject to a valid first lien and prior perfected security interest under the Security Documentation in the following cases: (i) such Part is in replacement of or in substitution for, and not in addition to, any Part originally incorporated in or installed as part of a Unit at the time of the acceptance thereof hereunder or any Part in replacement of, or in substitution for any such original Part, (ii) such Part is required to be incorporated in or installed as part of the Units pursuant to the terms of the first sentence of § 7 hereof or the second paragraph of this § 9, and (iii) notwithstanding the provisions of the third paragraph of this § 9 such Part cannot be readily removed from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which such Unit shall have had at such time had such alteration or addition not occurred. In all other cases, if no Event of Default under § 10 hereof (or other event which after lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, title to Parts incorporated in or installed as parts of the Units as a result of such alterations or additions shall vest in the Lessee. The term Part for the purposes of this paragraph shall include any appliance, part, instrument, accessory, furnishing or other equipment of any nature which may from time to time be incorporated in or installed as part of any Unit.

Except as otherwise provided in § 14 of this Lease, the Lessee shall pay, and shall protect, indemnify and hold the Lessor (in its individual and in its trust capacities),

the Owner, the Indenture Trustee and the Lenders, and their respective successors, assigns, agents and servants (hereinafter called Indemnified Persons), harmless from and against any and all causes of action, suits, penalties, claims, demands or judgments, of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements, expenses [including, without limitation, attorneys' fees and expenses of any Indemnified Person] relating thereto) in any way relating to or arising, or alleged to arise out of this Lease or the Units, including, without limitation, those in any way relating to or arising or alleged to arise out of (i) the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale (other than any disposition by the Lessor or the Owner of the Equipment at or subsequent to the termination of this Lease), return or other disposition of any Unit or portion thereof; (ii) any latent and other defects, whether or not discoverable by the Lessor or the Lessee; (iii) any claim for patent, trademark or copyright infringement; (iv) any claims based on strict liability in tort; (v) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner growing out of or connected with, or alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment or materials in connection with the Units prior to or during the term of this Lease (or subsequent thereto to the extent provided in §§ 11 and 14 of this Lease) (whether owned or under the control of the Lessor, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; (vi) any violation, or alleged violation, of any provision of this Lease (except by the Lessor) or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof; (vii) any claim against the Lessor arising out of any of the Lessor's obligations under the Security Documentation or the Participation Agreement, except to the extent such claim arises from an act or omission of the Lessor; or (viii) any claim arising out of the Indenture Trustee's holding a security interest under the Security Documentation; provided, however, that the foregoing indemnity with respect to any Indemnified Person shall not extend to any loss, damage, injury, liability, claim or demand resulting from the wilful misconduct or gross negligence of such Indemnified Person, the inaccuracy of

any representation or warranty made by such Indemnified Person in connection with the transactions contemplated hereby or the breach of any covenant or agreement by such Indemnified Person in connection with the transactions contemplated hereby. All payments hereunder shall be made directly to the indemnified party. The Lessee shall be obligated under this § 9, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person except if such Indemnified Person is indemnified by the Lessee under the Participation Agreement or the Manufacturing Agreements, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Lessee under this § 9 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any claim indemnified against hereunder, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Lessee and approved by such Indemnified Person, as the case may be, and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including, without limitation, attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to make any payment under this § 9, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the gross amount of such payment. The Lessee and the Lessor each agrees to give each other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against. Upon the payment in full of any indemnities as contained in this § 9 by the Lessee, and provided that no Event of Default (or other event which with lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, the Lessee shall be subrogated to any right of such Indemnified Person in respect of the matter against which indemnity has been given. Any payments received by such Indemnified Person from any person (except the Lessee) as a result of any matter with respect

to which such Indemnified Person has been indemnified by the Lessee pursuant to this § 9 shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments previously made.

The Lessee further agrees to indemnify, protect and hold harmless the Lenders and the Indenture Trustee as third party beneficiaries hereof from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Lenders, the Indenture Trustee, the Owner or the Lessor because of the use in or about the construction or operation of any of the Units of any article or material specified by the Lessee and not manufactured by the Builders or either of them or of any design, system, process, formula or combination specified by the Lessee and not developed or purported to be developed by the Builders or either of them which infringes or is claimed to infringe on any patent or other right. The Lessee will give notice to General Motors Corporation (Electro-Motive Division) of any claim known to the Lessee from which liability may be charged against said Division hereunder.

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

For purposes of this § 9, the term "Unit" shall include all materials at any time acquired and owned by the Lessor, or purchased by the Lessee as an independent contractor on behalf of the Lessor and owned by the Lessor, as contemplated by the Manufacturing Agreement between the Lessor and the Lessee, as independent contractor.

The Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports (other than income tax returns) required to be filed by the Lessor with any Federal, state or

other regulatory authority by reason of the ownership by the Lessor of the Units or the leasing thereof to the Lessee.

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

(A) default shall be made in payment of any amount provided for in §§ 3, 7 or 13 hereof, and such default shall continue for seven days;

(B) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or any interest herein, or of the right to possession of the Units, or any thereof;

(C) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein or in the Manufacturing Agreements or either of them or the Participation Agreement, and such default shall continue for 30 days after written notice from the Lessor to the Lessee specifying the default and demanding that the same be remedied;

(D) a petition for reorganization under Section 77 of the Bankruptcy Act, as now constituted or as said Section 77 may hereafter be amended, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease, the Manufacturing Agreements and the Participation Agreement shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees, within 30 days after such appointment, if any, or 60 days after such petition shall have been filed, whichever shall be earlier; or

(E) any other proceedings shall be commenced by

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

then, in any such case, the Lessor, at its option, may declare this Lease to be in default by notice in writing to the Lessee and may:

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

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Lessor, subject to the applicable provisions of law, may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes

whatever and without any duty to account to the Lessee with respect to such action or inaction or for any proceeds arising therefrom; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as damages for loss of a bargain and not as a penalty, in lieu of the rental for such Units which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Units, whichever of the following amounts the Lessor, in its sole discretion, shall specify in such notice of termination: (x) an amount equal to the excess, if any, of the present value, at the time of such termination, of the entire unpaid balance of all rental for such Units which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Units over the then present value of the rental which the Lessor reasonably estimates to be obtainable for such Units during such period, such present value to be computed in each case on the basis of a 8-1/2% per annum discount, compounded quarterly, from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, or (y) an amount equal to the excess, if any, of the Casualty Value as of the rental payment date on or next preceding the date of termination over the amount the Lessor reasonably estimates to be the sales value of such Unit at such time; provided, however, that in the event the Lessor shall sell any Unit, the Lessor, in lieu of collecting any amounts payable to the Lessor by the Lessee pursuant to the preceding clauses (x) and (y) of this subparagraph (b) with respect to such Unit, may, if it shall so elect, demand that the Lessee pay the Lessor and the Lessee shall pay the Lessor on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, in lieu of the rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit, an amount equal to the excess, if any, of the Casualty Value for such Unit, as of the rental

payment date on or next preceding the date of termination, over the net proceeds of such sale.

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

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

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

Notwithstanding the foregoing, if the Lessee defaults in the payment of any amount required to be paid hereunder, the Owner may itself make such payment and the amount of such payment and the reasonable costs and expenses of the Owner incurred in connection with such payment shall be payable by the Lessee to the Owner upon demand; provided, however, that the Owner shall not be entitled to make such payment with respect to rental provided in § 3 hereunder with respect to more than two consecutive defaults in the payment of such rental by the Lessee unless the Owner, concurrently with the making of such payment, executes and delivers to the Indenture Trustee and the Lenders an agreement of the Owner, in form and substance satisfactory to the Indenture Trustee and the Lenders, guaranteeing the performance by the Lessee of its obligations contained in the first sentence of § 7 of this Lease.

§ 11. Return of Units Upon Default. If this Lease shall terminate pursuant to § 10 hereof, the Lessee shall forthwith deliver possession of the Units to the Lessor. Each Unit so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted. For the purpose of delivering possession of any Unit or Units to the Lessor as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Unit or Units have been interchanged to return the Unit or Units so interchanged) and at the usual speed place such Units upon such storage tracks of the Lessee or any of its affiliates as the Lessor reasonably may designate;

(b) permit the Lessor to store such Units for a period of time, which shall not exceed 18 months, on such tracks at the risk of the Lessee without charge for insurance, rent or storage until such Units have been sold, leased or otherwise disposed of by the Lessor; and

(c) transport the same to any place on the lines of railroad operated by the Lessee or any of its affiliates or to any connecting carrier for shipment, all as directed by the Lessor.

The assembling, delivery, storage, insurance and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store, insure and transport the Units. During any storage period, the Lessee will, at its own cost and expense, maintain and keep the Equipment in good order and repair and will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of any such Unit, to inspect the same.

All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Lessor and, if received by the Lessee, shall be promptly

turned over to the Lessor. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which .02795% of the Cost of Construction of such Unit (if such Unit is a Schedule A Unit) or .03299% of the Cost of Construction of such Unit (if such Unit is a Schedule B Unit) for each such day exceeds the actual earnings received by the Lessor on such Unit for each such day.

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

§ 12. Assignment; Possession and Use. This Lease shall be assignable in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. All the rights of the Lessor hereunder shall inure to the benefit of the Lessor's assigns. The Lessee recognizes that the Lessor has agreed in the Trust Indenture, among other things, to assign to the Indenture Trustee this Lease and the rights, benefits and advantages of the Lessor hereunder, and to mortgage in favor of the Indenture Trustee the Units, subject to the reservations and conditions therein set forth.

So long as the Lessee shall not be in default under this Lease and subject to the security interest of the Lenders under the Security Documentation, the Lessee shall be entitled to the uninterrupted and undisturbed possession and full use of the Units in accordance with the terms of this Lease and the Security Documentation, but, without the prior written consent of the Lessor, the Lessee shall not assign or transfer its leasehold interest under this Lease in the Units or any of them. The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by, or liabilities in favor of, any party which, if unpaid, might diminish the amount of rent due and payable under § 3 hereof or might become a lien, charge, security interest or other

encumbrance (other than an encumbrance created by the Lessor or resulting from claims against the Lessor not related to the ownership or leasing of the Units unless the Lessor shall have failed to satisfy such encumbrance promptly) upon or with respect to any Unit or any other part of the Trust Estate, or the interest of the Lessor, the Indenture Trustee, the Investors or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises; provided, however, that the Lessee shall not be required to discharge any such lien, claim, security interest or other encumbrance which attaches solely to the leasehold interest of the Lessee under this Lease in and to the Equipment unless any such lien, security interest or encumbrance would, in the reasonable opinion of the Owner, adversely affect the interests of the Lessor and the Owner in the Equipment or in this Lease. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of the immediately succeeding paragraph.

So long as the Lessee shall not be in default under this Lease and subject to the security interest of the Lenders under the Security Documentation, the Lessee shall be entitled to the possession of the Units and to the use of the Units by it or any affiliate upon lines of railroad owned or operated by it or any such affiliate or upon lines of railroad over which the Lessee or any such affiliate has trackage or other operating rights or over which railroad equipment of the Lessee or any such affiliate is regularly operated pursuant to contract, and also to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements, but only upon and subject to all the terms and conditions of this Lease, and to all rights of the Lessor, the Indenture Trustee and the Investors under the Trust Agreement and the Security Documentation. The Lessee may receive and retain compensation for such use from other railroads so using any of the Units. The Lessee represents and warrants to the Lessor, the Indenture Trustee and the Investors that the Units will be used, and are intended for use, in connection with interstate commerce.

Nothing in this § 12 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the

Units to any railroad corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which shall have duly assumed the obligations of the Lessee hereunder) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety, provided that such assignee or transferee will not, upon the effectiveness of such merger, consolidation or acquisition, be in default under any provision of this Lease.

§ 13. Renewal Option. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not less than 120 days prior to the end of the original term or any extended term of this Lease, as the case may be, with respect to Schedule A or Schedule B Units, as the case may be, elect to extend the term of this Lease in respect of all but not fewer than all the Schedule A Units or Schedule B Units, as the case may be, then covered by this Lease for an additional two-year period commencing on the scheduled expiration of the original term or any extended term of this Lease, as the case may be, in respect of such Units, provided that no such extended term shall extend beyond four years from the date of expiration of the original term of this Lease in respect of such Units. Rentals during any renewal term shall be at an amount equal to "Fair Market Rental" of the Schedule A Units or Schedule B Units, as the case may be, then covered by this Lease, payable in arrears in four quarterly payments for each one-year period, such payments to be made on the quarterly anniversary of the termination of the original term of this Lease in respect of such Schedule A Units or Schedule B Units.

Fair Market Rental during each extended term of this Lease shall be determined on the basis of, and shall be equal in amount to, the rental which would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease and, in such determination, costs of removal from the location of current use shall not be a deduction from such rental. If, after 30 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, the Owner and the Lessee are unable to agree upon a determination of the Fair Market Rental of the applicable Units, such rental shall be determined in accordance with the foregoing definition by the following procedure: If either party to such

determination shall have given written notice to the other requesting determination of such value by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 10 business days after such notice is given, each party shall appoint an independent appraiser within 15 business days after such notice is given, and the two appraisers so appointed shall within 25 business days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 25 business days after such notice is given, either party may apply, to make such appointment, to the American Arbitration Association, and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the applicable Units subject to the proposed extended term within 60 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such latter average shall be final and binding upon the parties hereto as the Fair Market Rental. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne equally by the Lessee and the Owner in the event the Lease is renewed pursuant to this § 13. Otherwise such expense shall be paid entirely by the Lessee.

Notwithstanding the foregoing, the Casualty Value of each Unit as of any rental payment date during any extended term provided for in this § 13 shall mean a sum equal to (i) in the case of the initial extended term, the greater of (a) 20% of the Cost of Construction of such Unit or (b) the sum of (1) the "Fair Market Value" of such Unit as of the last day of such initial extended term (determined

as of the first day of such initial extended term as provided in this § 13) plus (2) an amount determined by multiplying (x) an amount equal to the excess of the Fair Market Value of such Unit as of the first day of such initial extended term (determined as of such first day as provided in this § 13) over such Fair Market Value as of the last day of such initial extended term by (y) a fraction of which the numerator shall be the number of days in such extended term following such date and of which the denominator shall be the total number of days in such initial extended term (it being understood that such Fair Market Value shall be determined as provided in this § 13 concurrently with the determination of Fair Market Rental hereunder, provided that for such purpose, "value" and "Value" shall be substituted for, respectively, "rental" and "Rental"; "buyer" shall be substituted for "lessee"; "seller" shall be substituted for "lessor"; and "sell" shall be substituted for "lease", in each case in which each such substituted term appears in the second paragraph of this § 13); or (ii) subsequent to the last day of such initial extended term, the sum of (1) and (2) in clause (b) above (computed, in the case of a subsequent extended term, using the dates and number of days in such subsequent extended term rather than the initial extended term).

§ 14. Return of Units upon Expiration of Term.

As soon as practicable on or after the expiration of the original or extended term of this Lease with respect to any Unit, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Unit to the Lessor upon such storage tracks of the Lessee or any of its affiliates as the Lessor may designate, or, in the absence of such designation, as the Lessee may select, and permit the Lessor to store such Unit on such tracks for a period not exceeding 180 days and transport the same, at any time within such 180-day period, to any reasonable place on the lines of railroad operated by the Lessee or any of its affiliates, or to any connecting carrier for shipment, all as directed by the Lessor, the movement and storage of such Units to be at the expense and risk of the Lessee. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising,

either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence. Each Unit returned to the Lessor pursuant to this § 14 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, and (ii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads and/or the applicable rules of any governmental agency or other organization with jurisdiction. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. All amounts earned in respect of any Units after the date of termination of this Lease with respect to such Units shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which .02795% of the Cost of Construction of such Unit (if such Unit is a Schedule A Unit) or .03299% of the Cost of Construction of such Unit (if such Unit is a Schedule B Unit) for each such day exceeds the actual earnings received by the Lessor on such Unit for each such day.

§ 15. Recording. The Lessee, at its own expense, will cause this Lease, the Manufacturing Agreements, the Trust Agreement, the Security Documentation and any assignment hereof or thereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. The Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor, the Indenture Trustee, the Lenders or the Owner for the purpose of proper protection, to their satisfaction, of the Lessor's, the Indenture Trustee's, the Lenders' and the Owner's respective interests in the Units, or for the purpose of carrying out the intention of this Lease, the Trust Agreement and the Security Documentation; and the Lessee will promptly furnish

to the Lessor and the Indenture Trustee evidence of all such filing, registering, depositing or recording, and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Lessor and the Indenture Trustee. This Lease, the Manufacturing Agreements, the Trust Agreement and the Security Documentation shall be filed and recorded with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any Unit.

§ 16. Interest on Overdue Rentals. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay, to the extent legally enforceable, an amount equal to 11-1/2% per annum on the overdue rentals and other obligations for the period of time during which they are overdue or such lesser amount as may be legally enforceable.

