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~~INTERSTATE COMMERCE COMMISSION~~

EQUIPMENT TRUST AGREEMENT

Dated as of March 1, 1976

between

THE LINCOLN NATIONAL BANK AND TRUST COMPANY OF FORT WAYNE,
as Trustee,

and

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

\$2,215,426
9-1/4% Equipment Trust Certificates
Due July 1, 1991

EQUIPMENT TRUST AGREEMENT dated as of March 1, 1976, between THE LINCOLN NATIONAL BANK AND TRUST COMPANY OF FORT WAYNE, as Trustee hereunder (hereinafter called the Trustee), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter together with its successors called the Owner-Trustee), acting as Trustee under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement), with International Paper Leasing Corporation (hereinafter called the Owner):

WHEREAS Trust Certificates (as hereinafter defined) are to be issued and sold hereunder in an aggregate principal amount not exceeding \$2,215,426 at any time outstanding, at a price equal to 100% of the principal amount thereof, and the proceeds of the issuance thereof are to be deposited with the Trustee to constitute a fund equal to the aggregate principal amount of Trust Certificates so issued and sold to be applied by the Trustee in part payment of the cost of the railroad equipment described in Schedule A hereto, the remainder of the cost thereof to be paid by the Owner-Trustee as provided herein;

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

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

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

WHEREAS the text of the Trust Certificates is to be substantially in the following form:

[FORM OF TRUST CERTIFICATE]

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

§

No.

EQUIPMENT TRUST DUE JULY 1, 1991

SECURED BY LEASE OBLIGATIONS OF
TRAILER TRAIN COMPANY

EQUIPMENT TRUST CERTIFICATE

Total Authorized Issue
\$2,215,426

THE LINCOLN NATIONAL BANK AND TRUST COMPANY
OF FORT WAYNE, TRUSTEE

Interest at the Rate of 9-1/4% Per Annum Payable
January 1 and July 1, Commencing July 1, 1976

THE LINCOLN NATIONAL BANK AND TRUST COMPANY OF FORT WAYNE (hereinafter called the Trustee), as trustee under an Equipment Trust Agreement dated as of March 1, 1976 (hereinafter called the Agreement), between the Trustee and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY (hereinafter called the Owner-Trustee), acting as Trustee under a Trust Agreement dated as of March 1, 1976, with International Paper Leasing Corporation, hereby certifies that _____, or registered assigns, is entitled to an interest in the principal amount of \$ _____ in the EQUIPMENT TRUST DUE JULY 1, 1991, SECURED BY LEASE OBLIGATIONS OF TRAILER TRAIN COMPANY, payable in instalments as hereinafter provided, and to interest on the unpaid principal amount represented by this Certificate from the date hereof until the principal amount hereof is due and payable, at the rate of 9-1/4% per annum, payable semiannually on January 1 and July 1 in each year, commencing July 1, 1976, with interest at the rate of 10-1/4% per annum on any overdue principal and interest to the extent that it shall be legally enforceable. Payments of instalments of principal and interest shall be made by the Trustee to the registered holder hereof at the corporate trust office of the Trustee in the City of Fort Wayne, Indiana, in such coin or

currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, but payable only out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions of the Agreement. Interest due hereunder shall be calculated on the basis of a 360-day year of twelve 30-day months.

The principal amount of this Certificate is due and payable in semiannual instalments on January 1 and July 1 in each year, commencing January 1, 1977, and continuing to and including July 1, 1991, calculated in accordance with the Agreement and Schedule B attached thereto so that such instalments of principal shall completely amortize the principal amount of this Certificate, subject to proportionate reduction in the event of prepayment out of moneys deposited with the Trustee on account of Casualty Occurrences (as defined in the Agreement). This Certificate is also prepayable on July 1, 1976, out of any Deposited Cash (as defined in the Agreement) held by the Trustee and not applied to the cost of railroad equipment to be subject to the trust created by the Agreement. Any such prepayment of this Certificate shall be at 100% of the principal amount hereof to be prepaid, together with accrued interest to the date fixed for prepayment.

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

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

from the Trust Equipment", as defined in the Agreement.

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

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

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

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

Dated as of:

THE LINCOLN NATIONAL BANK AND TRUST COMPANY OF FORT WAYNE, Trustee,

by

Vice President

ATTEST:

Trust Officer

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

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

ARTICLE ONE

Definitions

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

Assignment shall mean the Assignment of Manufacturing Agreement dated as of March 1, 1976, among the Lessee, the Owner-Trustee and the Manufacturer, substantially in the form of Annex C to the Manufacturing Agreement.

The term Business Day shall mean any calendar day, excluding Saturday, Sunday and legal holidays or days on which banking institutions are authorized by law to be closed in Chicago, Illinois, Baltimore, Maryland, or Fort Wayne, Indiana.

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

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

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

Corporate Trust Office shall mean the office of the Trustee in Fort Wayne, Indiana, at which the corporate trust business of the Trustee shall, at the time in question, be principally administered, which office is, at the date of

execution of this Agreement, located at 116 East Berry Street, Fort Wayne, Indiana 46802.

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

Deposited Cash shall mean the aggregate of (a) the proceeds from the sale of the Trust Certificates deposited with the Trustee pursuant to Section 2.01 and, when required or indicated by the context, any Investments purchased by the use of such proceeds pursuant to the provisions of Section 9.04, and (b) any sums restored to Deposited Cash from rentals received by the Trustee for that purpose pursuant to Section 5.04(a)(ii) and on deposit with the Trustee.

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

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

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

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

Investments shall mean prime-rated, open-market commercial paper; bonds; notes or other direct obligations of the United States of America or obligations for which the full faith and credit of the United States are pledged

to provide for the payment of the interest and principal, in each case maturing within 90 days after the date of investment therein.

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

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

Manufacturer shall mean Thrall Car Manufacturing Company.

Manufacturing Agreement shall mean the Manufacturing Agreement dated as of March 1, 1976, between the Lessee and the Manufacturer, covering the Trust Equipment, as the same may be supplemented or amended as contemplated hereby or thereby.

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

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

Participation Agreement shall mean the Participation Agreement dated as of the date hereof among the Lessee, the Owner, the Owner-Trustee and the Purchaser substantially in the form of Exhibit C hereto.

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

The term person shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

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

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

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

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

Trust Certificates shall mean the Equipment Trust Certificates issued hereunder.

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

Trustee shall mean The Lincoln National Bank and Trust Company of Fort Wayne, a national banking association, and any successor as trustee hereunder.

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

ARTICLE TWO

Trust Certificates and Issuance Thereof

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

The aggregate principal amount of Trust Certificates which shall be executed and delivered by the Trustee hereunder and shall be outstanding at any time shall not exceed the Total Authorized Issue stated in the form of Trust Certificate.

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

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

Each of the Trust Certificates shall represent an interest in the principal amount therein specified in the trust created hereunder. Each Trust Certificate shall bear interest on the unpaid principal amount thereof at the rate per annum set forth in the form of Trust Certificate contained herein payable semiannually on January 1 and July 1 in each year, commencing July 1, 1976, with interest payable on any overdue principal and interest at the Penalty Rate, to the extent that it shall be legally enforceable. Interest on the Trust Certificates shall be calculated on the basis of a 360-day year of twelve 30-day months.