§ 17. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when mailed, first class, postage prepaid, addressed as follows:

(a) if to the Lessor, at 130 John Street, New York, New York 10038, attention of Corporate Trust and Agency Division, with a copy to the Owner, at P. O. Box 8300, Stamford, Connecticut 06904, attention of Manager-Operations, Leasing and Industrial Loans and attention of Loan Officer-Rail; and

(b) if to the Indenture Trustee, at Two Hopkins Plaza, P. O. Box 2258, Baltimore, Maryland 21203, attention of Corporate Trust Department; and

(c) if to the Lessee, at 233 North Michigan Avenue, Chicago, Illinois 60601, attention of the Treasurer,

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

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

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

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

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

§ 21. Immunities; No Recourse. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, undertakings and agreements herein made on the part of the Lessor are each and every one of them made and intended not as personal representations, undertakings and agreements by United States Trust Company of New York or for the purpose or with the intention of binding said trust company personally, but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Lease is executed and delivered by said trust company solely in the exercise of the powers expressly conferred upon said trust company as trustee under the Trust Agreement; and except in the case of gross negligence or wilful misconduct no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said trust company, or on account of any representation, undertaking or agreement of the Lessor, either expressed or implied, all such personal liability, if any, being expressly waived and released by the

Lessee and by all persons claiming by, through or under the Lessee.

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

UNITED STATES TRUST COMPANY
OF NEW YORK, as Owner Trustee,

by

Vice President

Attest:

Assistant Secretary

ILLINOIS CENTRAL GULF
RAILROAD COMPANY,

by

Treasurer

Attest:

Assistant Secretary

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

On this day of 1975, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a Vice President of UNITED STATES TRUST COMPANY OF NEW YORK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission expires

SCHEDULE A TO LEASE

<u>Type</u>	<u>Quantity</u>	<u>Lessee's Road Numbers (Both Inclusive)</u>
70-ton, 50' box cars	283	ICG 580717-580999

SCHEDULE B TO LEASE

<u>Type</u>	<u>Quantity</u>	<u>Lessee's Road Numbers (Both Inclusive)</u>
SD 40-2 locomotives	4	ICG 6030-6033

SCHEDULE C TO LEASE
CASUALTY VALUE TABLE
(BOXCARS)

<u>Payment Number</u>	<u>Percentage</u>	<u>Payment Number</u>	<u>Percentage</u>
1	103.12%	42	83.61%
2	103.54	43	82.46
3	103.91	44	81.28
4	104.22	45	80.08
5	104.48	46	78.85
6	104.68	47	77.60
7	104.83	48	76.33
8	104.93	49	75.04
9	104.98	50	73.73
10	104.97	51	72.39
11	104.92	52	71.03
12	104.82	53	69.65
13	104.67	54	68.25
14	104.47	55	66.83
15	104.22	56	65.38
16	103.93	57	63.91
17	103.59	58	62.41
18	103.20	59	60.88
19	102.77	60	59.34
20	102.29	61	57.76
21	101.77	62	56.16
22	101.20	63	54.53
23	100.60	64	52.88
24	99.96	65	51.20
25	99.29	66	49.49
26	98.59	67	47.75
27	97.86	68	45.98
28	97.11	69	44.18
29	96.32	70	42.35
30	95.50	71	40.48
31	94.66	72	38.59
32	93.79	73	36.66
33	92.89	74	34.70
34	91.96	75	32.71
35	91.01	76	30.68
36	90.03	77	28.62
37	89.02	78	26.52
38	87.99	79	24.38
39	86.93	80	22.21
40	85.85	81 and	20.00
41	84.74	thereafter	

SCHEDULE D TO LEASE
CASUALTY VALUE TABLE
(LOCOMOTIVES)

<u>Payment Number</u>	<u>Percentage</u>	<u>Payment Number</u>	<u>Percentage</u>
1	102.99%	32	78.72%
2	102.83	33	77.21
3	102.81	34	75.67
4	102.73	35	74.09
5	102.59	36	72.47
6	102.39	37	70.81
7	102.13	38	69.12
8	102.82	39	67.39
9	101.45	40	65.62
10	101.02	41	63.82
11	100.54	42	61.98
12	100.00	43	60.10
13	99.41	44	58.19
14	98.76	45	56.24
15	98.06	46	54.25
16	97.31	47	52.23
17	96.50	48	50.17
18	95.64	49	48.08
19	94.72	50	45.95
20	93.76	51	43.79
21	92.75	52	41.59
22	91.68	53	39.35
23	90.56	54	37.07
24	89.40	55	34.76
25	88.20	56	32.40
26	86.96	57	30.01
27	85.69	58	27.57
28	84.37	59	25.09
29	83.01	60	22.57
30	81.62	61 and	20.00
31	80.19	thereafter	

CONSENT

The undersigned, ILLINOIS CENTRAL GULF RAILROAD COMPANY, a Delaware corporation, the Lessee named in the foregoing Lease, hereby acknowledges receipt of copies of the Trust Agreement and the Trust Indenture referred to in said Lease, consents to all the terms and conditions of the Trust Agreement and the Trust Indenture and acknowledges that in order to secure its obligations set forth in the Trust Indenture to the Lenders, as such term is used in said Lease, UNITED STATES TRUST COMPANY OF NEW YORK, as Owner Trustee, has conveyed and set over to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Indenture Trustee, its right, title and interest in the Trust Estate (as defined in said Trust Indenture), including the Lease and all rent and other sums payable hereunder.

The Lessee hereby agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages, indemnities (other than indemnities payable directly to the indemnified party under the Lease) and other moneys provided for in the Lease (which moneys are hereinafter called the Payments) due and to become due under the Lease or otherwise in respect of the Units leased thereunder, directly in immediately available funds to the Indenture Trustee at Two Hopkins Plaza, P. O. Box 2258, Baltimore, Maryland 20203 (or at such other address as may be furnished in writing to the Lessee by the Indenture Trustee);

(2) the Indenture Trustee shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Indenture Trustee were named therein as the Lessor;

(3) the Indenture Trustee shall not, by virtue of the Trust Indenture, be or become subject to any liability or obligation under the Lease or otherwise;

(4) the Lease shall not, without the prior written consent of the Indenture Trustee, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alternation or impairment of the Lease, the Trust Indenture or this consent and agreement or of any of the rights created by any thereof; and

(5) the rentals provided in § 3 of the Lease and the casualty payments provided in § 7 of the Lease have been calculated so as to be sufficient to pay in full any payments required to be made to the Lenders on account of principal and interest pursuant to the Trust Indenture.

ILLINOIS CENTRAL GULF RAILROAD
COMPANY,

by

Vice President

EXHIBIT D TO
PARTICIPATION AGREEMENT

TRUST AGREEMENT dated as of November 26, 1975, between GENERAL ELECTRIC CREDIT CORPORATION, a New York corporation (hereinafter called GECC), and UNITED STATES TRUST COMPANY OF NEW YORK, a New York corporation (hereinafter in its capacity as Trustee hereunder, except as the context otherwise requires, called the Owner Trustee).

W I T N E S S E T H :

ARTICLE I

Definitions

SECTION 1.01. For all purposes of this Trust Agreement the following terms shall have the following meanings (such definitions to be equally applicable to both the singular and plural forms of the terms defined):

"Builder" shall mean General Motors Corporation (Electro-Motive Division), and its successors and assigns, in its capacity as Builder under the Manufacturing Agreement to which it is a party.

"Business Day" shall mean a calendar day, excluding Saturday, Sunday and any other day on which banking institutions in Baltimore, Maryland, New York, New York, or Chicago, Illinois, are authorized to remain closed.

"Contractor" shall mean Illinois Central Gulf Railroad Company, and its successors and assigns, in its capacity as Contractor under the Manufacturing Agreement to which it is a party.

"Equipment" shall mean the units of new, standard gauge railroad equipment described in Annex A attached hereto and, prior to the inclusion thereof in such units of railroad equipment, the articles, supplies, materials and parts acquired by the Contractor as independent contractor under the Manufacturing Agreement to which it is a party on behalf of the Owner Trustee.

"Estate" shall mean all estate, right, title and interest of the Owner Trustee in and to the Equipment, the Lease and the Manufacturing Agreements, including, without limitation, all amounts of rent, insurance proceeds and requisition, indemnity or other payments of any kind for or with respect to the Equipment payable to the Owner Trustee.

"Indenture Trustee" shall mean Mercantile-Safe Deposit and Trust Copany, a Maryland banking corporation, as indenture trustee under the Trust Indenture.

"Lease" shall mean that certain Lease of Railroad Equipment dated as of the date hereof between the Owner Trustee and the Lessee, substantially in the form annexed to the Participation Agreement as Exhibit C, as from time to time supplemented or amended, or the terms thereof waived or modified, to the extent permitted by, and in accordance with, the terms of this Trust Agreement.

"Lenders" shall mean and include each of the institutions listed in Schedule A to the Participation Agreement as a Lender, and their respective successors and assigns.

"Lessee" shall mean Illinois Central Gulf Railroad Company and its successors and assigns as Lessee under the Lease.

"Manufacturing Agreements" shall mean, collectively, (a) that certain Manufacturing Agreement dated as of the date hereof between the Contractor and the Owner Trustee, substantially in the form annexed to the Participation Agreement as Exhibit A, and (b) that certain Manufacturing Agreement dated as of the date hereof between the Builder and the Owner Trustee, substantially in the form attached to the Participation Agreement as Exhibit B, as either thereof may from time to time be supplemented or amended, or the terms of either thereof waived or modified, to the extent permitted by, and in accordance with, the terms of this Trust Agreement.

"Owner" shall mean and include GECC and any other person to which the Owner transfers its right, title and interest in and to this Trust Agreement, the Estate and the Participation Agreement in accordance with Sec-

tion 7.01 hereof, and their respective successors and assigns.

"Participation Agreement" shall mean that certain Participation Agreement dated as of the date hereof among the Lessee, the Owner Trustee, the Indenture Trustee, GECC and the Lenders listed in Schedule A thereto, substantially in the form annexed hereto as Exhibit A, as from time to time supplemented or amended, or the terms thereof waived or modified, to the extent permitted by, and in accordance with, the terms thereof.

"Trust Indenture" shall mean that certain Trust Indenture and Mortgage dated as of the date hereof between the Owner Trustee and the Indenture Trustee, substantially in the form annexed to the Participation Agreement as Exhibit E, as from time to time supplemented or amended, or the terms thereof waived or modified, to the extent permitted by, and in accordance with, the terms thereof.

"Trust Office" shall mean the principal corporate trust office of the Trustee at 130 John Street, New York, New York 10038, Attention: Corporate Trust and Agency Division, or the principal corporate trust office of any successor Trustee.

SECTION 1.02. For all purposes of this Trust Agreement, the term "Event of Default" shall have the meaning defined in the Lease.

SECTION 1.03. For the purposes of this Trust Agreement the following terms shall have the meanings defined in the Trust Indenture: "Majority in Interest of Lenders" and "Trust Estate".

ARTICLE II

Authority to Execute Documents; Declaration of Trust

SECTION 2.01. The Owner hereby authorizes and directs the Owner Trustee (i) to execute and deliver the Participation Agreement, the Trust Indenture, the Manufacturing Agreements and the Lease; (ii) to convey and set over to the Indenture Trustee for the benefit of the Lenders the

Owner Trustee's right, title and interest in and to the Estate, except as provided in the Trust Indenture; (iii) to authorize a representative or representatives of the Owner Trustee (who may be an employee or employees of the Lessee) to accept delivery of each unit of Equipment, and all documentation in respect thereof, from time to time delivered to the Owner Trustee under and in accordance with the terms of the Manufacturing Agreements; (iv) to pay or cause to be paid to the Contractor and the Builder in respect of the cost of construction of the Equipment pursuant to the Manufacturing Agreements such funds as the Owner may from time to time furnish the Owner Trustee for such purpose; (v) to exercise its rights and perform its duties under the Participation Agreement and the duties of the party for whom the Equipment is constructed under the Manufacturing Agreement between the Owner Trustee and the Contractor and the purchaser of the Equipment under the Manufacturing Agreement between the Owner Trustee and the Builder, of the lessor under the Lease and of the assignor to the Indenture Trustee, subject to the terms of this Trust Agreement and the Trust Indenture; and (vi) subject to the terms of this Trust Agreement and the Trust Indenture, to take such other action in connection with any of the foregoing as the Owner may from time to time direct; provided, however, that the Owner Trustee may decline to execute any document pursuant hereto if in the opinion of its special counsel such document affects any right or duty or liability of, or immunity or indemnity in favor of, the Owner Trustee under this Trust Agreement.

SECTION 2.02. The Owner Trustee hereby declares that it will hold the Estate upon the trusts hereinafter set forth for the use and benefit of the Owner, subject, however, to the provisions of and the lien created by the Trust Indenture.

SECTION 2.03. The Owner agrees with the Owner Trustee, the Contractor and the Builder, as third party beneficiaries, to provide the Owner Trustee with the funds sufficient to make payments to the Indenture Trustee, the Contractor or the Builder to the extent required by, and subject to the terms and conditions of, the Participation Agreement, the Trust Indenture, the Lease and the Manufacturing Agreements, so as to effect the payment of the cost of construction in respect of the Equipment by the Owner Trustee and to permit the Owner Trustee to perform its obligations thereunder. Unless prohibited by law, the Owner may perform any obligation of the Owner Trustee under the aforesaid documents.

ARTICLE III

Receipt, Distribution and Application
of Income From the Trust Estate

SECTION 3.01. (a) The parties acknowledge that the Lease will be assigned to the Indenture Trustee pursuant to the Trust Indenture which provides that rentals and certain other sums payable by the Lessee under the Lease are to be paid to the Indenture Trustee while the Trust Indenture is in effect. If, pursuant to the terms of the Lease and the Trust Indenture, the Owner Trustee receives any amounts of money from the Indenture Trustee, the Owner Trustee shall forthwith upon such receipt apply such amounts as follows:

(i) to the payment of any unpaid fees of the Owner Trustee then due and owing together with the necessary and reasonable expenses of the administration of the trusts hereby created, and

(ii) the balance, if any, to the Owner.

(b) In the event that any amounts are received by the Owner Trustee under the Lease directly from the Lessee prior to the discharge of the Trust Indenture pursuant to Section 9.01 thereof, such amounts shall be applied as follows:

(i) to payment over to the Indenture Trustee without deduction, set-off or adjustment of any kind for distribution to the Lenders and the Indenture Trustee in accordance with the provisions of Article III of the Trust Indenture,

(ii) to the payment of any unpaid fees of the Owner Trustee then due and owing together with the necessary and reasonable expenses of the administration of the trusts hereby created, and

(iii) the balance, if any, to the Owner.

(c) In the event that any amounts are received by the Owner Trustee under the Lease directly from the Lessee or otherwise with respect to any unit of Equipment after the discharge of the Trust Indenture pursuant to Section 9.01 thereof, such amounts, after payment of any unpaid fees of the Owner Trustee then due and owing together with the neces-

sary and reasonable expenses of the administration of the trusts hereby created, shall forthwith be paid over to the Owner.

(d) The Owner hereby directs the Owner Trustee to request the Indenture Trustee to pay directly to the Owner any amounts paid to the Indenture Trustee pursuant to the assignment of the Lease contained in the Trust Indenture not applicable to payments to the Lenders or the Indenture Trustee in accordance with the terms of the Trust Indenture.

(e) Any payments received by the Owner Trustee for which provision as to the application thereof is made in the Lease, the Manufacturing Agreements or the Participation Agreement shall be applied forthwith to the purpose for which such payment was made in accordance with the terms of the Lease, the Manufacturing Agreements or the Participation Agreement, as the case may be.

SECTION 3.02. The Owner Trustee shall make distributions or cause distributions to be made to (a) the Owner pursuant to this Article III by transferring the amount to be distributed to the Owner by wire transfer to Hartford National Bank & Trust Company, Wire Transfer Department, 777 Main Street, Hartford, Connecticut 06115, for direct deposit to the General Electric Credit Corporation's Leasing & Industrial Loans Account No. 44-021-1515, or as the Owner may otherwise direct in writing, and (b) the Indenture Trustee pursuant to this Article III by paying the amount to be distributed to the Indenture Trustee in the manner specified for payment of funds to the Indenture Trustee in the Participation Agreement.

ARTICLE IV

Duties of the Owner Trustee

SECTION 4.01. In the event the Owner Trustee shall have knowledge of an Event of Default, the Owner Trustee shall give prompt notice in writing thereof to the Owner (in addition to the notices required to be given by the Owner Trustee under Article V of the Trust Indenture). Subject in all respects to the terms and provisions of the Trust Indenture, and subject further to the terms of Section 4.03 hereof, the Owner Trustee shall take such action, or refrain from taking such action, with respect to such Event of Default as the Owner shall direct by written instructions

to the Owner Trustee, including, without limitation, the application of moneys furnished by the Owner and moneys in the Estate and the Trust Estate available for the purpose to the payment of the principal and interest on the indebtedness under the Trust Indenture. If the Owner Trustee shall not have received instructions as above provided within 20 days after mailing notice of such Event of Default to the Owner, the Owner Trustee may, subject to instructions received pursuant to the preceding sentence, take such action, or refrain from taking such action, but shall be under no duty to take or refrain from taking any action, with respect to such Event of Default, not inconsistent with the provisions of the Trust Indenture, as it shall deem advisable in the best interests of the Owner. For all purposes of this Trust Agreement and the Lease, in the absence of actual knowledge, the Owner Trustee shall not be deemed to have knowledge of such an Event of Default or cure thereof unless notified in writing by the Owner.