Subject to the provisions of Article Three hereof respecting prepayment of Trust Certificates, the aggregate principal amount of the Trust Certificates shall be payable in semiannual instalments on January 1 and July 1 in each year, commencing January 1, 1977, to and including July 1, 1991, calculated in accordance with Schedule B hereto so that such instalments of principal shall completely amortize the

principal amount of the Trust Certificates. The Trustee shall furnish to each holder of Trust Certificates an amortization schedule setting forth the respective amounts of principal and interest payable on each such date.

The principal of and interest on the Trust Certificates shall be payable at the Corporate Trust Office in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, but only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions hereof. Notwithstanding the provisions of the preceding sentence of this paragraph, in the case of payments of principal and interest to be made on a Trust Certificate not then to be paid in full, upon request and deposit of an agreement (or, if approved by the Trustee, a copy of an agreement) of the holder of such Trust Certificate (the responsibility of such holder to be satisfactory to the Trustee) obligating such holder, prior to any transfer or other disposition thereof, to surrender the same to the Trustee for a new Trust Certificate for the unpaid principal amount represented thereby on the date of such surrender, the Trustee will, subject to timely receipt of the necessary funds, mail its check, or on ten days' prior request of the holder, wire by 11:00 a.m., Fort Wayne time, funds immediately available to such holder on such date, to such holder at his address shown on the registry books maintained by the Trustee or at such other address as may be directed in writing by such holder without requiring the surrender of such Trust Certificate; provided, however, that the deposit of an agreement pursuant to this paragraph shall not be required of any original purchaser of Trust Certificates.

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

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

(b) The Trust Certificates shall be signed in the name and on behalf of the Trustee by the manual or facsimile signature of one of its Vice Presidents or one of its Assistant Vice Presidents and its corporate seal or a facsimile thereof shall be affixed or imprinted thereon and attested by the manual signature of one of its Trust Officers. In case any officer of the Trustee whose signature, whether facsimile or not, shall appear on any Trust Certifi-

cate shall cease to be such officer of the Trustee before such Trust Certificate shall have been issued and delivered by the Trustee or shall not have been acting in such capacity on the date of such Trust Certificate, such Trust Certificate shall be adopted by the Trustee and be issued and delivered as though such person had at all times been such officer of the Trustee.

(c) The Trust Certificates (i) shall be registered, as to both principal and interest, in the names of the holders; (ii) shall be registrable as to transfer in whole or in part upon presentation and surrender thereof for registration of transfer at the Corporate Trust Office, accompanied by appropriate instruments of assignment and transfer, duly executed by the holder of the surrendered Trust Certificate or Certificates or by duly authorized attorney, in form satisfactory to the Trustee; (iii) shall be dated as of the date of issue, or if issued in exchange for or upon the transfer of another Trust Certificate or Certificates bearing unpaid interest from an earlier date, dated as of such earlier date; (iv) shall entitle the holders to interest from the date thereof; and (v) shall be exchangeable at the Corporate Trust Office for an equal aggregate principal amount of Trust Certificates of like tenor.

(d) Anything contained herein to the contrary notwithstanding, prior to due presentment for registration of transfer, the parties hereto may deem and treat the holder of any Trust Certificate as the absolute owner of such Trust Certificate for all purposes and shall not be affected by any notice to the contrary.

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

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

(g) Each Trust Certificate delivered pursuant to any provision of this Agreement in exchange or substitution for, or upon the registration of transfer of the whole or any part, as the case may be, of one or more other Trust Certificates, shall be issued in principal amount equal to the unpaid principal amount or amounts of such one or more other Trust Certificates, shall carry all the rights to interest accrued and unpaid and to accrue which were carried by the whole or such part, as the case may be, of such one or more other Trust Certificates, and, notwithstanding anything contained in this Agreement, such Trust Certificate shall be so dated that neither gain nor loss in interest shall result from such exchange, substitution or transfer.

(h) The Trustee shall not be required (i) to register the transfer of or exchange any Trust Certificate for a period of ten Business Days next preceding any interest payment date, (ii) to issue, register the transfer of or exchange any Trust Certificate during a period beginning at the opening of business 15 days before any selection of Trust Certificates to be prepaid and ending at the close of business on the day of the mailing of the relevant notice of prepayment, (iii) to register the transfer of or exchange any Trust Certificate so selected for prepayment in whole or in part until after the date fixed for prepayment or (iv) to register any transfer of Trust Certificates unless the Trustee is satisfied that, or has received an Opinion of Counsel to the effect that, such transfer is exempt from the registration requirements of the Securities Act of 1933, as amended.

SECTION 2.04. Replacement of Mutilated, Defaced, Lost, Stolen or Destroyed Trust Certificates. In case any Trust Certificate shall become mutilated or defaced or be lost, stolen or destroyed, then on the terms herein set forth, and not otherwise, the Trustee shall execute and deliver a new Trust Certificate of like tenor and date as the mutilated, defaced, lost, stolen or destroyed Trust Certificate, in exchange and substitution for, and upon cancelation of, the mutilated or defaced Trust Certificate, or in lieu of and in substitution for the same if lost, stolen or destroyed. The applicant for a new Trust Certificate shall furnish to the Trustee evidence to its satisfaction of the loss, theft or destruction of such Trust Certificate alleged to have been lost, stolen or destroyed, and of the ownership and authenticity of such mutilated, defaced, lost, stolen or destroyed Trust Certificate, and shall furnish such security or indemnity as may be required by the

Trustee (except in the case of the original holder of Trust Certificates), and shall pay all expenses and charges of such exchange or substitution. All Trust Certificates shall be issued, held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement of mutilated, defaced, lost, stolen or destroyed Trust Certificates and shall preclude any and all other rights and remedies, any law or statute now existing or hereafter enacted to the contrary notwithstanding.

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

ARTICLE THREE

Prepayment of Trust Certificates

SECTION 3.01. Right of Prepayment. The Trust Certificates are required to be prepaid in part (a) on July 1, 1976, and any January 1 or July 1 thereafter, through the application of moneys paid to the Trustee pursuant to Section 5.07 hereof and (b) on July 1, 1976, through the application of Deposited Cash to be applied thereto pursuant to the last paragraph of Section 4.01 hereof, at 100% of the principal amount thereof to be prepaid, together with accrued interest to the date fixed for prepayment. Except as provided in this Article Three and Article Six hereof, Trust Certificates may not be prepaid prior to the maturity thereof.

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

(a) On or before the tenth day next preceding a date on which Trust Certificates are to be prepaid pursuant to Section 3.01 hereof, the Trustee shall select for prepayment, subject to the provisions of the next succeeding sentence, a principal amount of Trust Certificates so as to exhaust (i) any amount in cash to be paid to it pursuant to Section 5.07 hereof and (ii) any Deposited Cash to be

applied thereto pursuant to the last paragraph of Section 4.01 hereof, on the next succeeding January 1 or July 1, as the case may be; provided, however, that with respect to the payment to be made pursuant to Section 3.01(b) hereof such selection shall be made on or at any time prior to the date for such payment. The Trustee shall select for prepayment on each prepayment date a principal amount of Trust Certificates registered in the name of each holder which bears the same ratio to the aggregate principal amount of Trust Certificates to be prepaid on such prepayment date as (y) the aggregate principal amount of Trust Certificates registered in the name of such holder on a date selected by the Trustee not more than 15 days prior to the selection by the Trustee of Trust Certificates for prepayment on such prepayment date bears to (z) the aggregate principal amount of Trust Certificates outstanding on such date.