SECTION 4.02. Subject in all respects to the terms and provisions of the Trust Indenture, the Lease and the Manufacturing Agreements and the rights of the Indenture Trustee thereunder or in respect thereof, and subject further to the terms of Sections 4.01 and 4.03 hereof, upon the written request at any time and from time to time of the Owner, the Owner Trustee will take such of the following actions as may be specified in such request: (i) give such notice or direction or exercise such right, remedy or power under the Lease or the Manufacturing Agreements with respect thereto or to any unit of Equipment, including, without limitation, the right to transfer, assign or convey the Owner Trustee's interest in the Lease or the Manufacturing Agreements or any unit of Equipment, or take such other action as shall be specified in such request; and (ii) after the expiration or earlier termination of the Lease with respect to a unit of Equipment, convey all of the Owner Trustee's right, title and interest in and to such unit of Equipment for such amount, on such terms and to such purchaser or purchasers as shall be designated in such request, or retain, lease or otherwise dispose of such unit of Equipment as shall be designated in such request.

SECTION 4.03. The Owner Trustee shall not be required to take any action under Section 4.01 or Section 4.02 hereof unless the Owner Trustee shall have been indemnified by the Owner, in substance and form satisfactory to the

Owner Trustee, against any liability, cost or expense (including counsel fees) which may be incurred in connection with such action. The Owner Trustee shall not be required to take any action under Section 4.01 or Section 4.02 hereof, nor shall any other provision of this Trust Agreement be deemed to impose a duty on the Owner Trustee to take any action, if the Owner Trustee shall determine, or shall have been advised by counsel, that such action is likely to result in personal liability or is contrary to the terms of this Trust Agreement or the Trust Indenture or the Lease or is otherwise contrary to law.

SECTION 4.04. The Owner Trustee shall not have any duty or obligation to manage, control, use, sell, dispose of or otherwise deal with any unit of Equipment or any other part of the Estate, or to otherwise take or refrain from taking any action under, or in connection with, the Lease, the Manufacturing Agreements or the Trust Indenture, except as expressly provided by the terms of this Trust Agreement, the Trust Indenture or the Participation Agreement or as expressly provided in written instructions from the Owner received pursuant to the terms of Section 4.01 or Section 4.02 hereof; the Owner Trustee shall not be obligated to expend its own funds or to incur any obligation in its individual capacity in the performance of its obligations under this Trust Agreement or the Trust Indenture, except as otherwise expressly provided; and no implied duties or obligations shall be read into this Trust Agreement against the Owner Trustee; provided, however, that nothing contained in this Article IV shall limit in any manner (a) the obligation of the Owner Trustee to perform and observe all of the terms and provisions of the Trust Indenture imposed upon the Owner Trustee thereunder, subject to the limitations on such obligations thereunder, or (b) the obligations of the Owner Trustee set forth in Article III hereof. The Owner Trustee nevertheless agrees that it will, in its individual capacity and at its own cost and expense, promptly take such action as may be necessary to duly discharge any liens or encumbrances on any part of the Estate which result from claims against the institution acting as Owner Trustee not related to the ownership of the Equipment or the administration of the Estate or any other transaction expressly provided for in this Trust Agreement or the Trust Indenture, the Lease, the Manufacturing Agreements or the Participation Agreement.

SECTION 4.05. The Owner Trustee agrees that it

will not manage, control, use, sell, dispose of or otherwise deal with any unit of Equipment or any other part of the Estate except (i) as required by the terms of the Trust Indenture, the Lease, the Manufacturing Agreements or the Participation Agreement or (ii) in accordance with the powers expressly granted to, or the authority expressly conferred upon, the Owner Trustee pursuant to this Trust Agreement or (iii) in accordance with written instructions from the Owner pursuant to Section 4.01 or Section 4.02 hereof.

ARTICLE V

The Owner Trustee

SECTION 5.01. The Owner Trustee accepts the trusts hereby created and agrees to perform the same but only upon the terms of this Trust Agreement. The Owner Trustee shall not be answerable or accountable under any circumstances, except (i) for its own wilful misconduct or gross negligence or (ii) in the case of the inaccuracy of any representation or warranty contained in Section 5.03 hereof or in Section 6.03 of the Trust Indenture.

SECTION 5.02. Except in accordance with written instructions furnished pursuant to Section 4.02 hereof, and without limitation of the generality of Section 4.04 hereof, the Owner Trustee shall have no duty (i) to see to any recording, filing or depositing of the Trust Indenture, the Participation Agreement, the Manufacturing Agreements or the Lease or any thereof or of this Trust Agreement, or to see to the maintenance of any such recording or filing or depositing or to any rerecording, refiling or redepositing of any thereof, (ii) to see to any insurance on the Equipment or to effect or maintain any such insurance, (iii) to maintain or mark any Equipment, (iv) to see to the payment or discharge of any tax, assessment, or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the Estate, except as otherwise provided in Section 4.04 hereof, (v) to confirm or verify any reports of the Lessee other than to furnish the Owner with a copy of each such report furnished the Owner Trustee by the Lessee pursuant to § 8 of the Lease, or (vi) to inspect the Equipment at any time or ascertain or inquire as to the performance or observance of any of the Lessee's covenants under the Lease with respect to the Equipment.

Notwithstanding the foregoing, the Owner Trustee will furnish to the Owner, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and other instruments furnished to the Owner Trustee under the Lease, the Participation Agreement, the Manufacturing Agreements or the Trust Indenture.

SECTION 5.03. THE OWNER TRUSTEE MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE VALUE, CONDITION OR FITNESS FOR USE OF THE EQUIPMENT OR AS TO ITS TITLE THERETO, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT WHATSOEVER, except that the Owner Trustee hereby represents and warrants to the Owner that upon delivery to it of any unit of Equipment, such unit shall be free of liens and encumbrances resulting from claims against the institution acting as Owner Trustee not related to the ownership of the Equipment or the administration of the Estate or any other transaction pursuant to the Trust Indenture, the Participation Agreement, the Manufacturing Agreements or the Lease. The provisions of this Section 5.03 shall not be deemed to limit or modify the provisions of Section 6.03 of the Trust Indenture.

SECTION 5.04. No moneys received by the Owner Trustee hereunder need be segregated in any manner except to the extent required by law and the Owner Trustee shall not be liable for any interest thereon.

SECTION 5.05. The Owner Trustee shall incur no liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties. The Owner Trustee may accept a copy of a resolution of the Board of Directors of any corporate party, certified by the Secretary, an Assistant Secretary, an Attesting Secretary, an Assistant Vice President or a Corporate Trust Officer of said party, as duly adopted and in full force and effect, as conclusive evidence that such resolution has been duly adopted by said Board and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically described herein, the Owner Trustee may for all purposes hereof rely on a certificate, signed by or on behalf of the proper party executing the same, as to such fact or matter, and such certificate shall constitute full protection to the Owner Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. In the administration

of the trusts hereunder, the Owner Trustee may execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through other agents or attorneys and may, at the expense of the Estate, seek advice of counsel, accountants and other skilled persons to be selected and employed by it, and the Owner Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.

SECTION 5.06. In accepting the trusts hereby created, the Owner Trustee acts solely as trustee hereunder and not in its individual capacity; and all persons, other than the Owner as provided herein, and the Indenture Trustee and the Lenders as provided in the Trust Indenture, having any claim against the Owner Trustee by reason of the transactions contemplated hereby shall look only to the Estate for payment or satisfaction thereof.

SECTION 5.07. Any action taken by the Owner Trustee from time to time serving hereunder shall be binding upon the Owner Trustee and no person dealing with the Owner Trustee from time to time serving hereunder shall be obligated to confirm the power and authority of the Owner Trustee to act.

SECTION 5.08. The Owner Trustee shall be entitled to receive reasonable compensation from the Owner for its services hereunder and under the Trust Indenture, the Participation Agreement, the Lease and the Manufacturing Agreements.

ARTICLE VI

Indemnification of Owner Trustee by Owner

SECTION 6.01. The Owner hereby agrees, whether or not any of the transactions contemplated hereby shall be consummated, to assume liability for, and does hereby indemnify, protect, save and keep harmless the Owner Trustee and its respective successors, assigns, legal representatives, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, taxes (such term "taxes" or the term "tax" as used in this Section 6.01 shall include, without limitation, all taxes specifically related to this Trust Agreement and the Estate created hereby excluding, however, any income taxes on fees or other compensation received

by the Owner Trustee in its capacity as Owner Trustee), claims, actions, suits, costs, expenses or disbursements (including, without limitation, reasonable legal fees and expenses) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Owner Trustee (whether or not also indemnified against by the Lessee under the Lease or also indemnified against by the Contractor or the Builder or any other person) in any way relating to or arising out of this Trust Agreement or the Trust Indenture, the Participation Agreement, the Lease and the Manufacturing Agreements or the performance or enforcement of any of the terms of any thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of the Equipment (including, without limitation, latent and other defects, whether or not discoverable, and any claim for patent, trademark or copyright infringement), or in any way relating to or arising out of the administration of the Estate or the action or inaction of the Owner Trustee hereunder, except only in the case of wilful misconduct or gross negligence on the part of the Owner Trustee in the performance of its duties hereunder. The indemnities contained in this Section 6.01 are indemnities of the Owner Trustee in its individual capacity and not of the Estate. The indemnities contained in this Section 6.01 shall survive the termination of this Trust Agreement. In addition, if necessary, the Owner Trustee shall be entitled to indemnification from the Estate, subject to the lien of the Trust Indenture, for any liability, obligation, loss, damage, penalty, tax, claim, action, suit, cost, expense or disbursement indemnified against pursuant to this Section 6.01 to the extent not reimbursed by the Lessee, the Builder, the Owner or any other person; and, to secure the same, the Owner Trustee shall have a lien on the Estate prior to any interest therein of the Owner.

Without limiting the generality of the provisions contained herein, the Owner agrees to pay and discharge any and all liens, charges or security interests claimed by any party from, through or under the Owner or its successors or assigns not arising out of the transactions contemplated hereby and by the Participation Agreement, the Trust Indenture, the Manufacturing Agreements and the Lease (but including tax liens arising out of the receipt of the income and proceeds from the Estate), which, if unpaid, might become a lien, charge or security interest on or with respect to the Estate, or any part thereof, equal or superior to the

Lenders' interest therein, but the Owner shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Lenders, adversely affect the security interest of the Lenders in any part of the Estate set over and conveyed to the Indenture Trustee pursuant to the Trust Indenture.

ARTICLE VII

Transfer of Owner's Interest

SECTION 7.01. The Owner shall not assign, convey or otherwise transfer any of its right, title or interest in and to this Trust Agreement, or the Estate or the Participation Agreement, except that all, but not less than all, of its right, title and interest in and to this Trust Agreement, the Estate and the Participation Agreement may be assigned, conveyed or transferred by the Owner to (a) any banking or financial institution having a combined capital and surplus of at least \$50,000,000 where deposits are insured by the Federal Deposit Insurance Corporation, (b) General Electric Company, a New York corporation, or (c) any corporation which is a subsidiary, wholly owned or otherwise, of General Electric Company or General Electric Credit Corporation or any entity controlled by General Electric Company (such institution or corporation to whom such interest may be assigned, conveyed or transferred being hereinafter referred to as the "Transferee"). In the event of any such assignment, conveyance or transfer, the Transferee shall become a party to this Trust Agreement and will agree to be bound by all the terms of and will undertake all of the obligations of the Owner contained in this Trust Agreement in such manner as is satisfactory to the Owner Trustee and a Majority in Interest of Lenders; and if the Transferee shall be a corporation of the type described in clause (c) above, the Owner shall remain, or General Electric Company shall become additionally responsible and liable for, all obligations of the Owner under this Trust Agreement and the Trust Indenture, the Participation Agreement, the Manufacturing Agreements and the Lease. No such assignment, conveyance or transfer shall violate any provision of law or regulation or create a relationship which would be in violation thereof. The Owner Trustee shall not be on notice of or otherwise bound by any such assignment, conveyance or transfer unless and

until it shall have received an executed counterpart of the instrument of such assignment, conveyance or transfer. Upon any such disposition by the Owner to a Transferee as above provided, such Transferee shall be deemed the "Owner" for all purposes hereof, and shall be deemed to have made all the payments previously made by the Owner; and each reference herein to the Owner shall thereafter be deemed a reference to such Transferee.

SECTION 7.02. If the Owner shall propose to transfer its interests hereunder pursuant to Section 7.01 hereof, it shall give written notice to the Owner Trustee and the Lenders, specifying the name and address of the proposed Transferee, and enclosing the agreement or agreements referred to in said Section 7.01.

ARTICLE VIII

Successor Owner Trustee

SECTION 8.01. (a) The Owner Trustee or any successor thereto may resign at any time without cause by giving at least 30 days' prior written notice to the Owner, the Indenture Trustee and each Lender, such resignation to be effective on the effectiveness of appointment by the successor Owner Trustee under Section 8.01(b) hereof. In addition, the Owner may at any time remove the Owner Trustee without cause by an instrument in writing delivered to the Owner Trustee, the Indenture Trustee and each Lender. In the case of the removal of any Owner Trustee, the Owner shall, prior to such removal, appoint a successor Owner Trustee having the qualifications set forth in paragraph (c) of this Section 8.01 by an instrument signed by the Owner, and the Owner may so appoint a successor Owner Trustee in the case of the resignation of the Owner pursuant to the first sentence of this Section 8.01. If the Owner shall not have appointed a successor Owner Trustee within 10 days after such resignation or removal, the Owner Trustee, if any, or the Indenture Trustee or any Lender may apply to any court of competent jurisdiction to appoint a successor Owner Trustee to act until such time, if any, as a successor shall have been appointed by the Owner as above provided. Any successor Owner Trustee so appointed by such court shall immediately and without further act be superseded by any successor Owner Trustee appointed by the Owner within one year from the date of the appointment

by such court. Any banking institution or trust company becoming a successor Owner Trustee hereunder shall be deemed the "Owner Trustee" for all purposes hereof, and each reference herein to the Owner Trustee shall thereafter be deemed a reference to such banking institution or trust company.

(b) Any successor Owner Trustee, whether appointed by a court or by the Owner, shall execute and deliver to the predecessor Owner Trustee an instrument accepting such appointment, and thereupon such successor Owner Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Owner Trustee in the trusts hereunder with like effect as if originally named as Owner Trustee herein; but nevertheless upon the written request of such successor Owner Trustee, such predecessor Owner Trustee shall execute and deliver an instrument transferring to such successor Owner Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of such predecessor Owner Trustee, and such predecessor Owner Trustee shall duly assign, transfer, deliver and pay over to such successor Owner Trustee any property or moneys then held by such predecessor Owner Trustee upon the trusts herein expressed.

(c) Any successor Owner Trustee, however appointed, shall be a bank or trust company incorporated and doing business within the United States of America and having a combined capital and surplus of at least \$50,000,000, if there is such an institution willing and able and legally qualified to act as Owner Trustee on reasonable and customary terms.

(d) Any corporation into which the Owner Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Owner Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Owner Trustee may be transferred, shall, subject to the terms of this Section 8.01, be the Owner Trustee under this Trust Agreement without any further act.

ARTICLE IX

Supplements and Amendments to this Trust Agreement and Other Documents

SECTION 9.01. At any time and from time to time,

upon the written request of the Owner and a Majority in Interest of Lenders, (i) the Owner Trustee and the Owner shall execute a supplement hereto for the purpose of adding provisions to, or changing or eliminating provisions of, this Trust Agreement as specified in such request (except Section 10.12 hereof); and (ii) the Owner Trustee shall, subject to compliance with the applicable provisions of Article VIII of the Trust Indenture, enter into or consent to such written amendment of or supplement to the Trust Indenture, the Lease or the Manufacturing Agreements as the Lessee and the Indenture Trustee may agree to and as may be specified in such request, or execute and deliver such written waiver or modification of the terms of the Trust Indenture, the Lease or the Manufacturing Agreements as may be specified in such request. Notwithstanding any provision of this Section 9.01 to the contrary, in the event that any unit of Equipment has been settled for under the applicable Manufacturing Agreement but is not financed in part by funds made available by the Lenders to the Indenture Trustee on the Date of Deposit under the Participation Agreement, the Owner and the Owner Trustee shall execute a supplement hereto, without the necessity for consent thereto by the Indenture Trustee or any Lender, excluding such Equipment from the Estate.

SECTION 9.02. If in the opinion of the Owner Trustee any document required to be executed pursuant to the terms of Section 9.01 hereof affects any right or duty or liability of, or immunity or indemnity in favor of, the Owner Trustee under this Trust Agreement or the Trust Indenture, the Manufacturing Agreements or the Lease, the Owner Trustee may in its discretion decline to execute such document.