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

(c) The statement of prepayment to each holder shall (i) specify the date for prepayment, (ii) state that prepayment of the principal amount of the Trust Certificates or portions thereof to be prepaid will be made by the Trustee only from and out of Deposited Cash or moneys paid to the Trustee by the Owner-Trustee or the Lessee and applicable thereto and, unless such prepayment is to be made pursuant to the second sentence of the third paragraph of Section 2.02 hereof, that such prepayment will be made at the Corporate Trust Office, upon presentation and surrender of Trust Certificates so to be prepaid, (iii) state the aggregate principal amount of Trust Certificates to be prepaid in whole or in part and the distinctive numbers of the Trust Certificates of such holder to be prepaid and, in the case of any such Trust Certificates to be prepaid in part, the principal amount thereof to be so prepaid, and (iv) state that from and after such prepayment date interest on such Trust Certificates or on the portions thereof to be prepaid

will cease to accrue. The holders of Trust Certificates prepaid in part may, at their option and upon surrender thereof, receive new Trust Certificates for the principal amounts remaining unpaid without charge to such holders.

SECTION 3.03. Payment of Trust Certificates Selected for Prepayment. The Trust Certificates or portions thereof to be prepaid shall become due and payable on such prepayment date and from and after such prepayment date interest on such Trust Certificates or portions thereof shall cease to accrue, and there having been deposited with the Trustee on or before the prepayment date specified in the statement of prepayment, an amount in cash equal to the aggregate principal amount of all the Trust Certificates or portions thereof then to be prepaid and accrued interest, such Trust Certificates or portions thereof shall no longer be deemed to be outstanding hereunder and shall cease to be entitled to the benefits of this Agreement except to receive payment from the moneys reserved therefor in the hands of the Trustee. The Trustee shall hold the prepayment moneys in trust for the holders of the Trust Certificates or portions thereof to be prepaid and (subject to the provisions of the second sentence of the third paragraph of Section 2.02 hereof) shall pay the same to such holders respectively upon presentation and surrender of such Trust Certificates.

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

ARTICLE FOUR

Acquisition of Trust Equipment by Trustee; Deposited Cash

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

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

The Equipment shall be settled for in one group on June 1, 1976, or, if the conditions specified in the proviso to the first sentence of the second paragraph of Article 3 of the Manufacturing Agreement shall occur, in two groups on June 1, 1976, and the Second Closing Date as defined in said sentence of the Manufacturing Agreement (each such date being hereinafter called the Closing Date).

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

corporate officer of the Trustee or the Owner-Trustee who in the normal performance of his operational responsibilities would have knowledge of such matter and the requirements of this Agreement with respect thereto.

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

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

In the event that on July 1, 1976, any Deposited Cash shall remain in the possession of the Trustee, the Trustee shall (a) sell all Investments then held by it and (b) apply Deposited Cash and any amount payable in respect of such Investments pursuant to Section 5.04(a)(ii) to the prepayment of Trust Certificates on July 1, 1976, as provided in Article Three hereof.

SECTION 4.02. Payment of Deposited Cash. On each Closing Date the Trustee agrees for the benefit of the Owner-Trustee and the Owner, as third party beneficiaries, subject to the provisions of the fourth paragraph of Section 4.01 hereof and compliance with the provisions of Article 4 of the Manufacturing Agreement, to pay upon Request of the Owner-Trustee to the Manufacturer of the Equipment then being settled for out of Deposited Cash an amount specified in such Request not exceeding 69% of the aggregate Cost of such Equipment; provided, however, that the provisions of Paragraph 7 of the Participation Agreement have been satisfied and the Owner-Trustee makes the payment referred to in Section 4.03 hereof.

SECTION 4.03. Payment of Deficiency. The Owner-

Trustee covenants and agrees for the benefit of the Trustee and the Manufacturer, as third party beneficiaries, that, contemporaneously with any payment by the Trustee pursuant to Section 4.02 hereof with respect to any Equipment transferred to the Trustee by the Owner-Trustee, but subject to the provisions of the fourth paragraph of Section 4.01 hereof and compliance with the provisions of Article 4 of the Manufacturing Agreement it will pay to the Manufacturer of such Equipment (or to the Trustee for the account of such Manufacturer) that portion of the Cost of such Equipment not paid out of Deposited Cash as provided for in Section 4.02 hereof, not exceeding the amount set forth below; provided, however, that the provisions of Paragraph 8 of the Participation Agreement have been satisfied and the total Cost of all such Equipment settled for under this Agreement shall not exceed \$3,210,763. If on the Closing Date the aggregate Cost of Equipment for which settlement has theretofore been and is then being made under this Agreement would, but for the provisions of this Section 4.03, exceed \$3,210,763, the parties hereto shall enter into an agreement excluding from the Agreement such unit or units of Equipment then proposed to be settled for and specified by the Owner-Trustee, as will, after giving effect to such exclusion, reduce such aggregate Cost to not more than \$3,210,763, and the Trustee and the Owner-Trustee shall execute instruments in respect thereof as set forth in Section 4.01 hereof.

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

ARTICLE FIVE

Lease of Trust Equipment to the Owner-Trustee

SECTION 5.01. Lease of Trust Equipment. The Trustee does hereby let and lease, as herein provided, all the units of Trust Equipment to the Owner-Trustee, for a term ending on July 1, 1991.

SECTION 5.02. Substituted Equipment Subject Hereto. In the event that the Owner-Trustee shall, as provided in

Section 4.01 hereof, cause to be transferred to the Trustee other Equipment in substitution for any of the Equipment herein specifically described, such other Equipment shall be included as part of the Trust Equipment by supplement hereto to be executed by the Trustee and the Owner-Trustee and shall be subject to all the terms and conditions hereof in all respects as though it had been part of the Trust Equipment herein specifically described.

SECTION 5.03. Equipment Automatically Subjected. As and when any Equipment shall from time to time be accepted under a Manufacturing Agreement which is not excluded from the corresponding Assignment, the same shall be deemed accepted hereunder immediately and shall at that time, ipso facto and without further instrument or lease, transfer or acceptance except as expressly provided herein, pass under and become subject to all the terms and provisions hereof.