SECTION 9.03. It shall not be necessary for any written request furnished pursuant to Section 9.01 hereof to specify the particular form of the proposed document to be executed pursuant to said Section 9.01, but it shall be sufficient if such request shall indicate the substance thereof.

SECTION 9.04. Promptly after the execution by the Owner Trustee of any document entered into pursuant to Section 9.01 hereof, the Owner Trustee shall mail a signed copy thereof to the Indenture Trustee and conformed copy thereof to each Investor, without in any way affecting the Trust Indenture and without imposing any duty on the Inden-

ture Trustee with respect to any document entered into pursuant to Section 9.01 hereof. The failure of the Owner Trustee to mail such copies shall not impair or affect the validity of such document.

ARTICLE X

Miscellaneous

SECTION 10.01. This Trust Agreement and the trusts created hereby in any event shall terminate and this Trust Agreement shall be of no further force or effect upon the earlier of (a) the sale, transfer or other final disposition by the Owner Trustee or the Indenture Trustee, as the case may be, of all property, including all right, title and interest of the Owner Trustee in and to the Trust Indenture, the Manufacturing Agreements and the Lease and the Equipment at any time part of the Trust Estate and the Estate and the final distribution by the Owner Trustee of all moneys, other property and proceeds constituting the Trust Estate and the Estate in accordance with the terms of the Trust Indenture or Article III hereof, provided that at such time the Lessee shall have fully complied with all the terms of the Lease, the Manufacturing Agreements and the Participation Agreement, and (b) 21 years less one day after the death of the last survivor of the issue, living on the date hereof, of the present members of the Boards of Directors of the Owner Trustee or GECC; otherwise this Trust Agreement and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof.

SECTION 10.02. Irrespective of any other provision of this Trust Agreement, the Owner, at its sole option, may at any time upon assumption of all the Owner Trustee's obligations under the Participation Agreement, the Manufacturing Agreements, the Lease and the Trust Indenture purchase all the Equipment from the Owner Trustee, for \$1, or may at any time upon the aforesaid assumption revoke this trust and vest in itself title to the Equipment, moneys or other property, proceeds and rights comprising the Estate upon delivery of written instructions to such effect to the Owner Trustee. Upon receipt of such instructions and the satisfaction of all liabilities of the Owner to the Owner Trustee hereunder and such assumption as aforesaid, the Owner Trustee shall transfer to the Owner the Equipment, moneys or other property, proceeds and rights comprising the Estate, and the trusts created hereby shall thereupon terminate.

In the event of the transfer of the Equipment, moneys and other property, proceeds and rights comprising the Estate and the Trust Estate to the Owner pursuant to the provisions of the preceding paragraph hereof, the Owner will, to the extent of the Estate and the Trust Estate and to no greater extent, discharge the obligations of the Owner Trustee hereunder and under the Participation Agreement, the Manufacturing Agreements, the Lease and the Trust Indenture (as such obligations are limited in said instruments). In the event of such transfer, pursuant to this Section 10.02, the Owner will notify the Indenture Trustee and the Lenders of such transfer and at the Indenture Trustee's or any Lender's request will execute a written instrument or instruments in form and substance satisfactory to the Indenture Trustee and its counsel and the Lenders, evidencing the Owner's full assumption of the aforementioned obligations of the Owner Trustee. Nothing contained in this Section 10.02 shall be deemed to impose on the Owner any liability or obligation in the event that the trusts created hereby are terminated (whether by operation of law or otherwise) other than expressly in accordance with the terms of this Section 10.02.

SECTION 10.03. Any assignment, sale, transfer or other conveyance by the Owner Trustee of the interest of the Owner Trustee in the Trust Indenture, the Manufacturing Agreements or the Lease or any unit of Equipment, made pursuant to the terms of this Trust Agreement or the Trust Indenture, the Manufacturing Agreements or the Lease shall bind the Owner and shall be effective to transfer or convey all right, title and interest of the Owner Trustee and the Owner in and to the Trust Indenture, the Manufacturing Agreements or the Lease or such unit of Equipment. No purchaser or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such assignment, sale, transfer or conveyance or as to the application of any sale or other proceeds with respect thereto by the Owner Trustee.

SECTION 10.04. Unless otherwise expressly specified or permitted by the terms hereof, all notices shall be in writing, delivered by hand or mailed by regular mail, postage prepaid, (i) if to the Owner Trustee, addressed to the Owner Trustee at the Trust Office, (ii) if to the Owner, addressed to the Owner at P. O. Box 8300, Stamford, Connecticut 06904, attention of Loan Officer--Transportation, (iii) if to a Lender party to the Participation Agreement, to such party at such address as such party shall have fur-

nished by notice to the Owner Trustee, or, until an address is so furnished, addressed to such party at its address set forth in Schedule A to the Participation Agreement, (iv) if to the Indenture Trustee, addressed to it at Two Hopkins Plaza, P. O. Box 2258, Baltimore, Maryland 21203, attention of Corporate Trust Department, and (v) if to any successor or assign of the Indenture Trustee or any Investor, to such address as may be furnished to the Owner Trustee in writing for such purpose, or to such other address as a party may specify in accordance herewith. Whenever any notice in writing is required to be given by the Owner Trustee or the Owner, such notice shall be deemed given and such requirement satisfied if such notice is delivered by hand or mailed by regular mail, postage prepaid, addressed as provided above.

SECTION 10.05. Any provision of this Trust Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.06. Nothing in this Trust Agreement, whether express or implied, shall be construed to give to any person other than the Owner Trustee, the Owner, the Indenture Trustee and the Lenders any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or the Estate; but this Trust Agreement and the Estate shall be held for the sole and exclusive benefit of the Owner Trustee, the Owner, the Indenture Trustee and the Lenders.

SECTION 10.07. No term or provision of this Trust Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party or other person against whom enforcement of the change, waiver, discharge or termination is sought; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

SECTION 10.08. This Trust Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 10.09. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the Owner Trustee, the Indenture Trustee and the Lenders and their respective successors and assigns, and the Owner and its successors and, to the extent permitted by Article VII hereof, its assigns. Any request, notice, direction, consent, waiver or other instrument or action by the Owner shall bind its successors and assigns.

SECTION 10.10. The headings of the various articles herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

SECTION 10.11. This Trust Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

SECTION 10.12. Notwithstanding any provision of this Trust Agreement, the Owner Trustee is hereby authorized and instructed to enter into and perform fully the Trust Indenture. This provision is for the benefit of the Indenture Trustee and the Lenders and shall not be amended, modified or revoked until termination of the Trust Indenture pursuant to the express provisions thereof.

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

GENERAL ELECTRIC CREDIT
CORPORATION,

by

Vice President

ATTEST:

Attesting Secretary

UNITED STATES TRUST COMPANY OF
NEW YORK,

by

Vice President

[Seal]

ATTEST:

Assistant Secretary

ANNEX A TO TRUST AGREEMENT

<u>Type</u>	<u>Quantity</u>	<u>Lessee's Car Numbers (Inclusive)</u>
70-ton, 50' boxcars	283	ICG 580717-580999
SD 40-2 locomotives	4	ICG 6030-6033

EXHIBIT E TO
PARTICIPATION AGREEMENT

TRUST INDENTURE AND MORTGAGE

This TRUST INDENTURE AND MORTGAGE dated as of November 26, 1975, between UNITED STATES TRUST COMPANY OF NEW YORK, a New York corporation, as owner trustee under the Trust Agreement referred to below (herein called the "Owner Trustee"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation, as indenture trustee hereunder (herein called the "Indenture Trustee").

This Trust Indenture and Mortgage Witnesseth, that, to secure the prompt payment of the principal and interest due to the Lenders hereunder and the performance and observance by the Owner Trustee of all the agreements, covenants and provisions herein for the benefit of the Lenders contained, and for the uses and purposes and subject to the terms and provisions hereof, and in consideration of the premises and of the covenants herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged;

GRANTING CLAUSE

A. The Owner Trustee by these presents does grant, bargain, sell, release, convey, set over, assign, transfer, mortgage, hypothecate, pledge, confirm and create a security interest in, unto the Indenture Trustee, its successors and assigns, the following described property, rights and privileges (all being included in the Trust Estate), to wit:

(1) The Equipment (as defined in Section 1.01 hereof), whether title thereto shall be or have been acquired by the Owner Trustee before or after the execution and delivery hereof;

(2) All the estate, right, title and interest of the Owner Trustee in and to the Lease, including, without limitation, all amounts of rent, insurance proceeds and requisition, indemnity and other payments of any kind payable to the Owner Trustee (but not including any indemnity amounts payable directly to the indemnified party under the Lease) for or with respect to the Equipment, and including all rights of the Owner Trustee (excluding, however, the rights of the Owner under the final paragraph of § 10 of the Lease) to execute any

election or option or to make any decision or determination or to give any notice, consent, waiver or approval under or in respect of the Lease or to accept any surrender of the Equipment or any unit thereof or any part thereof, as well as all rights, powers or remedies on the part of the Owner Trustee, whether arising under the Lease or by statute or at law or in equity, or otherwise, arising out of any Event of Default by the Lessee under the Lease; the Lease is pledged hereunder by the below assignment;

(3) All the estate, right, title and interest of the Owner Trustee in and to the Manufacturing Agreements assigned below to the Indenture Trustee;

(4) All the tolls, rents, issues, profits, products, revenues and other income of the property subjected or required to be subjected to the lien of this Trust Indenture, and all the estate, right, title and interest of every nature whatsoever of the Owner Trustee in and to the same and every part thereof; and

(5) All proceeds of the foregoing.

Concurrently with the delivery hereof, the Owner Trustee is delivering to the Indenture Trustee the original executed counterparts of the Lease and the Manufacturing Agreements.

B. To have and to hold all and singular the aforesaid property unto the Indenture Trustee, its successors and assigns, in trust for the benefit and security of the Lenders without any priority of any one Lender over any other, except as herein otherwise expressly provided, and for the uses and purposes and subject to the terms and provisions set forth in this Trust Indenture.

C. In order to effectuate the foregoing and to secure payment, performance and observance, for the same consideration as set forth above, the Owner Trustee has transferred, assigned, granted, bargained, sold, conveyed, set over, mortgaged, hypothecated and pledged, and does hereby transfer, assign, grant, bargain, sell, convey, set over, mortgage, hypothecate and pledge, to the Indenture Trustee, its successors and assigns in the trust hereby created for the security and benefit of the Lenders, the Equipment. The security interest created by the foregoing assignment attaches upon the delivery of the Equipment under the Manufacturing Agreements.

D. In order to effectuate the foregoing and to secure payment, performance and observance, for the same consideration as set forth above, the Owner Trustee has sold, assigned, transferred and set over and does hereby sell, assign, transfer and set over unto the Indenture Trustee, and its successors and assigns, in the trust hereby created for the security and benefit of the Lenders, all the estate, right, title and interest of the Owner Trustee under, in and to (i) the Lease (excluding, however, the rights of the Owner under the final paragraph of § 10 of the Lease and indemnity amounts payable directly to the indemnified party under the Lease), (ii) all moneys and claims for moneys due and to become due to the Owner Trustee, and all claims for damages, in respect of any Casualty Occurrence with respect to the Equipment, and all other payments of any kind for or with respect to the Equipment, and (iii) the Manufacturing Agreements. The security interest created by the foregoing assignment attaches upon the delivery hereof.

E. It is expressly agreed that anything herein contained to the contrary notwithstanding, the Owner Trustee shall remain liable under the Lease and the Manufacturing Agreements for the performance of all the obligations assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and the Indenture Trustee shall have no obligation or liability under the Lease by reason of or arising out of the assignment hereunder, nor shall the Indenture Trustee be required or obligated in any manner to perform or fulfill any obligations of the Owner Trustee under or pursuant to the Lease or the Manufacturing Agreements or, except as herein expressly provided, to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim, or take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

F. The Owner Trustee does hereby constitute the Indenture Trustee the true and lawful attorney of the Owner Trustee, irrevocably, with full power (in the name of the Owner Trustee or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due and to become due under or arising out of the Lease or the Manufacturing Agreements and assigned hereunder, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Indenture

Trustee may deem to be necessary or advisable in the premises.

G. The Owner Trustee agrees that at any time and from time to time, upon the written request of the Indenture Trustee, the Owner Trustee will promptly and duly execute and deliver any and all such further instruments and documents as the Indenture Trustee may deem desirable in obtaining the full benefits of the assignment hereunder and of the rights and powers herein granted.

H. The Owner Trustee does hereby warrant and represent that it has not assigned or pledged, and hereby covenants that it will not assign or pledge, so long as the assignment hereunder shall remain in effect, any of its right, title or interest hereby assigned, to anyone other than the Indenture Trustee, and that it will not, except as provided in this Trust Indenture, enter into any agreement amending or supplementing the Lease or the Manufacturing Agreements, settle or compromise any claim against the Lessee arising under the Lease or the Manufacturing Agreements, or submit or consent to the submission of any dispute, difference or other matter arising under or in respect of the Lease or the Manufacturing Agreements, to arbitration thereunder.

I. The Owner Trustee does hereby ratify and confirm the Lease and the Manufacturing Agreements and does hereby agree that it will not, except as provided in Article VIII hereof, take or omit to take any action, the taking or omission of which might result in an alteration or impairment of the Lease or the assignment hereunder or of any of the rights created by the Lease, the Manufacturing Agreements or the assignment hereunder.

It is Hereby Convenanted and Agreed by and between the parties hereto as follows:

ARTICLE I

Definitions

SECTION 1.01. For all purposes of this Trust Indenture and Mortgage the following terms shall have the following meanings (such definitions to be equally applicable to both the singular and plural forms of the terms defined):

"Builder" shall mean General Motors Corporation (Electro-Motive Division), and its successors and assigns, in its capacity as Builder under the Manufacturing Agreement to which it is a party.

"Contractor" shall mean Illinois Central Gulf Railroad Company, and its successors and assigns, in its capacity as Contractor under the Manufacturing Agreement to which it is a party.

"Equipment" shall mean the units of new, standard gauge railroad equipment described in Annex A attached hereto and, prior to the inclusion thereof in such units of railroad equipment, the articles, supplies, materials and parts acquired by the Contractor, as independent contractor under the Manufacturing Agreement to which it is a party on behalf of the Owner Trustee.

"Indenture Default" shall mean any event or condition described in Section 4.01(a) hereof.

"Investors" shall mean and include the Owner and each Lender.

"Lease" shall mean that certain Lease of Railroad Equipment dated as of the date hereof between the Owner Trustee and the Lessee, substantially in the form annexed to the Participation Agreement as Exhibit C, as from time to time supplemented or amended, or the terms thereof waived or modified, to the extent permitted by, and in accordance with, the terms of this Trust Indenture, which Lease has been assigned by the Owner Trustee to the Indenture Trustee as provided in the Granting Clause hereof.

"Lease Default" shall mean any of the events or conditions defined as an Event of Default in the Lease.

"Lenders" shall mean and include each of the institutions listed in Schedule A to the Participation Agreement as a Lender, and their respective successors and assigns.

"Lessee" shall mean Illinois Central Gulf Railroad Company and its successors and assigns as Lessee under the Lease.

"Locomotive Equipment" shall mean the units of the Equipment described in Item 2 of Annex A attached hereto.

"Majority in Interest of Investors" as of any particular date of determination shall mean (i) Lenders having interests in the Trust Estate in a principal amount in excess of 66-2/3% of the principal amount of the interests of all the Lenders in the Trust Estate, if any, as of such date and (ii) the Owner; provided, however, that during any period during which an Indenture Default (or any event or condition which after notice or lapse of time or both would constitute an Indenture Default) shall have occurred and be continuing, "Majority in Interest of Investors" shall not include the Owner, except with respect to giving any instructions or requests or taking any action or refraining from taking any action with respect to any unit of Equipment which has been settled for under the Manufacturing Agreements but which has not been financed in part by funds made available by the Lenders to the Indenture Trustee on the Date of Deposit (as defined in the Participation Agreement) under the Participation Agreement.

"Majority in Interest of Lenders" as of any particular date of determination shall mean Lenders having interests in the Trust Estate in a principal amount in excess of 66-2/3% of the principal amount of the interests of all the Lenders in the Trust Estate as of such date.

"Manufacturing Agreements" shall mean, collectively, (a) that certain Manufacturing Agreement dated as of the date hereof between the Contractor and the Owner Trustee, substantially in the form annexed to the Participation Agreement as Exhibit A, and (b) that certain Manufacturing Agreement dated as of the date hereof between the Builder and the Owner Trustee, substantially in the form annexed to the Participation Agreement as Exhibit B, as from time to time supplemented or amended, or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms of this Trust Indenture, which Manufacturing Agreements have been assigned by the Owner Trustee to the Indenture Trustee as provided in the Granting Clause hereof.

"Mortgaged Property" shall have the meaning ascribed in Section 4.01(b) hereof.

"Owner" shall mean and include General Electric Credit Corporation and any other person to which the Owner transfers its right, title and interest in and to this Trust Agreement, the Estate and the Participation Agreement in accordance with Section 8.01 of the Trust Agreement, and their respective successors and assigns.

"Participation Agreement" shall mean that certain Participation Agreement dated as of the date hereof among the Lessee, the Owner Trustee, the Indenture Trustee, the Owner and the Lenders listed in Schedule A thereto, substantially in the form annexed hereto as Exhibit A, as from time to time supplemented or amended, or the terms thereof waived or modified, to the extent permitted by, and in accordance with, the terms thereof.

"Prime Rate" shall mean the minimum commercial lending rate of Morgan Guaranty Trust Company of New York in effect from time to time.

"Trust Agreement" shall mean that certain Trust Agreement dated as of the date hereof among the Owner and the Owner Trustee, substantially in the form annexed to the Participation Agreement as Exhibit D, as from time to time supplemented or amended, or the terms thereof waived or modified, to the extent permitted by, and in accordance with, the terms thereof.

"Trust Estate" shall mean all estate, right, title and interest of the Indenture Trustee in and to the Equipment, the Lease and the Manufacturing Agreements, including, without limitation, all amounts of rent, insurance proceeds and requisition, indemnity or other payments of any kind for or with respect to the Equipment payable to the Indenture Trustee and all amounts payable to the Indenture Trustee pursuant to the Lease or Paragraph 6 of the Participation Agreement.

"Trust Office" shall mean the principal corporate trust office of the Indenture Trustee at Two Hopkins Plaza, P. O. Box 2258, Baltimore, Maryland 21203, attention of Corporate Trust Department, or the principal corporate trust office of any successor Indenture Trustee.

SECTION 1.02. For all purposes of this Trust Indenture the following terms shall have the meanings defined in the Lease: "Casualty Occurrence", "Casualty Value" and "Event of Default".

SECTION 1.03. For all purposes of this Trust Indenture the terms "Business Day" and "Estate" shall have the respective meanings defined in the Trust Agreement.

ARTICLE II

Interests of Lenders in Trust Estate;
Payment of Principal and Interest to Lenders

SECTION 2.01. Each Lender shall have an interest in the Trust Estate in a principal amount equal to the principal amounts made available to the Indenture Trustee pursuant to Paragraph 2 of the Participation Agreement and applied by the Owner Trustee pursuant to Paragraph 6 of the Participation Agreement on a Closing Date or Delivery Date under the applicable Manufacturing Agreement to the payment required on such Closing Date or Delivery Date pursuant to Article 3 of such Manufacturing Agreement, less any principal payments made to such Lender pursuant to this Trust Indenture. Such principal amount will be payable (a) in the case of principal amounts made available out of the Contractor Portion (as defined in the Participation Agreement), in 80 consecutive quarterly instalments, or (b) in the case of principal amounts made available out of the Builder Portion (as defined in the Participation Agreement), in 60 consecutive quarterly instalments, in each case calculated as hereinafter provided, on January 15, April 15, July 15 and October 15 in each year, commencing April 15, 1976 (or if any such date is not a Business Day, on the next succeeding Business Day), each such date being herein called a "Payment Date", and shall bear interest from the date such principal amount is made available to the Indenture Trustee pursuant to Paragraph 2 of the Participation Agreement on the unpaid principal amount thereof from time to time outstanding, payable to the extent accrued, on January 15, 1976, and on each Payment Date thereafter at the rate of 10-1/2% per annum, except in the case of principal amounts made available by Morgan Guaranty Trust Company of New York, which amounts shall bear interest until January 15, 1976, at the Prime Rate as in effect from time to time and thereafter at 10-1/2% per annum. Instalments of principal shall be calculated on such a basis that the amount and allocation of principal and interest payable on each Payment Date shall be substantially in proportion to the amount and allocation of principal and interest payable on such Payment Date set forth in Schedule I (with respect to amounts made available out of the Contractor Portion) or Schedule II (with respect to amounts made available out of the Builder Portion) hereto. All principal and interest remaining unpaid after the same shall have become due and payable will bear interest (in the case of unpaid interest, to the extent permitted by applicable law) at the rate of 11-1/2% per annum. Interest shall be determined on the basis of a 360-day year of twelve 30-day months. All payments of principal and interest shall be made in such coin or currency.

of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

SECTION 2.02. All payments to be made by the Indenture Trustee under this Trust Indenture shall be made only from the income and the proceeds from the Trust Estate and only to the extent that the Indenture Trustee shall have sufficient income or proceeds from the Trust Estate to make such payments in accordance with the terms of Article III hereof. Each Lender, by its execution and delivery of the Participation Agreement, individually agrees that it will look solely to the income and proceeds from the Trust Estate to the extent available for distribution to it as herein provided and that, except as specifically provided herein, neither the Owner, the Owner Trustee nor the Indenture Trustee is personally liable to any Lender for any amounts payable hereunder.

SECTION 2.03. All payments to be made by the Indenture Trustee hereunder shall (subject to timely receipt by the Indenture Trustee of available funds) be made by check mailed to each Lender or its nominee on the date such payment is due or, upon written request of such Lender, by bank wire to the account of such Lender or its nominee at such banking institution as may be specified to the Indenture Trustee in writing.

SECTION 2.04. In the case of payments to a Lender, each payment on account of interest only or of principal and interest shall be applied, first, to the payment of accrued interest to the date of such payment and, second, to the payment of such Lender's interest in the principal instalments due hereunder in the order of maturity thereof until the same shall have been paid in full.

SECTION 2.05. A Lender shall have no further interest in, or other right with respect to, the Trust Estate when and if the principal, interest and all other sums payable to such Lender hereunder, under the Lease and under the Participation Agreement shall have been paid in full.

SECTION 2.06. Notwithstanding any provision to the contrary contained herein, a Lender shall have no further interest in, or other right with respect to, the portion of the Trust Estate constituting Locomotive Equipment when and if the principal, interest and all other sums payable to such Lender hereunder, under the Lease and under

the Participation Agreement with respect to Locomotive Equipment shall have been paid in full.

ARTICLE III

Receipt, Distribution and Application of Income from the Trust Estate

SECTION 3.01. Except as otherwise provided in Section 3.03 hereof, each payment of rent pursuant to § 3 of the Lease as well as any payment of interest on overdue instalments of such rent received by the Indenture Trustee at any time shall be distributed by the Indenture Trustee on the date such payment is due from the Lessee (or as soon thereafter as such payment shall be received by the Indenture Trustee) in the following order of priority: first, so much of such payment as shall be required to pay in full the aggregate amount of the payments then due hereunder to the Lenders shall be distributed to the Lenders ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due hereunder to each Lender bears to the aggregate amount of the payments then due hereunder to all Lenders; and, second, the balance, if any, of such payment remaining thereafter shall be distributed to the Owner.

SECTION 3.02. (a) Except as otherwise provided in Section 3.03 hereof, any payment received by the Indenture Trustee pursuant to the second paragraph of § 7 of the Lease as the result of a Casualty Occurrence shall in each case be distributed forthwith upon receipt by the Indenture Trustee in the following order of priority: first, so much of such payment as shall be required to prepay in full, without premium or penalty, the aggregate unpaid principal amount of the investments made by the Lenders under the Participation Agreement with respect to the Equipment suffering the Casualty Occurrence, plus the accrued but unpaid interest on such principal amount to the date of distribution, shall be distributed to the Lenders, ratably, without priority of one over the other, in the proportion that the unpaid principal amount of the investments made by each Lender, plus the accrued but unpaid interest thereon to the date of distribution, bears to the aggregate unpaid principal amount of the investments made by all Lenders, plus the accrued but unpaid interest thereon to the date of distribution; and, second, the balance, if any, of such payment remaining thereafter shall be distributed to the Owner.

(b) Except as otherwise provided in Section 3.03 hereof, any payment received directly or through the Lessee pursuant to the final paragraph of § 7 of the Lease as condemnation or similar payments or the payment of insurance proceeds with respect to any unit of Equipment as a result of a Casualty Occurrence, to the extent such payment is not at the time required to be paid to the Lessee pursuant to said § 7, shall, except as otherwise provided in the second sentence of this Section 3.02(b), be distributed forthwith upon receipt by the Indenture Trustee in the order of priority set forth in Section 3.02(a) hereof. Any portion of any payment referred to in the first sentence of this Section 3.02(b) which is not required to be paid to the Lessee pursuant to § 7 of the Lease solely because the Lessee shall not have paid to the Indenture Trustee the Casualty Value with respect to the unit of Equipment suffering the Casualty Occurrence shall be held by the Indenture Trustee as security for the obligations of the Lessee under the Lease, and at such time as the aforesaid Casualty Value shall have been paid, such portion shall be paid to the Lessee, unless the Indenture Trustee shall have theretofore declared the Lease to be in default pursuant to § 10 thereof, in which event such portion shall be distributed forthwith upon such declaration in accordance with the provisions of Section 3.03(a) hereof.

SECTION 3.03. (a) All payments received and amounts realized by the Indenture Trustee after an Indenture Default shall have occurred and be continuing and, if such Indenture Default is also a Lease Default, after the Indenture Trustee has declared the Lease to be in default pursuant to § 10 thereof or, if such Indenture Default is not a Lease Default, after the Indenture Trustee or a Majority in Interest of Lenders has declared the unpaid principal amounts of the investments made by the Lenders pursuant to the Participation Agreement to be due and payable pursuant to Section 4.01(d) hereof (including any amounts realized by the Indenture Trustee from the exercise of any remedies pursuant to § 10 of the Lease), as well as all payments or amounts then held or thereafter received by the Indenture Trustee as part of the Trust Estate while such Indenture Default shall be continuing (but in any event excluding all payments received and amounts realized or held by the Indenture Trustee with respect to any unit of Equipment which has been settled for under the applicable Manufacturing Agreement but which has not been financed in part by funds made available by the Lenders to the Indenture Trustee on the Date of Deposit under the Participation Agreement), shall be distributed by the

Indenture Trustee in the following order of priority: first, so much of such payments or amounts as shall be required to reimburse the Owner Trustee and the Indenture Trustee for any tax, expense, fees or other loss incurred by the Owner Trustee and the Indenture Trustee (to the extent not otherwise reimbursed and to the extent incurred in connection with their duties as Owner Trustee and Indenture Trustee, respectively) shall be applied by the Indenture Trustee as between itself and the Owner Trustee; second, (i) so much of such payments or amounts remaining as shall be required to reimburse the Lenders for payments made to the Indenture Trustee pursuant to Section 5.03 hereof or Paragraph 11 of the Participation Agreement shall be distributed to the Lenders ratably, without priority of one over the other, in accordance with the amount of the payment or payments made by each of them pursuant to said Section 5.03 or said Paragraph 11, and (ii) so much of such payments or amounts remaining as shall be required to pay to the Lenders any amounts owed to them pursuant to the provisions of §§ 6 or 9 of the Lease shall be distributed to each Lender entitled thereto; and in case the aggregate amount so to be paid to all Lenders in accordance with clauses (i) and (ii) above shall be insufficient to pay all such amounts as aforesaid, then, ratably, without priority of one Lender over another; third, so much of such payments or amounts remaining as shall be required to pay in full the aggregate unpaid principal amount of the investments made by the Lenders under the Participation Agreement, plus the accrued but unpaid interest thereon to the date of distribution, shall be distributed to the Lenders ratably, without priority of one over the other, in the proportion that the aggregate unpaid principal amount of the investments made by each Lender, plus the accrued but unpaid interest thereon to the date of distribution, bears to the aggregate unpaid principal amount of the investments made by all Lenders, plus the accrued and unpaid interest thereon to the date of distribution; and, fourth, the balance, if any, of such payments or amounts remaining thereafter shall be distributed to the Owner.

(b) All payments received and amounts realized by the Indenture Trustee after an Indenture Default (or an event or condition which after notice or lapse of time or both would become an Indenture Default) shall have occurred and be continuing but prior to the Indenture Trustee having declared the Lease to be in default pursuant to § 10 thereof or the Indenture Trustee or a Majority in Interest of Lenders

having declared the unpaid principal amounts of the investments made by the Lenders pursuant to the Participation Agreement to be due and payable pursuant to Section 4.01(d) hereof, as well as all payments or amounts then held or thereafter received by the Indenture Trustee as part of the Trust Estate while such Indenture Default (or other event or condition) shall be continuing but prior to such declaration (but in any event excluding all payments received and amounts realized or held by the Indenture Trustee with respect to any unit of Equipment which has been settled for under the applicable Manufacturing Agreement but which has not been financed in part by funds made available by the Lenders to the Indenture Trustee on the Date of Deposit under the Participation Agreement), shall be distributed by the Indenture Trustee in the manner provided in clause "first" of Section 3.01 hereof and the remainder shall be held by the Indenture Trustee as security for the obligations of the Lessee under the Lease; provided, that in the event of a declaration of default under § 10 of the Lease within 90 days after receipt by the Indenture Trustee of notice of the occurrence of an Indenture Default, such remainder shall be distributed in the order of priority set forth in Section 3.03(a) hereof, and in the absence of such declaration within such 90-day period, such remainder shall be distributed in the manner set forth in Section 3.01 hereof.

(c) All payments received and amounts realized by the Indenture Trustee during the quarterly rental period under the Lease immediately following the rental period under the Lease with respect to which the Owner shall have exercised its rights set forth in the final paragraph of § 10 of the Lease (but in any event excluding all payments received and amounts realized or held by the Indenture Trustee with respect to any units of Equipment which have been settled for under the applicable Manufacturing Agreement but which have not been financed in part by funds made available by the Lenders to the Indenture Trustee on a Date of Deposit under the Participation Agreement), shall be held by the Indenture Trustee as security for the obligations of the Lessee under the Lease; provided, that in the event that on the next succeeding rental payment date on the Lease no Indenture Default (or an event or condition which after notice or lapse of time or both would become an Indenture Default) shall have occurred and be continuing, such amounts shall be distributed by the Indenture Trustee to the persons who would otherwise have been entitled thereto but for the

provisions of this Section 3.03(c), and otherwise such amounts shall be distributed or held in accordance with Section 3.03(a) or 3.03(b), as appropriate.

SECTION 3.04. Except as otherwise provided in Section 3.03 hereof, all amounts received by the Indenture Trustee from or on behalf of the Lessee or the Owner pursuant to § 9 of the Lease or Paragraph 6 of the Participation Agreement shall promptly upon receipt be paid to the person entitled to such amounts under the Lease and the Participation Agreement.

SECTION 3.05. Except as otherwise provided in Sections 3.01, 3.02, 3.03 and 3.04 hereof, any payments received by the Indenture Trustee for which provision as to the application thereof is made in the Lease, the Manufacturing Agreements or the Participation Agreement shall be applied forthwith to the purpose for which such payment was made in accordance with the terms of the Lease, the Manufacturing Agreements or the Participation Agreement, as the case may be.

SECTION 3.06. Except as otherwise provided in Sections 3.01, 3.02, 3.03, 3.04 and 3.05 hereof:

(a) any payments (other than payments under Section 5.03 hereof and Paragraph 11 of the Participation Agreement) received by the Indenture Trustee for which no provision as to the application thereof is made in the Lease, the Manufacturing Agreements, the Participation Agreement or elsewhere in this Article III, and

(b) all payments received and amounts realized by the Indenture Trustee under the Lease or otherwise with respect to the Equipment (including, without limitation, all amounts realized upon the sale or re-lease of such Equipment after the termination of the Lease with respect thereto) to the extent received or realized at any time after payment in full of the principal of and interest on the investments made by the Lenders under the Participation Agreement, as well as any other amounts remaining as part of the Trust Estate after payment in full of such principal and interest,

shall be forthwith distributed by the Indenture Trustee in the following order of priority: first, in the manner provided in clause "first" of Section 3.03(a) hereof; second, in the manner provided in clause "second" of Section 3.03(a)

hereof; and, third, in the manner provided in clause "fourth" of Section 3.03(a) hereof.

SECTION 3.07. All amounts from time to time distributable under this Trust Indenture by the Indenture Trustee to the Owner shall be paid by the Indenture Trustee to the Owner Trustee for distribution to the Owner in accordance with the provisions of this Trust Indenture; provided, however, that the Indenture Trustee may, upon the written instructions of the Owner Trustee, make payment directly to the Owner of amounts distributable to it as aforesaid.