SECTION 5.04. Rental Payments. The Owner-Trustee hereby accepts the lease of the units of Trust Equipment and covenants and agrees to accept delivery and possession hereunder of such Trust Equipment as hereinbefore provided; and subject to the provisions of the last paragraph of this Section 5.04 the Owner-Trustee covenants and agrees to pay to the Trustee (or, in the case of taxes, to the proper taxing authority), in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, amounts (herein called "rent" or "rentals") which shall be sufficient to pay and discharge the following items, when and as the same shall become due and payable (whether or not any of such items shall become due and payable prior to the delivery and lease to the Owner-Trustee of any of the Trust Equipment):

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

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

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

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

Notwithstanding any other provisions of this Agreement, including, without limitation, Articles Six and Seven hereof, it is understood and agreed by the Trustee on behalf of itself and the holders of the Trust Certificates that the liability of the Owner-Trustee for all payments to be made by it under and pursuant to this Agreement and for all performance obligations (other than the payments called for by Section 4.03 hereof and as provided in the proviso to the last paragraph of Section 7.01), shall not exceed an amount equal to, and shall be payable only out of, the income and proceeds from the Trust Equipment. As used herein the term "income and proceeds from the Trust Equipment" shall mean (i) if an Event of Default shall have occurred and while it shall be continuing so much of the following amounts as are indefeasibly received by the Owner-Trustee (or any assignee of the Owner-Trustee) at any time after any Event of Default and during the continuance thereof: (a) all amounts of rental and amounts in respect of Casualty Occurrences paid for or with respect to such Trust Equipment pursuant to the Lease and (b) any and all other payments or proceeds received pursuant to the Lease or for or with respect to such Trust Equipment as the result of the sale, lease or other disposition thereof, after deducting all costs and expenses of such sale, lease or other disposition and (ii) at any other time only that portion of the amounts referred to in the foregoing clauses (a) and (b) or otherwise payable to the Owner-Trustee pursuant to the Lease as are indefeasibly received by the Owner-Trustee or any assignee of the Owner-Trustee and as shall equal the rental payments specified in the first paragraph of this Section 5.04 due and payable by the Owner-Trustee on the date such amounts so received were required to be paid pursuant to the Lease or as shall equal any other payments (including payments in respect of Casualty Occur-

rences) then due and payable under this Agreement; it being understood that "income and proceeds from the Trust Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Owner-Trustee or any assignee of the Owner-Trustee prior to the existence of such an Event of Default which exceeded the amounts required to make the rental payments specified in the first paragraph of this Section 5.04 due and payable by the Owner-Trustee on the date on which amounts with respect thereto received by the Owner-Trustee or any assignee of the Owner-Trustee were required to be paid pursuant to the Lease or which exceeded any other payments due and payable under this Agreement at the time such amounts were payable under the Lease. The Trustee agrees that if it obtains a judgment against the Owner-Trustee for an amount in excess of the amounts payable by the Owner-Trustee pursuant to the limitations set forth in this paragraph, it will, accordingly, limit its execution of such judgment to such amount and it will not bring suit against the Owner-Trustee for any sums in addition to the amounts payable by the Owner-Trustee pursuant to said limitations (or obtain a judgment, order or decree against the Owner-Trustee for any relief other than the payment of money) except as may be required by applicable rules of procedure to enforce against the Trust Equipment, the Lessee and the Lease (rather than against the Owner-Trustee personally), by appropriate proceedings against the Owner-Trustee at law or in equity or otherwise, the obligation to make the payments to be made pursuant to this Section 5.04 or any other payments or performance obligations due to the Trustee under this Agreement. Nothing contained herein limiting the liability of the Owner-Trustee shall derogate from the right of the Trustee to proceed against the Trust Equipment or the Lessee as provided for herein or in the Lease or the Consent for the full unpaid principal amount of the Trust Certificates and interest thereon.

SECTION 5.05. Termination. The transfer to the Trustee of the units of Trust Equipment by the Owner-Trustee and the lease of such units to the Owner-Trustee by the Trustee pursuant to this Agreement are intended solely to create a security interest in such units in order to secure the performance by the Owner-Trustee of its obligations under this Agreement and the payment of all sums payable pursuant to this Agreement (without regard to the provisions of the last paragraph of Section 5.04 hereof or Section 10.06 hereof) and ownership of such units of Trust Equipment shall be and remain in the Owner-Trustee.

Accordingly, after all payments due or to become due hereunder shall have been completed and fully made to or for the account of the Trustee and the Owner-Trustee shall have performed all its other obligations hereunder (without regard to the provisions of the last paragraph of Section 5.04 hereof or Section 10.06 hereof), (a) such payments shall be deemed to represent the discharge in full of the Trustee's security interest in the Trust Equipment at such time, (b) any moneys remaining in the hands of the Trustee after providing for all outstanding Trust Certificates and after paying the expenses of the Trustee, including its reasonable compensation, shall be paid to the Owner-Trustee, and (c) the Trustee shall execute for record in public offices such instrument or instruments in writing as reasonably shall be requested by the Owner-Trustee in order to discharge of record the security interest of the Trustee in, and to make clear upon public records the Owner-Trustee's full title to, such units of the Trust Equipment under the laws of any jurisdiction; provided, however, that until that time a security interest in the Trust Equipment shall be and remain in the Trustee, notwithstanding the possession and use thereof by the Owner-Trustee pursuant to the terms of this Agreement.

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

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

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

The Owner-Trustee will not place or permit any unit of the Trust Equipment to be placed in operation or exercise any control or dominion over the same until such words have been so marked on both sides thereof and will replace or cause to be replaced promptly any such words which may be removed, defaced, obliterated or destroyed. The Owner-Trustee shall not change, or permit to be changed, the identifying number of any unit of the Trust Equipment except in

accordance with a statement of new identifying numbers to be substituted therefor, which statement previously shall have been filed with the Trustee and filed, recorded or deposited in all public offices where this Agreement shall have been filed, recorded or deposited.

Except as above provided, the Owner-Trustee will not allow the name of any person to be placed on the units of the Trust Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Owner-Trustee may permit the Trust Equipment to be lettered with the names, trademarks, initials or other insignia customarily used by the Lessee or its affiliates on railroad equipment used by it of the same or a similar type for convenience of identification of its right to use the Trust Equipment under the Lease, and the Trust Equipment may be lettered in an appropriate manner for convenience of identification of the interest of the Lessee therein.

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

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

In the event that any unit of the Trust Equipment shall be or become worn out, lost, stolen, destroyed, irreparably damaged or permanently rendered unfit for use from any cause whatsoever, or taken or requisitioned by condemnation or otherwise resulting in loss of possession by the Lessee for a period of 90 consecutive days, except requisition for use by the United States Government for a period not in excess of the then remaining term of this lease (any of such occurrences being herein called Casualty Occurrences) during the term of this lease the Owner-Trustee shall, promptly after it shall have received notice from the Lessee or otherwise been informed that such unit has suffered a Casualty Occurrence cause the Trustee to be fully informed in regard thereto. If such notice from the Owner-Trustee shall have been received by the Trustee at least 15 days prior to the January 1 or July 1 next succeeding the event with respect to which such notice is given, then on such next January 1 or July 1 the Owner-Trustee shall, subject to the limitations

contained in the last paragraph of Section 5.04 hereof, pay to the Trustee an amount equal to the Fair Value of such unit suffering a Casualty Occurrence as of the date of such payment. If such notice shall have been received by the Trustee within 15 days of the January 1 or July 1 next succeeding the event with respect to which such notice is given, or subsequent to such date, then on the January 1 or July 1 next succeeding such January 1 or July 1, the Owner-Trustee shall, subject to the limitations contained in the last paragraph of Section 5.04 hereof, pay to the Trustee an amount equal to the Fair Value of such unit suffering a Casualty Occurrence as of the date of such payment. All references herein to January 1 or July 1 shall be deemed to refer to whichever such date shall occur soonest. On the date of any such payment, the Owner-Trustee shall file, or cause to be filed, with the Trustee a certificate setting forth the Fair Value of such unit and the method of determination thereof. Any money paid to the Trustee pursuant to this paragraph shall be applied to prepay Trust Certificates as provided in Article Three hereof and the Owner-Trustee will promptly furnish to the Trustee and the Purchaser a revised schedule of payments of principal and interest thereafter to be made. In the event of the requisition for use by the United States Government of any unit of Trust Equipment, unless such requisition shall at the time of such requisition be scheduled to extend beyond the then necessary term of this lease, all of the Owner-Trustee's obligations hereunder with respect to such unit shall continue to the same extent as if such requisition had not occurred.