ARTICLE IV

Remedies of the Indenture Trustee

SECTION 4.01. Occurrence of Indenture Default; Acceleration. (a) Indenture Defaults. Any one of the following events or conditions shall constitute an Indenture Default:

(i) a Lease Default; or

(ii) any payment of principal or interest due hereunder to any Lender shall not be paid within 7 days after the same shall become due and payable (unless such failure shall result solely from the Indenture Trustee's failure to make such payments while holding funds sufficient therefor); or

(iii) the Owner or the Owner Trustee shall fail to perform or observe any covenant, condition or agreement to be performed or observed by either of them hereunder or under the Lease, the Manufacturing Agreements, the Participation Agreement or the Trust Agreement and such failure shall continue unremedied for a period of 30 days after notice of such failure has been given to the Owner Trustee and the Owner by the Indenture Trustee or any Lender; or

(iv) any representation or warranty made by the Owner or the Owner Trustee hereunder or under the Lease, the Manufacturing Agreements, the Participation Agreement or the Trust Agreement, or by any officer or representative of the Owner or the Owner Trustee in any document or certificate furnished to the Inden-

ture Trustee or any Lender in connection herewith or therewith or pursuant hereto or thereto, shall prove at any time to be incorrect in any material respect as of the date made, and such condition shall continue unremedied for a period of 30 days after notice thereof as provided in subparagraph (iii); or

(v) if the Owner or the Owner Trustee shall file a petition in bankruptcy or for reorganization or for an arrangement, composition, readjustment, liquidation, dissolution or similar relief, or shall be adjudicated a bankrupt or become insolvent or shall make an assignment for the benefit of its creditors or shall admit in writing its inability to pay its debts generally as they become due or shall suspend payment of its obligations or shall seek or consent to the appointment of a receiver, trustee or liquidator (or other similar official) of it or any material part of its business or assets or shall take any corporate action in furtherance of any of the foregoing; or

(vi) if a petition or answer shall be filed proposing the adjudication of the Owner or the Owner Trustee as a bankrupt or its reorganization, composition, readjustment, liquidation, dissolution or similar relief and (i) the Owner or the Owner Trustee, as the case may be, shall consent to or fail to contest the filing thereof or the material allegations therein or (ii) such petition or answer shall not be discharged or denied within 60 days after the filing thereof; or

(vii) if a receiver, trustee or liquidator (or other similar official) shall be appointed for or take possession or charge of the Trust Estate, the Owner or the Owner Trustee and shall not be discharged within 60 days thereafter, or if the Owner or the Owner Trustee shall consent to or acquiesce in such appointment.

(b) Lease Default. After a Lease Default shall have occurred and be continuing and after the Lease shall have been declared in default pursuant to § 10 thereof, then, and in every such case, the Indenture Trustee, as assignee hereunder of the Lease or as mortgagee hereunder of the Equipment or otherwise, may, and when required pursuant to the provisions of Article V hereof shall, exercise any or all of the rights and powers and pursue any and all of the remedies pursuant to § 10 of the Lease and this Article IV and may take possession of all or any part of the properties (hereinafter referred to as the "Mortgaged Property") covered or intended to be covered by the lien created hereby

or pursuant hereto and may exclude the Owner, the Owner Trustee and the Lessee and all persons claiming under either of them wholly or partly therefrom. In the event the Indenture Trustee shall at any time declare the Lease to be in default pursuant to § 10 thereof, the unpaid principal amount due to all Lenders hereunder with accrued interest thereon shall immediately become due and payable without further act or notice of any kind.

(c) Right to Cure Lease Default. In the case of a Lease Default consisting of the Lessee's failure to pay an instalment of rent or other obligations when due under the Lease, the Indenture Trustee shall give the Owner Trustee and the Owner notice by telegraph or telex of such failure and shall not exercise any of the rights and powers or pursue any of the remedies pursuant to § 10 of the Lease and this Article IV if the Indenture Trustee shall have received from the Owner within 10 Business Days following the date of such notice (i) the full amount of such instalment of rent or other obligations then due, together with any interest due thereon and (ii) if such payment is made in respect of the third consecutive failure of the Lessee as aforesaid, the agreement of the Owner, in form and substance satisfactory to the Indenture Trustee and the Lenders, guaranteeing the performance by the Lessee of its obligations contained in the first sentence of § 7 of the Lease. Upon any payment of rent or other obligations by the Owner, in accordance with this Section 4.01(c), the Owner shall be subrogated to the rights of the Lenders hereunder to receive such payment of rent (and the payment of interest on account of its being overdue) and shall be entitled, subject to Sections 3.01 and 3.03 hereof, to receive such payment upon its receipt by the Indenture Trustee; provided that the Owner may not exercise any rights and powers or pursue any remedies pursuant to § 10 of the Lease or otherwise which the Indenture Trustee would have been entitled to exercise or pursue but for the preceding sentence.

(d) Indenture Default Not a Lease Default. If an Indenture Default other than a Lease Default shall have occurred and be continuing, the Indenture Trustee or a Majority in Interest of Lenders may declare the unpaid principal amounts of the investments made by the Lenders pursuant to the Participation Agreement to be due and payable immediately by giving written notice to the Owner Trustee and (if such notice be given by a Majority in Interest of Lenders)

to the Indenture Trustee and upon any such declaration of acceleration such principal and accrued interest thereon shall become due and payable immediately without further act or notice of any kind. Upon such declaration, the Indenture Trustee, as assignee hereunder of the Lease or as mortgagee hereunder of the Equipment or otherwise, may, and when required pursuant to Article V hereof shall, exercise any or all of the rights and powers and pursue any and all of the remedies permitted by this Article IV, and may take possession of all or any part of the Mortgaged Property and may exclude the Owner Trustee and all persons claiming under or through the Owner Trustee wholly or partly therefrom.

SECTION 4.02. Taking Possession of Mortgaged Property; Rights of Indenture Trustee. The Owner Trustee agrees, to the full extent that it lawfully may, that, in case one or more Indenture Defaults shall have occurred and be continuing and after the Lease shall have been declared in default pursuant to § 10 thereof, or after the maturity of the unpaid principal amount of the investments made by the Lenders pursuant to the Participation Agreement shall have been accelerated pursuant to Section 4.01(d) then, and in every such case, the Indenture Trustee may exercise all of the rights, privileges and remedies given it hereunder, may take possession of all or any part of the Mortgaged Property and may exclude the Owner Trustee and all persons claiming under the Owner Trustee wholly or partly therefrom; provided, however, that if, prior to such sale or the making of a contract therefor, or within 30 days after the Indenture Trustee shall have notified the Owner Trustee of its intention to take possession, withdraw, or lease the Equipment (which notice the Indenture Trustee agrees to furnish in case it intends to take possession, withdraw, or lease), the Owner Trustee should tender full payment of the total unpaid principal of all the investments made by the Lenders pursuant to the Participation Agreement then outstanding, together with interest thereon accrued and unpaid and all other amounts due under this Trust Indenture as well as all expenses of the Indenture Trustee in taking possession of, storing, preparing the Equipment for, and otherwise arranging for, the sale or leasing of the Equipment, including reasonable attorneys' fees, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Owner Trustee. At the request of the Indenture Trustee, the Owner Trustee shall promptly execute and deliver to the Indenture Trustee, without warranty or recourse, such instruments of title and other documents as the Indenture

Trustee may deem necessary or advisable to enable the Indenture Trustee or an agent or representative designated by the Indenture Trustee, at such time or times and place or places as the Indenture Trustee may specify, to obtain possession of all or any part of the Mortgaged Property to the possession of which the Indenture Trustee shall at the time be entitled hereunder. If the Owner Trustee shall for any reason fail to execute and deliver such instruments and documents after such demand by the Indenture Trustee, the Indenture Trustee may (a) obtain a judgment conferring on the Indenture Trustee the right to immediate possession and requiring the Owner Trustee to deliver such instruments and documents to the Indenture Trustee, to the entry of which judgment the Owner Trustee hereby specifically consents, and (b) pursue all or part of such Mortgaged Property wherever it may be found and may enter any of the premises of the Owner Trustee or the Lessee wherever such Mortgaged Property may be or be supposed to be and search for such Mortgaged Property and take possession of and remove such Mortgaged Property. Upon every such taking of possession the Indenture Trustee may, from time to time, at the expense of the Mortgaged Property, make all expenditures for maintenance, insurance, repairs, replacements, alterations, additions and improvements to and of the Mortgaged Property, as it may deem proper. In each such case, the Indenture Trustee shall have the right to use, operate, store, control or manage the Mortgaged Property and to carry on the business and to exercise all rights and powers of the Owner Trustee relating to the Mortgaged Property, as the Indenture Trustee shall deem best, including the right to enter into any and all such agreements with respect to the maintenance, operation, leasing, storage or disposition of the Mortgaged Property or any part thereof as the Indenture Trustee may determine; and the Indenture Trustee shall be entitled to collect and receive all tolls, rents, revenues, issues, income, products and profits of the Mortgaged Property and every part thereof, without prejudice, however, to the right of the Indenture Trustee under any provision of this Trust Indenture to collect and receive all cash held by, or required to be deposited with, the Indenture Trustee hereunder. Such tolls, rents, revenues, issues, income, products and profits shall be applied to pay the expenses of holding and operating the Mortgaged Property and of conducting the business thereof, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Indenture Trustee may be required or may elect to make, if any, for taxes, assessments, insurance or other proper charges upon the Mortgaged Property or any part thereof (including the employment of engineers and accountants to examine, inspect

and make reports upon the properties and books and records of the Owner Trustee), and all other payments which the Indenture Trustee may be required or authorized to make under any provision of this Trust Indenture, as well as just and reasonable compensation for the services of the Indenture Trustee, and of all persons properly engaged and employed by the Indenture Trustee.

SECTION 4.03. Remedies Cumulative. Each and every right, power and remedy herein specifically given to the Indenture Trustee or otherwise in this Trust Indenture shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Indenture Trustee, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Indenture Trustee in the exercise of any right, remedy or power or in the pursuance of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Owner Trustee or the Lessee or to be an acquiescence therein.

SECTION 4.04. Discontinuance of Proceedings. In case the Indenture Trustee shall have proceeded to enforce any right, power or remedy under this Trust Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Indenture Trustee, then and in every such case the Owner Trustee, the Indenture Trustee and the Lessee shall be restored to their former positions and rights hereunder with respect to the Mortgaged Property, and all rights, remedies and powers of the Indenture Trustee shall continue as if no such proceedings had been taken.

ARTICLE V

Duties of the Owner Trustee and the Indenture Trustee

SECTION 5.01. In the event the Owner Trustee shall have actual knowledge of an Indenture Default (or an event

or condition which after notice or lapse of time or both would become an Indenture Default), the Owner Trustee shall give prompt telephonic notice (confirmed in writing) thereof to the Indenture Trustee and each Lender. In the event the Indenture Trustee shall have actual knowledge of an Indenture Default (or an event or condition which after notice or lapse of time or both would become an Indenture Default), the Indenture Trustee shall give prompt telephonic notice (confirmed in writing) thereof to the Owner Trustee and each Lender. Subject to the terms of Section 5.03 hereof, the Indenture Trustee shall take such action (or refrain from taking action) with respect to such Indenture Default or such other event or condition as the Indenture Trustee shall be instructed in writing at any time by a Majority in Interest of Lenders. If the Indenture Trustee shall not have received instructions as above provided within 20 days after the giving of notice of such Indenture Default or such other event or condition to the Lenders, the Indenture Trustee may, subject to instructions received at any time from a Majority in Interest of Lenders, take such action, or refrain from taking such action, but shall be under no duty to take or refrain from taking any action, with respect to such Indenture Default or such other event or condition as it shall deem advisable in the best interests of the Lenders.

SECTION 5.02. Subject to the terms of Sections 5.01 and 5.03 hereof, upon the written instructions at any time and from time to time of a Majority in Interest of Lenders, the Indenture Trustee will take such of the following actions as may be specified in such instructions: (i) give such notice or direction or exercise such right or power under the Lease or the Manufacturing Agreements as shall be specified in such instructions; (ii) take such action to preserve or protect the Mortgaged Property and the Trust Estate (including the discharge of liens and encumbrances) as shall be specified in such instructions; and (iii) approve as satisfactory to it all matters required by the terms of the Lease to be satisfactory to the Owner Trustee, it being understood that without the written instructions of a Majority in Interest of Lenders the Indenture Trustee shall not approve any such matter as satisfactory to it.

SECTION 5.03. The Indenture Trustee shall be under no duty to take any action or refrain from taking any action under Section 5.01 or 5.02 or Article IV hereof unless the Indenture Trustee shall have been indemnified by the Lenders, in proportion to their respective interests

in the Trust Estate at the time such action is taken, in manner and form satisfactory to the Indenture Trustee, against any liability, cost or expense (including counsel fees) which may be incurred in connection with such action or inaction. The Indenture Trustee shall not be required to take any action under Section 5.01 or 5.02 or Article IV hereof, nor shall any other provision of this Trust Indenture be deemed to impose a duty on the Indenture Trustee to take any action, if the Indenture Trustee shall determine, or shall have been advised by counsel, that such action is contrary to the terms of this Trust Indenture, the Lease or the Participation Agreement or is otherwise contrary to law.

SECTION 5.04. The Indenture Trustee shall not have any duty or obligation to manage, control, use, sell or otherwise transfer title to or dispose of or otherwise deal with any unit of Equipment or any other part of the Trust Estate, or otherwise to take or refrain from taking any action under, or in connection with, this Trust Indenture, the Lease or the Manufacturing Agreements, except as expressly provided by the terms of this Trust Indenture or the Participation Agreement or as expressly provided in written instructions from a Majority in Interest of Lenders received pursuant to the terms of Section 5.01 or 5.02 hereof; and no implied duties or obligations shall be read into this Trust Indenture against the Indenture Trustee. The Indenture Trustee nevertheless agrees that it will, at its own cost and expense, promptly take such action as may be necessary to duly discharge any liens or encumbrances on any part of the Trust Estate which result from claims against the Indenture Trustee not related to the ownership of the Equipment or the administration of the Trust Estate.

SECTION 5.05. The Indenture Trustee shall not manage, control, use, sell or otherwise transfer title to, or dispose of or otherwise deal with any unit of Equipment or any other part of the Trust Estate, except (i) as required by the terms of the Participation Agreement, the Manufacturing Agreements or the Lease, (ii) in accordance with the powers expressly granted to, or the authority expressly conferred upon, the Indenture Trustee pursuant to this Trust Indenture or (iii) in accordance with written instructions from a Majority in Interest of Lenders pursuant to Sections 5.01 or 5.02 hereof.

ARTICLE VI

The Indenture Trustee and
the Owner Trustee

SECTION 6.01. The Indenture Trustee accepts the trusts hereby created and agrees to perform the same but only upon the terms of this Trust Indenture, and agrees to receive and disburse all moneys constituting part of the Trust Estate in accordance with the provisions hereof. The Indenture Trustee shall not be answerable or accountable under any circumstances, except (i) for its own wilful misconduct or negligence, or (ii) in the case of the inaccuracy of any representation or warranty contained in Section 6.03 hereof. The Owner Trustee shall not be liable for any action or inaction of the Indenture Trustee and the Indenture Trustee shall not be liable for any action or inaction of the Owner Trustee.

SECTION 6.02. Except in accordance with written instructions furnished pursuant to Section 5.02 hereof and without limiting the generality of Sections 5.04 and 5.05 hereof, the Indenture Trustee shall have no duty (i) to see to any recording, filing or depositing of the Participation Agreement, the Manufacturing Agreements or the Lease or of this Trust Indenture, or to see to the maintenance of any such recording, filing or depositing or to any rerecording, refiling or redepositing of any thereof, (ii) to see to any insurance on the Equipment or to effect or maintain any such insurance, (iii) to review the financial condition or operations of Lessee, or make any determination with respect to an adverse change therein, (iv) except as otherwise provided in Section 5.04 hereof, to see to the payment or discharge of any tax, assessment or other governmental charge or any lien or encumbrance of any kind owing with respect to, or assessed or levied against, any part of the Trust Estate, (v) to confirm or verify any financial statements or reports of the Lessee or (vi) to inspect the Equipment at any time or ascertain or inquire as to the performance or observance of any of the Lessee's covenants under the Lease with respect to the Equipment. Notwithstanding the foregoing, the Indenture Trustee will, upon written request, furnish to the Lenders, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and other instruments furnished to the Indenture Trustee hereunder or under the Participation Agreement, the Lease or the Manufacturing

Agreements, to the extent the same shall not have been furnished to each such Lender.

SECTION 6.03. The Indenture Trustee and the Owner Trustee do not make and shall not be deemed to have made (i) any representation or warranty, express or implied, as to the value, condition or fitness for use of any of the Equipment or as to title thereto or any other representation or warranty whatsoever, express or implied, with respect to the Equipment, except that the Owner Trustee hereby warrants to each Lender that (a) on the delivery date for each unit of Equipment such unit of Equipment shall be free of liens and encumbrances resulting from claims against the Owner Trustee not related to the ownership of the Equipment or the administration of the Estate or any other transaction pursuant to the Trust Agreement, and (b) each unit of Equipment shall, while a part of the Trust Estate and at the time of any conveyance therefrom, be free of liens and encumbrances resulting from any acts of the Owner Trustee except liens and encumbrances permitted by the Lease or this Indenture or created by this Indenture, the Trust Agreement or the Manufacturing Agreements or liens and encumbrances arising from the administration of the Estate, or (ii) any representation or warranty as to the validity, legality or enforceability of this Indenture, the Trust Agreement, the Participation Agreement, the Lease or the Manufacturing Agreements or as to the correctness of any statement contained in any thereof except to the extent that any such statement is expressly made by the Indenture Trustee or the Owner Trustee in this Section 6.03, except that the Indenture Trustee or the Owner Trustee each hereby represents and warrants to each Lender that this Indenture has been, and, in the case of the Indenture Trustee, the Participation Agreement (and the Certificates of Interest delivered to the Lenders thereunder), and, in the case of the Owner Trustee, the Participation Agreement, the Lease and the Manufacturing Agreements, have been (or at the time of execution and delivery of any such instrument that such instrument will be) duly executed and delivered by one of its officers who is or will be, as the case may be, duly authorized to execute and deliver such instruments on its behalf.