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

Any insurance proceeds or condemnation payments received and retained by the Trustee in respect of units suffering a Casualty Occurrence shall be deducted from the amounts payable by the Owner-Trustee to the Trustee in respect of Casualty Occurrences pursuant to this Section. If the Trustee shall receive any insurance proceeds or condemnation payments in respect of such units suffering a Casualty Occurrence either after the Owner-Trustee shall have made payments

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

The Owner-Trustee covenants and agrees to furnish to the Trustee, on or before April 1 in each year, commencing with the calendar year 1977, an Officer's Certificate, as of the preceding December 31, (i) showing the amount, description and numbers of all of its respective units of Trust Equipment then subject hereto and the amount, description and numbers of all such units of Trust Equipment that may have suffered a Casualty Occurrence during the preceding calendar year or, to the knowledge of the Owner-Trustee, have been withdrawn from use pending repair (other than normal running repairs), and such other information regarding the condition and state of repair of such units of Trust Equipment as the Trustee may reasonably request and (ii) stating that in the case of all such units of Trust Equipment repainted or repaired during the period covered thereby the marks required by Section 5.06 hereof have been preserved or replaced. The Trustee, by its agents, shall have the right once in each calendar year, but shall be under no duty, to inspect the records of the Owner-Trustee with respect to the Trust Equipment, and the Owner-Trustee covenants in that event to furnish to the Trustee all reasonable facilities for the making of such inspection.

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

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

the rights of the Trustee and the holders of Trust Certificates under the Consent.

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

SECTION 5.09. Indemnity. The Owner-Trustee shall pay, and shall protect, indemnify and hold the Trustee, any assignee thereof, the holders of the Trust Certificates, and their respective successors, assigns, agents and servants (hereinafter called Indemnified Persons), harmless from and against any and all causes of action, suits, penalties, claims, demands or judgments, of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements, expenses [including without limitation attorneys' fees and expenses of any Indemnified Person] relating thereto) in any way relating to or arising or alleged to arise out of this Agreement or the Trust Equipment, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale, return or other disposition of any unit of Trust Equipment or portion thereof; (ii) any latent and other defects whether or not discoverable by the Owner-Trustee or any Indemnified Person; (iii) any claim for patent, trademark or copyright infringement; (iv) any claims based on strict liability in tort; (v) any injury to or the death of any person or any damage to or loss of property on or near the Trust Equipment or in any manner growing out of or concerned with, or alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Trust Equipment or of any other equipment in connection with the Trust Equipment (whether owned or under the control of the Owner-Trustee, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; (vi) any violation, or alleged violation, of any provision of this Agreement or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Trust Equipment or the leasing, ownership, use, replacement, adaptation or maintenance thereof; or (vii)

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

fication payments previously made in respect of such matter.

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

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

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

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

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

SECTION 5.11. Taxes. Whether or not any of the transactions contemplated hereby are consummated, the Owner-Trustee agrees to pay, and to indemnify and hold the Trustee harmless from, all taxes, assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon the Owner-Trustee, the Owner, the Trustee, the holders of the Trust Certificates, the Lessee, the trust estate created by the Trust Agreement or otherwise, by any federal, state or local government or governmental subdivision in the United States or by any foreign country or subdivision thereof, upon or with respect to: any unit of the Equipment or any part thereof; the purchase, ownership, delivery, leasing, possession, use, operation, transfer of title, return or other disposition thereof; the rentals, receipts or earnings arising therefrom; or this Agreement, the Lease, the Lease Assignment, the Participation Agreement, the Trust Agreement, any payment made pursuant to any such agreement, or the property, the income or other proceeds received with respect to the Trust Equipment (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes"); excluding, however: (i) Taxes of the United States or of any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is entitled to a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the holders of Trust Certificates or the Trustee, other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Agreement, provided that such Taxes of any foreign country or subdivision thereof incurred as a result of the indemnified party being taxed by such foreign country or jurisdiction on its world-wide income without regard to the transactions contemplated by this Agreement shall be excluded whether or not the indemnified party is entitled to a credit against its United States Federal income taxes; (ii) any taxes imposed on or measured by any fees or compensation received by the Trustee; (iii) any Taxes imposed as a direct result of a voluntary transfer or other voluntary disposition or any transfer or disposition resulting from bankruptcy or other proceedings for the relief of creditors whether volun-

tary or involuntary, of any Trust Certificates; and (iv) Taxes which are imposed on or measured solely by the net income of the Trustee or the holders of the Trust Certificates if and to the extent that such Taxes are in substitution for or reduce the Taxes payable by any other person which the Owner-Trustee has not agreed to pay or indemnify against pursuant to this Section 5.11; provided, however, that the Owner-Trustee shall not be required to pay any Taxes during the period it or the Lessee may be contesting the same in the manner provided in the next succeeding paragraph or the Lease, as the case may be.

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

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

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

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

ARTICLE SIX

Events of Default and Remedies

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

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

(b) the Owner-Trustee shall, without regard to any limitation of liability contained in Section 5.04 or 10.06 hereof, for more than 30 days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and

covenants of this Agreement or the Lease Assignment on its part to be kept and performed (except as provided in clause (d) of this Section 6.01), or to make provision satisfactory to the Trustee for such compliance, or

(c) the Lessee shall, for more than 30 days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any term, covenant, agreement or provision of the Participation Agreement made expressly for the benefit of the holders of Trust Certificates, on its part to be kept or performed, or to make provision satisfactory for such compliance, or

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

(e) any proceeding shall be commenced by or against the Owner or the Lessee for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the obligations hereunder or under the Lease, the Lease Assignment, the Consent or the Participation Agreement of the Owner, the Owner-Trustee or the Lessee, as the case may be) and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Owner, the Owner-Trustee or the Lessee under this Agreement, the Lease, the Lease Assignment, the Consent and/or the Participation Agreement, as the case may be, shall

not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Owner or the Lessee, as the case may be, or for its or their property in connection with any such proceedings in such manner that such obligations have the same status as expenses of administration and obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier,

then, in any such case, the Trustee in its discretion may, and upon the written request of the holders of not less than 50% in principal amount of the then outstanding Trust Certificates shall, by five business days' notice in writing delivered to the Owner-Trustee, declare to be due and payable forthwith the entire amount of the rentals (including any unpaid rental then due, but not including rentals required for the payment of interest pursuant to Section 5.04(c) hereof accruing after the date of such declaration) payable by the Owner-Trustee as set forth in Section 5.04 hereof for the entire remaining term of the lease evidenced hereby and not theretofore paid. Thereupon the entire amount of such rentals shall forthwith become and shall be due and payable immediately without further demand, together with interest at the Penalty Rate, to the extent legally enforceable, on any portion thereof overdue.

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

In case the Owner-Trustee shall fail to pay any instalment of rental payable pursuant to Section 5.04(c) or (d) hereof when and as the same shall have become due and payable hereunder, and such default shall have continued for a period of ten days, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in

equity for the collection of the rentals so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Owner-Trustee and collect in the manner provided by law out of the property of the Owner-Trustee (including the Trust Equipment), wherever situated, the moneys adjudged or decreed to be payable (subject to the provisions of the last paragraph of Section 5.04 hereof).

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

All rights of action and to assert claims under this Agreement, or under any of the Trust Certificates, may be enforced by the Trustee without the possession of any of the Trust Certificates or the production thereof on any trial or other proceedings relative thereto, and any such action or proceeding instituted by the Trustee shall be brought in its own name and as trustee of an express trust, and any recovery

of judgment shall be for the ratable benefit of the holders of the Trust Certificates. In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Agreement to which the Trustee shall be a party) the Trustee shall be held to represent all the holders of the Trust Certificates, and it shall not be necessary to make any holders of the Trust Certificates parties to such proceedings.

SECTION 6.02. Remedies. In case an Event of Default shall occur and be continuing and the Trustee shall have declared due and payable the entire unpaid amount of the rentals as provided in Section 6.01 hereof, the Trustee may, upon five business days' notice and subject to any mandatory requirements of law, by its agents enter upon the premises where any of the Trust Equipment may be and take possession of all or any part of the Trust Equipment and withdraw the same from said premises, retaining all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and shall be entitled to collect, receive, retain and apply in accordance with Section 6.03 hereof all unpaid per diem, mileage or other charges of any kind earned by the Trust Equipment or any part thereof, and may lease the Trust Equipment or any part thereof; or the Trustee may with or without retaking possession sell all or any part of the Trust Equipment, free from any and all claims of the Owner-Trustee at law or in equity, in one lot and as an entirety or in separate lots, at public or private sale, for cash or upon credit, in its discretion, and may proceed otherwise to enforce its rights and the rights of the holders of the outstanding Trust Certificates in the manner herein provided; provided, however, that if, prior to such sale or the making of a contract therefor, or within 30 days after the Trustee shall have notified the Owner-Trustee of its intention to take possession, withdraw, or lease the Trust Equipment (which notice the Trustee agrees to furnish in case it intends to take possession, withdraw, or lease), the Owner-Trustee should tender full payment of the total unpaid principal of all the Trust Certificates then outstanding, together with interest thereon accrued and unpaid and all other amounts due under this Agreement as well as all expenses of the Trustee in taking possession of, storing, preparing the Trust Equipment for, and otherwise arranging for, the sale or leasing of the Trust Equipment, including reasonable attorneys' fees, then in such event absolute right to the possession of, title to and property in the Trust Equipment shall pass

to and vest in the Owner-Trustee. Upon any such public sale, the Trustee itself or any holder of Trust Certificates may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Trustee may specify, or as may be required by law, and without gathering at the place of sale the Trust Equipment to be sold, and in general in such manner as the Trustee may determine, but so that any sale is held in a commercially reasonable manner and the Owner-Trustee has received ten day's notice of and has a reasonable opportunity to bid at any such sale. Upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Owner-Trustee shall cease to have any rights or remedies in respect of the Trust Equipment hereunder (except as provided in Section 6.03 hereof), but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Owner-Trustee, and no payments theretofore made by the Owner-Trustee for the rent or use of the Trust Equipment or any of it shall, in case of the happening of any Event of Default and such taking possession, withdrawal, lease or sale by the Trustee, give to the Owner-Trustee any legal or equitable interest or title in or to the Trust Equipment or any of it or any cause or right of action at law or in equity in respect of the Trust Equipment against the Trustee or the holders of the outstanding Trust Certificates. No such taking possession, withdrawal, lease or sale of the Trust Equipment by the Trustee shall be a bar to the recovery by the Trustee from the Owner-Trustee of rentals then or thereafter due and payable, and the Owner-Trustee (subject to the provisions of the last paragraph of Section 5.04 hereof) shall be and remain liable for the same until such sums shall have been received by the Trustee as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all the items mentioned in Section 5.04 hereof (other than interest not then accrued), whether or not they shall have then matured.

SECTION 6.03. Application of Proceeds. If an Event of Default shall occur and be continuing and the Trustee shall exercise any of the powers conferred upon it by Sections 6.01 and 6.02 hereof, all payments made by the Owner-Trustee to the Trustee hereunder after such Event of Default, and the proceeds of any judgment collected hereunder from the Owner-Trustee by the Trustee, and the proceeds of every sale or lease by the Trustee of any of the Trust Equipment, together with any other sums which may then be

held by the Trustee under any of the provisions hereof (other than sums held in trust for the payment of specific Trust Certificates pursuant to Section 3.03 hereof), shall be applied by the Trustee to the payment in the following order of priority: (a) of all proper charges, expenses or advances made or incurred by the Trustee in accordance with the provisions of this Agreement, and (b) of the interest then due, with interest on overdue interest at the Penalty Rate to the extent legally enforceable, and of the principal of all the outstanding Trust Certificates, with interest thereon at the Penalty Rate to the extent legally enforceable from the last preceding interest payment date, whether such Trust Certificates shall have then matured by their terms or not, all such payments to be in full if such proceeds shall be sufficient, and if not sufficient, first to the payment of interest then due, with interest on overdue interest to the extent legally enforceable, and second to the principal then outstanding.

If after applying all such sums of money realized by the Trustee as aforesaid there shall remain any amount due to the Trustee under the provisions hereof, the Owner-Trustee (subject to the provisions of the last paragraph of Section 5.04 hereof) agrees to pay the amount of such deficit to the Trustee. If after applying as aforesaid the sums of money realized by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Owner-Trustee.