SECTION 6.04. Moneys received by the Indenture Trustee hereunder need not be segregated in any manner except to the extent required by law and may be deposited under such general conditions as may be prescribed by law in the general banking department of the Indenture Trustee, and

the Indenture Trustee shall not be liable for any interest thereon.

SECTION 6.05. The Indenture Trustee shall incur no liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties. The Indenture Trustee and the Owner Trustee may accept a copy of a resolution of the Board of Directors of any corporate party, certified by the Secretary or an Assistant Secretary thereof as duly adopted and in full force and effect (or in lieu thereof a resolution of the executive committee of such corporate party), as conclusive evidence that such resolution has been duly adopted by said Board and that the same is in full force and effect. As to any fact or matter, the manner of ascertainment of which is not specifically described herein, the Indenture Trustee and the Owner Trustee may for all purposes hereof rely on a certificate, signed by or on behalf of the proper party executing the same, as to such fact or matter, and such certificate shall constitute full protection to the Indenture Trustee and the Owner Trustee for any action taken or omitted to be taken by either of them in good faith in reliance thereon. In the administration of the trusts hereunder, the Indenture Trustee may execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents or attorneys and may, at the expense of the Trust Estate, seek advice of counsel, accountants and other skilled persons to be selected and employed by it, and the Indenture Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.

SECTION 6.06. Each of the Owner Trustee and the Indenture Trustee shall act solely as trustee as herein and in the case of the Owner Trustee in the Trust Agreement provided and not in its individual capacity; and all persons, other than the Lenders, having any claim against the Owner Trustee or the Indenture Trustee by reason of the transactions contemplated hereby shall look, subject to the interests created hereby and the priorities of payment provided herein, only to the Trust Estate for payment or satisfaction thereof.

SECTION 6.07. The Indenture Trustee, or any successor thereto, from time to time serving hereunder, shall

have the absolute right, acting independently, to take any action and to exercise any right, remedy, power or privilege conferred upon the Indenture Trustee hereunder; and any action taken by the Indenture Trustee from time to time serving hereunder shall be binding upon the Indenture Trustee and no person dealing with the Indenture Trustee from time to time serving hereunder shall be obligated to confirm the power and authority of the Indenture Trustee to act.

SECTION 6.08. The Indenture Trustee and the Owner Trustee agree that they shall have no right against the Lenders or, except as provided in Section 3.03 and 4.02 hereof, the Trust Estate for any fee as compensation for their services hereunder.

ARTICLE VII

Successor Indenture Trustees

SECTION 7.01. (a) The Indenture Trustee or any successor Indenture Trustee may resign at any time without cause by giving at least 30 days' prior written notice to the Owner Trustee and each Lender, such resignation to be effective on the acceptance of appointment by the successor Indenture Trustee under Section 7.01(b) hereof. In addition, the Indenture Trustee may be removed at any time without cause by a Majority in Interest of Lenders by an instrument in writing delivered to the Owner Trustee and the Indenture Trustee and each Lender not signing such instrument, such removal to be effective on the acceptance of appointment by the successor Indenture Trustee under Section 7.01(b) hereof. In case of the resignation or removal of the Indenture Trustee, a Majority in Interest of Lenders may appoint a successor Indenture Trustee by a written instrument signed by a Majority in Interest of Lenders. If a successor Indenture Trustee shall not have been appointed within 30 days after the giving of the written notice of such resignation or the delivery of the written instrument with respect to such removal, any Lender or the Indenture Trustee may apply to any court of competent jurisdiction to appoint a successor Indenture Trustee to act until such time, if any, as a successor shall have been appointed as above provided. Any successor Indenture Trustee so appointed by such court shall immediately and without further act be superseded by any successor Indenture Trustee appointed as above provided within one year from the date of the

appointment by such court.

(b) Any successor Indenture Trustee, whether appointed by a court or by a Majority in Interest of Lenders, shall execute and deliver to the Owner Trustee, each Lender and the predecessor Indenture Trustee an instrument accepting such appointment, and thereupon such successor Indenture Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Indenture Trustee in the trusts hereunder with like effect as if originally named as an Indenture Trustee herein; but nevertheless upon the written request of such successor Indenture Trustee, such predecessor Indenture Trustee shall execute and deliver an instrument transferring to such successor Indenture Trustee, upon the trusts herein expressed, all the records, estates, properties, rights, powers and trusts of such predecessor Indenture Trustee, and such predecessor Indenture Trustee shall duly assign, transfer, deliver and pay over to such successor Indenture Trustee any property or moneys then held by such predecessor Indenture Trustee upon the trusts herein expressed.

(c) Any successor Indenture Trustee, however appointed, shall be a trust company incorporated and doing business within the United States of America, and having a combined capital and surplus of at least \$50,000,000 if there be such an institution willing, able and legally qualified to perform the duties of Indenture Trustee hereunder upon reasonable or customary terms.

(d) Any corporation into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Indenture Trustee may be transferred, shall, subject to the terms of Section 7.01(c) hereof, be the Indenture Trustee under this Agreement without further act.

SECTION 7.02. (a) Whenever the Indenture Trustee shall deem it necessary or prudent in order either to conform to any law of any jurisdiction in which all or any part of the Trust Estate shall be situated or to make any claim or bring any suit with respect to the Trust Estate, or the Indenture Trustee shall be advised by counsel satisfactory to it that it is so necessary or prudent in the

interest of the Lenders or in the event that the Indenture Trustee shall have been requested to do so by a Majority in Interest of Lenders, the Indenture Trustee and the Owner Trustee shall execute and deliver an agreement supplemental hereto and all other instruments and agreements necessary or proper to constitute another bank or trust company, or one or more persons approved by the Indenture Trustee, either to act as additional trustee or trustees of all or any part of the Trust Estate, jointly with the Indenture Trustee, or to act as separate trustee or trustees of all or any part of the Trust Estate, in any such case with such powers as may be provided in such agreement supplemental hereto, and to vest in such bank, trust company or person as such additional trustee or separate trustee, as the case may be, any property, title, right or power of the Indenture Trustee deemed necessary or advisable by the Indenture Trustee, subject to the remaining provisions of this Section 7.02. In the event the Owner Trustee shall not have joined in the execution of such agreement supplemental hereto within 10 days after the receipt of a written request from the Indenture Trustee so to do, or in case an Indenture Default (or any event or condition which after notice or lapse of time or both would become an Indenture Default) shall occur and be continuing, the Indenture Trustee may act under the foregoing provisions of this Section 7.02(a) without the concurrence of the Owner Trustee; and the Owner Trustee hereby appoints the Indenture Trustee its agent and attorney to act for it under the foregoing provisions of this Section 7.02(a) in either of such contingencies. The Indenture Trustee may execute, deliver and perform any deed, conveyance, assignment or other instrument in writing as may be required by any additional trustee or separate trustee for more fully and certainly vesting in and confirming to it or him any property, title, right or power which, by the terms of such agreement supplemental hereto, are expressed to be conveyed or conferred to or upon such additional trustee or separate trustee, and the Owner Trustee shall, upon the Indenture Trustee's request, join therein and execute, acknowledge and deliver the same; and the Owner Trustee hereby makes, constitutes and appoints the Indenture Trustee its agent and attorney-in-fact for it and in its name, place and stead to execute, acknowledge and deliver any such deed, conveyance, assignment or other instrument in the event that the Owner Trustee shall not itself execute and deliver the same within 10 days after receipt by it of such request so to do.

(b) Every additional trustee and separate trustee

hereunder shall, to the extent permitted by law, be appointed and act and the Indenture Trustee shall act, subject to the following provisions and conditions:

(i) all powers, duties, obligations and rights conferred upon the Indenture Trustee in respect of the receipt, custody, investment and payment of moneys shall be exercised solely by the Indenture Trustee;

(ii) all other rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee shall be conferred or imposed upon and exercised or performed by the Indenture Trustee and such additional trustee or trustees and separate trustee or trustees jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Indenture Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust Estate in any such jurisdiction) shall be exercised and performed by such additional trustee or trustees or separate trustee or trustees;

(iii) no power hereby given to, or with respect to which it is hereby provided may be exercised by, any such additional trustee or separate trustee shall be exercised hereunder by such additional trustee or separate trustee except jointly with, or with the consent of, the Indenture Trustee; and

(iv) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.

If at any time the Indenture Trustee shall deem it no longer necessary or prudent in order to conform to any such law or take any such action or shall be advised by such counsel that it is no longer so necessary or prudent in the interest of the Lenders or in the event that the Indenture Trustee shall have been requested to do so in writing by a Majority in Interest of Lenders, the Indenture Trustee and the Owner Trustee shall execute and deliver an agreement supplemental hereto and all other instruments and agreements necessary or proper to remove any additional trustee or separate trustee. In the event that the Owner Trustee shall not have joined in the execution of such agreement supplemental hereto,

instruments and agreements, the Indenture Trustee may act on behalf of the Owner Trustee to the same extent provided above.

(c) Any additional trustee or separate trustee may at any time by an instrument in writing constitute the Indenture Trustee its agent or attorney-in-fact, with full power and authority, to the extent which may be authorized by law, to do all acts and things and exercise all discretions which it is authorized or permitted to do or exercise, for and in its behalf and in its name. In case any such additional trustee or separate trustee shall die, become incapable of acting, resign or be removed, all the assets, property, rights, powers, trusts, duties and obligations of such additional trustee or separate trustee, as the case may be, so far as permitted by law, shall vest in and be exercised by the Indenture Trustee, without the appointment of a new successor to such additional trustee or separate trustee unless and until a successor is appointed in the manner hereinbefore provided.

(d) Any request, approval or consent in writing by the Indenture Trustee to any additional trustee or separate trustee shall be sufficient warrant to such additional trustee or separate trustee, as the case may be, to take such action as may be so requested, approved or consented to.

(e) Each additional trustee and separate trustee appointed pursuant to this Section shall be subject to, and shall have the benefit of, the first two sentences of Section 7.01(a) hereof and Articles IV, V, VI and VIII hereof in so far as they apply to the Indenture Trustee.

ARTICLE VIII

Supplements and Amendments to this Trust Indenture and Other Documents

SECTION 8.01. At any time and from time to time, upon the written request of a Majority in Interest of Investors, (i) the Owner Trustee and the Indenture Trustee shall execute a supplement hereto for the purpose of adding provisions to, or changing or eliminating provisions of, this Trust Indenture as specified in such request and (ii) the Owner Trustee shall enter into such written amendment of or supplement to the Lease or the Manufacturing Agreements

as the Lessee may agree to and as may be specified in such request, or execute and deliver such written waiver or modification of the terms of the Lease or the Manufacturing Agreements as may be specified in such request; provided, however, that, without the consent of the Owner and each Lender (until all the unpaid principal amount of and accrued interest on the investment made by such Lender under the Participation Agreement shall have been paid in full), no such supplement to this Trust Indenture or amendment of or supplement to the Lease or the Manufacturing Agreements, or waiver or modification of the terms of any thereof, shall (i) modify any of the provisions of this Section or of Sections 5.01, 5.02 or 5.03 hereof or change the definition of Majority in Interest of Investors contained in Section 1.01 hereof, (ii) reduce the amount or extend the time of payment of any amount owing hereunder with respect to principal or interest to any Lender or reduce the rate of interest payable on such principal or alter or modify the provisions of Article III hereof with respect to the order of priorities in which distributions thereunder shall be made as between the Lenders and the Owner, (iii) reduce, modify or amend any indemnities in favor of any Lender or the Indenture Trustee, (iv) modify, amend or supplement the Lease or consent to any assignment of the Lease, in either case releasing the Lessee from its obligations in respect of the payment of rent or Casualty Value under the Lease or changing the absolute and unconditional character of such obligations as set forth in § 1 of the Lease or (v) modify, amend or supplement the final paragraph of § 10 of the Lease; and provided, further, that, without the consent of each Lender, no such supplement to this Trust Indenture or waiver or modification of the terms hereof shall deprive any Lender of the benefit of the lien of this Trust Indenture on the Trust Estate. Notwithstanding anything contained in this Section 8.01 to the contrary, in the event that any unit of Equipment has been settled for under the applicable Manufacturing Agreement but is not financed in part by funds made available by the Lenders to the Indenture Trustee on the Date of Deposit under the Participation Agreement, the Owner Trustee and the Indenture Trustee shall execute a supplement hereto, without the necessity for consent thereto by the Owner or any Lender, excluding such Equipment from the Trust Estate.

SECTION 8.02. If in the opinion of the Indenture Trustee any document required to be executed pursuant to the terms of Section 8.01 hereof affects any rights, duties,

immunities or indemnities in favor of the Indenture Trustee under this Trust Indenture, the Manufacturing Agreements or the Lease, the Indenture Trustee may in its discretion decline to execute such document.

SECTION 8.03. It shall not be necessary for any written request furnished pursuant to Section 8.01 hereof to specify the particular form of the proposed documents to be executed pursuant to said Section, but it shall be sufficient if such request shall indicate the substance thereof.

SECTION 8.04. Promptly after the execution by the Owner Trustee and the Indenture Trustee of any document entered into pursuant to Section 8.01 hereof, the Owner Trustee shall mail, by first class mail, postage prepaid, a conformed copy thereof to each Lender at its address last known to the Owner Trustee, but failure of the Owner Trustee to mail such conformed copies shall not impair or affect the validity of such document.

SECTION 8.05. The Owner Trustee shall not amend or supplement the Trust Agreement except to the extent permitted by, and in accordance with, the terms thereof, and unless a signed copy of such amendment or supplement has been delivered to the Indenture Trustee; provided, however, that Section 11.12 of the Trust Agreement, as originally executed, shall not be changed prior to the termination of this Trust Indenture pursuant to Section 9.01 hereof.

ARTICLE IX

Miscellaneous

SECTION 9.01. This Trust Indenture and the trusts created hereby shall terminate and this Trust Indenture shall be of no further force or effect upon the earlier of (i) the sale, transfer or other final disposition by the Indenture Trustee of all property at any time part of the Trust Estate and the final distribution by the Indenture Trustee of all moneys or other property or proceeds constituting part of the Trust Estate in accordance with the terms of Article III hereof, provided that at such time the Lessee shall have fully complied with all the terms of the Lease and the Participation Agreement and the Builder and the Contractor shall have complied with all the terms of the applicable Manufacturing Agreement, and (ii) twenty-one years less one day

after the death of the survivor of the issue, living on the date of the earliest acknowledgment of the execution of this Trust Indenture, of the present members of the Boards of Directors of the Owner Trustee or the Indenture Trustee, otherwise this Trust Indenture and the trusts created hereby shall continue in full force and effect in accordance with the terms hereof. Upon payment in full of all amounts due to the Lenders hereunder and all amounts secured by the Trust Estate, the Indenture Trustee shall pay all moneys or other properties or proceeds constituting part of the Trust Estate to the Owner Trustee, and this Trust Indenture and the trusts created hereby shall terminate and shall be of no further force or effect.

SECTION 9.02. No Lender shall have legal title to any part of the Trust Estate. No transfer, by operation of law or otherwise, of the interests of the Lenders or other right, title and interest of any Lender in and to the Trust Estate or hereunder shall operate to terminate this Trust Indenture or the trusts hereunder or entitle any successor or transferee to an accounting or to the transfer to it of legal title to any part of the Trust Estate.

SECTION 9.03. Any assignment, sale, transfer or other conveyance by the Indenture Trustee of the interest of the Indenture Trustee in the Manufacturing Agreements or the Lease or any unit of Equipment made pursuant to the terms of this Trust Indenture, the Manufacturing Agreements or the Lease shall bind the Lenders and shall be effective to transfer or convey all right, title and interest of the Indenture Trustee, the Owner Trustee, the Owner and such Lenders in and to such agreements or such Equipment. No purchaser or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such sale or conveyance or as to the application of any sale or other proceeds with respect thereto by the Indenture Trustee.

SECTION 9.04. Nothing in this Trust Indenture, whether express or implied, shall be construed to give to any person other than the Indenture Trustee, the Owner Trustee and the Lenders any legal or equitable right, remedy or claim under or in respect of this Trust Indenture or the Trust Estate; but this Trust Indenture and the Trust Estate shall be held for the sole and exclusive benefit of the Indenture Trustee, the Owner Trustee and the Lenders.