SECTION 6.04. Waivers of Default. If at any time after the principal of all the Trust Certificates shall have been declared and become due and payable or if at any time after the entire amount of rentals shall have been declared and become due and payable, all as in Section 6.01 hereof provided, but before July 1, 1991, all arrears of rent (with interest at the Penalty Rate upon any overdue instalments to the extent legally enforceable), the expenses and reasonable compensation of the Trustee, together with all expenses of the trust occasioned by the Owner-Trustee's default, and all other sums which shall have become due and payable by the Owner-Trustee hereunder (other than the principal of Trust Certificates and any other rental instalments which shall not at the time have matured according to their terms), shall be paid by the Owner-Trustee (irrespective of the provisions of the last paragraph of Section 5.04 hereof) before any sale or lease by the Trustee of any of the Trust Equipment, and every other default in the observance or performance of any cove-

nant or condition hereof shall be made good or secured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall be made therefor, then, and in every such case, the Trustee, if so requested or consented to by the holders of two-thirds of the principal amount of Trust Certificates then outstanding, shall by written notice to the Owner-Trustee waive the default by reason of which there shall have been such declaration or declarations and the consequences of such default, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 6.05. Obligations of Owner-Trustee Not Affected by Remedies. No retaking of possession of the Trust Equipment by the Trustee, or any withdrawal, lease or sale thereof, nor any action or failure or omission to act against the Owner-Trustee or in respect of the Trust Equipment, on the part of the Trustee or on the part of the holder of any Trust Certificate, nor any delay or indulgence granted to the Owner-Trustee by the Trustee or by any such holder shall affect the obligations of the Owner-Trustee hereunder. Except as provided herein, the Owner-Trustee hereby waives presentation and demand in respect of any of the Trust Certificates and waives notice of presentation, of demand and of any default in the payment of the principal of and interest on the Trust Certificates.

SECTION 6.06. Owner-Trustee to Deliver Trust Equipment to Trustee. In case the Trustee shall demand possession of the Trust Equipment pursuant to the provisions hereof, the Owner-Trustee shall, subject to the provisions of Section 10.06 hereof and the Lease, at its own expense promptly cause the Trust Equipment to be transported to such point or points as shall reasonably be designated by the Trustee and shall there deliver or cause to be delivered the same to the Trustee, or the Trustee may at its option keep the Trust Equipment, without expense to the Trustee, on any lines of railroad or premises approved by the Trustee until the Trustee shall have leased, sold or otherwise disposed of the same. It is hereby expressly covenanted and agreed that the performance of the aforesaid covenant is of the essence of this Agreement and that upon application to any court having jurisdiction in the premises, the Trustee shall be entitled to a decree against the Owner-Trustee requiring the specific performance thereof.

SECTION 6.07. Trustee to Give Notice of Default. The Trustee shall give to the holders of the Trust Certifi-

cates notice of each Event of Default hereunder known to the Trustee, within 30 days after it learns of the same, unless remedied or cured before the giving of such notice.

SECTION 6.08. Control by Holders of Trust Certificates. The holders of a majority in aggregate unpaid principal amount of the then outstanding Trust Certificates, by an instrument or instruments in writing executed and delivered to the Trustee, shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action so directed would be in conflict with any other provision of this Agreement or any rule of law.

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

SECTION 6.10. Remedies Cumulative; Subject to Mandatory Requirements of Law. The remedies in this Agreement provided in favor of the Trustee and the holders of the Trust Certificates, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity and such remedies so provided in this Agreement shall be subject in all respects to any mandatory requirements of law at the time applicable thereto, to the extent such requirements may not be waived on the part of the Owner-Trustee.

ARTICLE SEVEN

Additional Covenants and Agreements
by the Owner-Trustee

SECTION 7.01. Discharge of Liens. The Owner-Trustee will pay or discharge any and all sums claimed by any party from, through or under the Owner-Trustee, the Owner or their successors or assigns which, if unpaid, might become a lien, charge or security interest on or with respect to the Trust Equipment, or any unit thereof, or the "income and proceeds from the Trust Equipment" (as defined in Section 5.04 hereof), and will promptly discharge any such lien, charge or security interest which arises, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Trustee, adversely affect the interest of the Trustee in the Trust Equipment, its interest in said income and proceeds from the Trust Equipment, or otherwise under this Agreement. Any amounts paid by the Trustee in discharge of liens, charges or security interests upon the Trust Equipment shall be secured by and under this Agreement.

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

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

and proceeds from the Equipment, or otherwise under this Agreement.

SECTION 7.02. Recording. Subject to the provisions of Section 10.06 hereof and the proviso contained in § 15 of the Lease, the Owner-Trustee will, (a) promptly after the execution and delivery of this Agreement, the Lease, the Lease Assignment and each supplement hereto and thereto, respectively, cause this Agreement, the Lease, the Lease Assignment and each such supplement to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, (b) from time to time do and perform any other act and will execute, acknowledge, deliver and file, register and record any and all further instruments required by law or reasonably requested by the Trustee for the purposes of proper protection of the security interest of the Trustee and the rights of the holders of the Trust Certificates, and (c) furnish an Opinion or Opinions of Counsel in connection with such filing, registration, and recordation.

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

ARTICLE EIGHT

Concerning the Holders of Trust Certificates

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

SECTION 8.02. Proof of Execution of Instruments and of Holding of Trust Certificates. Proof of the execution

of any instrument by a holder of Trust Certificates or his agent or proxy and proof of the holding by any person of any of the Trust Certificates shall be sufficient if made in the following manner:

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

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

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

SECTION 8.04. Right of Revocation of Action Taken. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01 hereof, of the taking of any action by the holders of the required percentage in aggregate principal amount of the outstanding Trust Certificates specified in this Agreement, any holder of a Trust Certificate may, by filing written notice with the Trustee at the Corporate Trust Office and upon proof of holding as provided in Section 8.02 hereof, revoke such action in so far as such action concerns such Trust Certificate. Except as aforesaid, any such action taken by the holder of any Trust Certificate shall be conclusive and binding upon such

holder and upon all future holders and owners of such Trust Certificate and of any Trust Certificate issued in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon such Trust Certificate. Any action taken by the holders of the required percentage in aggregate principal amount of the outstanding Trust Certificates specified in this Agreement shall be conclusive and binding upon the Owner-Trustee, the Trustee and the holders of all the Trust Certificates.

ARTICLE NINE

The Trustee

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

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

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

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

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

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as

to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement;

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

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

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

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

(f) the Trustee shall be under no obligation to exercise any of its rights or powers vested in it by this Agreement at the request, order or direction of any of the holders of the Trust Certificates, pursuant to the provisions of this Agreement, unless such holders

shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby to the extent such security or indemnity shall not be furnished by the Owner-Trustee or the Lessee pursuant to the provisions hereof or of the Lease; and

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

SECTION 9.03. Application of Rentals; Responsibility of Trustee to Insure or Record. The Trustee covenants and agrees to apply and distribute the rentals received by it under Section 5.04 hereof when and as the same shall be received, and to the extent that such rentals shall be sufficient therefor, for the purposes specified in said Section 5.04.

The Trustee shall not be required to undertake any act or duty in the way of insuring, taking care of or taking possession of the Trust Equipment or to undertake any other act or duty under this Agreement (except pursuant to express provisions hereof) until fully indemnified to its satisfaction by the Owner-Trustee or by one or more of the holders of the Trust Certificates against all liability and expenses; and the Trustee shall not be responsible for the filing or recording or refileing or rerecording of this Agreement or of any supplement hereto.

SECTION 9.04. Funds May be Held by Trustee. Any moneys at any time paid to or held by the Trustee hereunder until paid out by the Trustee as herein provided may be carried as a general deposit and need not be segregated from other funds except to the extent required by law, it being understood, however, that all moneys received by the Trustee shall be deemed received and held in trust by the Trustee. The Trustee shall not be under any liability for interest on any moneys received by it hereunder except such as it may agree with the Owner-Trustee to pay thereon.