SECTION 9.05. Unless otherwise expressly specified or permitted by the terms hereof, all notices shall be in writing, mailed by regular mail, postage prepaid, (i) if to the Indenture Trustee, addressed to it at the Trust Office, (ii) if to the Owner Trustee, addressed to it at 130 John Street, New York, New York 10038, Attention: Corporate Trust and Agency Division, (iii) if to the Owner or a Lender party to the Participation Agreement, addressed to such party at such address as such party shall have furnished by notice to the Indenture Trustee and the Owner Trustee, or, until an address is so furnished, addressed to such party at its address set forth in Paragraph 14 of the Participation Agreement or in Schedule A thereto and (iv) if to any successor or assign of any Lender, to such address as may be furnished to the Indenture Trustee and the Owner Trustee in writing for such purpose. Whenever any notice in writing is required to be given by the Indenture Trustee, the Owner Trustee or any Lender to any of the other of them, such notice shall be deemed given and such requirement satisfied if such notice is mailed by regular mail, postage prepaid, addressed as provided above.

SECTION 9.06. Any provision of this Trust Indenture which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. In the event of any inconsistency or conflict between any provision of this Trust Indenture and any provision of the Trust Agreement, such provision in this Trust Indenture shall govern and control.

SECTION 9.07. Subject to Section 8.01 hereof, no term or provision of this Trust Indenture may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party or other person against whom enforcement of the change, waiver, discharge or termination is sought; and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

SECTION 9.08. This Trust Indenture may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one

and the same instrument.

SECTION 9.09. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the parties hereto and the Lenders and their respective successors and assigns. Any request, notice, direction, consent, waiver or other instrument or action by any Lender shall bind the successors and assigns thereof.

SECTION 9.10. The headings of the various articles herein are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof.

SECTION 9.11. This Trust Indenture shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this Trust Indenture to be executed in their respective corporate names by duly authorized officers, and their respective corporate seals to be hereunder affixed and duly attested, all as of the day and year first above written.

UNITED STATES TRUST COMPANY OF
NEW YORK, as Owner Trustee,

by

[Seal]

Vice President

Attest:

Assistant Secretary

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Indenture Trustee,

by

[Seal]

Assistant Vice President

Attest:

Corporate Trust Officer

SCHEDULE I TO TRUST INDENTURE

Allocation Schedule
on Each \$1,000,000 of
Equipment Obligations (Contractor Portion)

<u>Payment Number</u>	<u>Total Debt Service Payment</u>	<u>Interest Payment</u>	<u>Allocated to Principal</u>	<u>Principal Balance</u>
0	--	--	--	\$1,000,000.00
1	\$ 30,028.11	\$ 26,250.00	\$ 3,778.11	996,221.89
2	30,028.11	26,150.82	3,877.28	992,344.61
3	30,028.11	26,049.05	3,979.06	988,365.55
4	30,028.11	25,944.60	4,083.51	984,282.03
5	30,028.11	25,837.40	4,190.70	980,091.33
6	30,028.11	25,727.40	4,300.71	975,790.62
7	30,028.11	25,614.50	4,413.60	971,377.02
8	30,028.11	25,498.65	4,529.46	966,847.55
9	30,028.11	25,379.75	4,648.36	962,199.19
10	30,028.11	25,257.73	4,770.38	957,428.82
11	30,028.11	25,132.51	4,895.60	952,533.21
12	30,028.11	25,004.00	5,024.11	947,509.10
13	30,028.11	24,872.11	5,155.99	942,353.11
14	30,028.11	24,736.77	5,291.34	937,061.77
15	30,028.11	24,597.87	5,430.24	931,631.53
16	30,028.11	24,455.33	5,572.78	926,058.75
17	30,028.11	24,309.04	5,719.07	920,339.69
18	30,028.11	24,158.92	5,869.19	914,470.50
19	30,028.11	24,004.85	6,023.26	908,447.24
20	30,028.11	23,846.74	6,181.37	902,265.87
21	30,028.11	23,684.48	6,343.63	895,922.24
22	30,028.11	23,517.96	6,510.15	889,412.09
23	30,028.11	23,347.07	6,681.04	882,731.05
24	30,028.11	23,171.69	6,856.42	875,874.64
25	30,028.11	22,991.71	7,036.40	868,838.24
26	30,028.11	22,807.00	7,221.10	861,617.13
27	30,028.11	22,617.45	7,410.66	854,206.47
28	30,028.11	22,422.92	7,605.19	846,601.29
29	30,028.11	22,223.28	7,804.82	838,796.46
30	30,028.11	22,018.41	8,009.70	830,786.76
31	30,028.11	21,808.15	8,219.96	822,566.81
32	30,028.11	21,592.38	8,435.73	814,131.08
33	30,028.11	21,370.94	8,657.17	805,473.91
34	30,028.11	21,143.69	8,884.42	796,589.49

<u>Payment Number</u>	<u>Total Debt Service Payment</u>	<u>Interest Payment</u>	<u>Allocated to Principal</u>	<u>Principal Balance</u>
35	\$ 30,028.11	\$ 20,910.47	\$ 9,117.63	\$ 787,471.86
36	30,028.11	20,671.14	9,356.97	778,114.89
37	30,028.11	20,425.52	9,602.59	768,512.29
38	30,028.11	20,173.45	9,854.66	758,657.63
39	30,028.11	19,914.76	10,113.34	748,544.29
40	30,028.11	19,649.29	10,378.82	738,165.47
41	30,028.11	19,376.84	10,651.26	727,514.21
42	30,028.11	19,097.25	10,930.86	716,583.35
43	30,028.11	18,810.31	11,217.80	705,365.55
44	30,028.11	18,515.85	11,512.26	693,853.29
45	30,028.11	18,213.65	11,814.46	682,038.83
46	30,028.11	17,903.52	12,124.59	669,914.24
47	30,028.11	17,585.25	12,442.86	657,471.38
48	30,028.11	17,258.62	12,769.48	644,701.90
49	30,028.11	16,923.42	13,104.68	631,597.21
50	30,028.11	16,579.43	13,448.68	618,148.53
51	30,028.11	16,226.40	13,801.71	604,346.82
52	30,028.11	15,864.10	14,164.00	590,182.82
53	30,028.11	15,492.30	14,535.81	575,647.01
54	30,028.11	15,110.73	14,917.37	560,729.64
55	30,028.11	14,719.15	15,308.95	545,420.68
56	30,028.11	14,317.29	15,710.81	529,709.87
57	30,028.11	13,904.88	16,123.22	513,586.64
58	30,028.11	13,481.65	16,546.46	497,040.18
59	30,028.11	13,047.30	16,980.80	480,059.38
60	30,028.11	12,601.56	17,426.55	462,632.83
61	30,028.11	12,144.11	17,884.00	444,748.84
62	30,028.11	11,674.66	18,353.45	426,395.39
63	30,028.11	11,192.88	18,835.23	407,560.16
64	30,028.11	10,698.45	19,329.65	388,230.50
65	30,028.11	10,191.05	19,837.06	368,393.45
66	30,028.11	9,670.33	20,357.78	348,035.67
67	30,028.11	9,135.94	20,892.17	327,143.49
68	30,028.11	8,587.52	21,440.59	305,702.90
69	30,028.11	8,024.70	22,003.41	283,699.50
70	30,028.11	7,447.11	22,581.00	261,118.50
71	30,028.11	6,854.36	23,173.75	237,944.75
72	30,028.11	6,246.05	23,782.06	214,162.69
73	30,028.11	5,621.77	24,406.34	189,756.36
74	30,028.11	4,981.10	25,047.00	164,709.35
75	30,028.11	4,323.62	25,704.49	139,004.87
76	30,028.11	3,648.88	26,379.23	112,625.64

<u>Payment Number</u>	<u>Total Debt Service Payment</u>	<u>Interest Payment</u>	<u>Allocated to Principal</u>	<u>Principal Balance</u>
77	\$ 30,028.11	\$ 2,956.42	\$ 27,071.68	\$ 85,553.95
78	30,028.11	2,245.79	27,782.32	57,771.63
79	30,028.11	1,516.51	28,511.60	29,260.03
80	<u>30,028.11</u>	<u>768.08</u>	<u>29,260.03</u>	0.00
Totals	\$2,402,248.63	\$1,402,248.63	\$1,000,000.00	

SCHEDULE II TO TRUST INDENTURE

Allocation Schedule
on Each \$1,000,000 of
Equipment Obligations (Builder Portion)

<u>Payment Number</u>	<u>Total Debt Service Payment</u>	<u>Interest Payment</u>	<u>Allocated to Principal</u>	<u>Principal Balance</u>
0	--	--	--	\$1,000,000.00
1	\$ 33,280.78	\$ 26,250.00	\$ 7,030.78	992,969.22
2	33,280.78	26,065.44	7,215.33	985,753.89
3	33,280.78	25,876.04	7,404.74	978,349.16
4	33,280.78	25,681.67	7,599.11	970,750.05
5	33,280.78	25,482.19	7,798.59	962,951.46
6	33,280.78	25,277.48	8,003.30	954,948.16
7	33,280.78	25,067.39	8,213.39	946,734.77
8	33,280.78	24,851.79	8,428.99	938,305.78
9	33,280.78	24,630.53	8,650.25	929,655.54
10	33,280.78	24,403.46	8,877.32	920,778.22
11	33,280.78	24,170.43	9,110.35	911,667.87
12	33,280.78	23,931.28	9,349.49	902,318.38
13	33,280.78	23,685.86	9,594.92	892,723.46
14	33,280.78	23,433.99	9,846.78	882,876.67
15	33,280.78	23,175.51	10,105.26	872,771.41
16	33,280.78	22,910.25	10,370.53	862,400.89
17	33,280.78	22,638.02	10,642.75	851,758.13
18	33,280.78	22,358.65	10,922.12	840,836.01
19	33,280.78	22,071.95	11,208.83	829,627.18
20	33,280.78	21,777.71	11,503.06	818,124.12
21	33,280.78	21,475.76	11,805.02	806,319.10
22	33,280.78	21,165.88	12,114.90	794,204.20
23	33,280.78	20,847.86	12,432.92	781,771.28
24	33,280.78	20,521.50	12,759.28	769,012.01
25	33,280.78	20,186.57	13,094.21	755,917.80
26	33,280.78	19,842.84	13,437.93	742,479.86
27	33,280.78	19,490.10	13,790.68	728,689.18
28	33,280.78	19,128.90	14,152.68	714,536.50
29	33,280.78	18,756.58	14,524.19	700,012.31
30	33,280.78	18,375.32	14,905.45	685,106.85
31	33,280.78	17,984.05	15,296.72	669,810.13
32	33,280.78	17,582.52	15,598.26	654,111.87
33	33,280.78	17,170.44	16,110.34	638,001.53
34	33,280.78	16,747.54	16,533.24	621,468.30

<u>Payment Number</u>	<u>Total Debt Service Payment</u>	<u>Interest Payment</u>	<u>Allocated to Principal</u>	<u>Principal Balance</u>
35	\$ 33,280.78	\$ 16,313.54	\$ 16,967.23	\$ 604,501.07
36	33,280.78	15,868.15	17,412.62	587,088.44
37	33,280.78	15,411.07	17,859.70	569,218.74
38	33,280.78	14,941.99	18,338.78	550,879.96
39	33,280.78	14,460.60	18,820.18	532,059.78
40	33,280.78	13,966.57	19,314.21	512,745.57
41	33,280.78	13,459.57	19,821.20	492,924.37
42	33,280.78	12,939.26	20,341.51	472,582.86
43	33,280.78	12,405.30	20,875.48	451,707.38
44	33,280.78	11,857.32	21,423.46	430,283.93
45	33,280.78	11,294.95	21,985.82	408,298.10
46	33,280.78	10,717.83	22,562.95	385,735.15
47	33,280.78	10,125.55	23,155.23	362,579.93
48	33,280.78	9,517.72	23,763.05	338,816.87
49	33,280.78	8,893.94	24,386.83	314,430.04
50	33,280.78	8,253.79	25,026.99	289,403.06
51	33,280.78	7,596.83	25,683.95	263,719.11
52	33,280.78	6,922.63	26,358.15	237,360.96
53	33,280.78	6,230.73	27,050.05	210,310.91
54	33,280.78	5,520.66	27,760.11	182,550.80
55	33,280.78	4,791.96	28,488.82	154,061.98
56	33,280.78	4,044.13	29,236.65	124,825.33
57	33,280.78	3,276.66	30,004.11	94,821.22
58	33,280.78	2,489.06	30,791.72	64,029.50
59	33,280.78	1,680.77	31,600.00	32,429.50
60	33,280.78	851.27	32,429.50	0.00
Totals	\$1,996,846.53	\$996,846.53	\$1,000,000.00	

ANNEX A TO TRUST INDENTURE

Item 1:

<u>Type</u>	<u>Quantity</u>	<u>Lessee's Car Numbers (Inclusive)</u>
70-ton, 50' boxcars	283	ICG 580717-580999

Item 2:

<u>Type</u>	<u>Quantity</u>	<u>Lessee's Car Numbers (Inclusive)</u>
SD 40-2 locomotives	4	ICG 6030-6033

EXHIBIT F TO
PARTICIPATION AGREEMENT

CERTIFICATE OF INTEREST

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation, as indenture trustee (herein in such capacity called the "Indenture Trustee") under that certain Trust Indenture and Mortgage dated as of November 26, 1975 (herein called the "Trust Indenture"), between the Indenture Trustee and United States Trust Company of New York, as owner trustee (herein in such capacity called the "Owner Trustee") under that certain Trust Agreement dated as of November 26, 1975 (herein called the "Trust Agreement") with General Electric Credit Corporation (herein called "GECC"), hereby acknowledges receipt from

(herein called the "Lender") of \$ _____, such sum having been paid by the Lender under and pursuant to the terms and conditions of that certain Participation Agreement dated as of November 26, 1975 (herein called the "Participation Agreement"), among Illinois Central Gulf Railroad Company (herein called the "Lessee"), the Owner Trustee, the Indenture Trustee, GECC, the Lender and the other Lenders listed in Schedule A to the Participation Agreement. By reason of such payment, the Lender has an interest in a principal amount equal to such sum in all estate, right, title and interest of the Indenture Trustee in and to the Manufacturing Agreements each dated as of November 26, 1975 (herein collectively called the "Manufacturing Agreements"), between the Lessee and the Owner Trustee and General Motors Corporation (Electro-Motive Division) and the Owner Trustee, respectively, and the railroad equipment constructed thereunder (herein called the "Equipment"), and the Lease dated as of November 26, 1975 (herein called the "Lease"), between the Lessee and the Owner Trustee, including, without limitation, all amounts of rent, insurance proceeds and requisition, indemnity or other payments of any kind for or with respect to the Equipment payable to the Indenture Trustee, except to the extent that instalments of such principal amount shall have been paid. Pursuant to the Trust Indenture the Owner Trustee has conveyed and set over to the Indenture Trustee all estate, right, title and interest of the Owner Trustee in and to the Manufacturing Agreements, the Equipment and the Lease, except as set forth in the Trust Indenture.

Under the terms of the Trust Indenture, subject to the rights of prepayments contained therein in the event of a Casualty Occurrence (as defined in the Lease) or an Indenture Default (as defined in the Trust Indenture) and the Participation Agreement, (i) \$[_____] of such principal amount is payable in 80 consecutive quarterly instalments, and

\$[] of such principal amount is payable in 60 consecutive quarterly instalments, in each case on each January 15, April 15, July 15 and October 15 in each year, commencing April 15, 1976, calculated as provided in the Trust Indenture, (ii) such principal amount bears interest from the date hereof on the unpaid portion thereof from time to time outstanding, payable on January 15, 1976, and each January 15, April 15, July 15 and October 15 in each year thereafter until such principal amount shall have been paid in full at the rate of 10-1/2%* per annum, and (iii) all such principal and interest remaining unpaid after the same shall have become due and payable bears interest at the rate of 11-1/2% per annum to the extent legally enforceable. If any of the payment dates referred to in this paragraph is not a business day, the payment otherwise due on such date shall be payable on the next succeeding business day. The Indenture Trustee has furnished or promptly will furnish to the Lender a schedule of payments reflecting the dates and amounts of principal and interest payments to be made in respect of the interest of the Lender. All payments received by the Indenture Trustee in accordance with the terms of the Participation Agreement, the Manufacturing Agreements, the Lease or the Trust Indenture shall be disbursed by the Indenture Trustee in accordance with the terms and conditions of the Trust Indenture. Except as expressly provided herein and in the Trust Indenture and the Participation Agreement, the principal hereof may not be prepaid prior to maturity.

Dated:

MERCANTILE-SAFE DEPOSIT AND TRUST
Company, as Indenture Trustee,

by

Authorized Officer

INQUIRY SHOULD BE MADE OF THE INDENTURE
TRUSTEE IF CERTIFICATION AS TO BALANCE
DUE HEREUNDER IS REQUIRED

THE INTERESTS OF THE LENDER REFERRED TO HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND THE TRANSFER OF SUCH INTERESTS IS RESTRICTED AS PROVIDED IN THE PARTICIPATION AGREEMENT.

* In certificates of interest issued to Morgan Guaranty Trust Company of New York, insert "the minimum commercial lending rate of the Lender in effect from time to time until January 15, 1976, and thereafter at 10-1/2% per annum".