If at any time no Event of Default shall have occurred and be continuing, the Trustee, on Request of the Lessee, shall invest and reinvest Deposited Cash held by it in Investments, at such prices, not in excess of fair market value at the time of investment, including any premium and

accrued interest, as are set forth in such Request, such Investments to be held by the Trustee in trust for the benefit of the holders of the Trust Certificates. The Trustee shall not purchase any Investment at a price exceeding the par value thereof and shall not sell any Investment prior to maturity if the proceeds of such sale (plus the interest received on such Investment) shall be less than the cost thereof (including accrued interest).

The Trustee shall, on Request of the Lessee, or the Trustee may, in the event funds are required for payment against delivery of Trust Equipment or for payment of the principal of or interest on any Trust Certificate, sell such Investments, or any portion thereof, and restore to Deposited Cash the proceeds of any such sale up to the amount paid for such Investments, including accrued interest, or apply such proceeds to the payment of said principal or interest if and to the extent such proceeds are needed therefor.

The Trustee shall restore to Deposited Cash, out of rent received by it for that purpose under the provisions of Section 5.04(a)(ii), an amount equal to any expenses incurred in connection with any purchase or sale of Investments and also an amount equal to any loss of principal incident to the sale or redemption of any Investments for a sum less than the amount paid therefor, including accrued interest.

If, to the knowledge of the Trustee, the Lessee shall not be in default under the Lease and no event which, with the lapse of time and/or giving of notice would constitute such a default shall have occurred and be continuing, the Lessee shall be entitled to receive any interest allowed as provided in the first paragraph of this Section 9.04 and any interest (in excess of accrued interest paid from Deposited Cash at the time of purchase) or other profit which may be realized from any sale or redemption of Investments.

SECTION 9.05. Trustee Not Liable for Delivery Delays or Defects in Equipment or Title. The Trustee shall not be liable to anyone for any delay in the delivery of any of the Trust Equipment, or for any default on the part of the Manufacturer thereof or of the Owner-Trustee, or for any defect in any of the Trust Equipment or in the title thereto, nor shall anything herein be construed as a warranty on the part of the Trustee in respect thereof or as a representation in respect of the value thereof or in respect of the title thereto.

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

The Trustee shall be entitled to receive payment of all its expenses and disbursements hereunder, including reasonable counsel fees, and to receive reasonable compensation for all services rendered by it in the execution of the trust hereby created, all of which shall be paid by the Owner pursuant to the provisions of Paragraph 11 of the Participation Agreement.

The Trustee in its individual capacity may own, hold and dispose of Trust Certificates with the same rights which it would have if it were not Trustee.

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

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

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

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

for any other cause, a successor trustee may be appointed by the holders of a majority of the aggregate principal amount of the then outstanding Trust Certificates by an instrument in writing delivered to the Owner and the Trustee. Until a successor trustee shall be appointed by the holders of Trust Certificates as herein authorized, the Owner-Trustee, by an instrument in writing, shall appoint a trustee to fill such vacancy. A successor trustee so appointed by the Owner-Trustee shall immediately and without further act be superseded by a successor trustee appointed by the holders of Trust Certificates in the manner provided above. Every successor trustee appointed pursuant to this Section 9.06 shall be a national bank, or a bank or trust company incorporated under the laws of a State of the United States of America, and having capital and surplus of not less than \$100,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms. In the event any successor trustee is appointed hereunder, the fees theretofore paid to the Trustee shall be prorated between the Trustee and the successor trustee for any unexpired portion of the period to which such fees relate.

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

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

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

SECTION 9.08. Merger or Consolidation of Trustee. Any corporation into which the Trustee may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Trustee shall be a party or any corporation succeeding to all or substantially all the corporate trust business of the Trustee shall be the successor of the Trustee hereunder, provided that such corporation shall be qualified under the provisions of Section 9.06 hereof, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE TEN

Miscellaneous

SECTION 10.01 Rights Confined to Parties and Holders. Nothing expressed or implied herein is intended or shall be construed to confer upon or to give to any person, other than the parties hereto and the holders of the Trust Certificates, any right, remedy or claim under or by reason of this Agreement or of any term, covenant or condition hereof, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and the holders of the Trust Certificates.

SECTION 10.02. No Recourse. No recourse under or upon any obligation, covenant or agreement of this Agreement, or for any claim based thereon or otherwise in respect thereof shall be had against the Owner or any stockholder, officer or director, as such, past, present or future, of the Owner, Owner-Trustee or the Trustee, by the enforcement of any assessment or by any legal or equitable proceeding, by vir-

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

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

SECTION 10.03. Binding Upon Assigns. Except as otherwise provided herein, the provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 10.04. Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered or mailed by registered mail (a) to the Owner-Trustee at the address set forth for the Owner-Trustee in the Lease or such other address as may hereafter be furnished to the Trustee in writing by the Owner-Trustee, with a copy thereof to the Owner, and (b) to the Trustee at the Corporate Trust Office, or at such other address as may hereafter be furnished to the Owner-Trustee in writing by the Trustee. An affidavit by any person representing or acting on behalf of the Owner-Trustee or the Trustee, as the case may be, as to such

mailing, having the registry receipt attached, shall be conclusive evidence of the giving of such demand, notice or communication.

SECTION 10.05. Amendment or Waiver. Any provision of this Agreement may be amended, by an instrument executed by the parties hereto, or waived, in either case with the written consent of the holders of not less than 66-2/3% of the aggregate unpaid principal amount of Trust Certificates then outstanding; provided, however, that no such amendment or waiver shall (a) reduce the amount of principal, change the amount or dates of payment of instalments of principal or reduce the rate or extend the time of payment of interest with respect to the Trust Certificates without the consent of the holder of each Trust Certificate so affected, (b) reduce the amount of or extend the time of payment of any rentals payable under this Agreement or release or provide for the release of any of the Trust Equipment or any other property or cash held by the Trustee in trust, otherwise than as expressly permitted by the present terms of this Agreement, without the consent of the holders of 100% of the aggregate unpaid principal amount of Trust Certificates then outstanding, or (c) reduce the percentage of the aggregate unpaid principal amount of Trust Certificates then outstanding, the holders of which are required to approve any amendment or to effect any waiver.

The Trustee may consent to any amendment or waiver in respect of the Lease, without the approval of the holders of the Trust Certificates, if such amendment or waiver does not adversely affect the interests of the holders of the Trust Certificates. Any other amendment or waiver in respect of the Lease may be consented to by the Trustee with the written approval of the holders of not less than 66-2/3% of the aggregate principal amount of the Trust Certificates outstanding; provided, however, that, if such amendment or waiver would reduce the amount of or extend the time for payment of any rentals or other obligations under the Lease in a manner so as to affect the due and punctual payment of the principal of and interest on the Trust Certificates and the other obligations of the Owner-Trustee hereunder, the Trustee shall not consent thereto without the prior written approval of the holders of 100% of the aggregate unpaid principal amount of Trust Certificates then outstanding. The holders shall receive 30 days' prior written notice of any amendment pursuant to this Section 10.05.

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

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

(b) This Agreement may be executed in several counterparts each of which shall be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

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

(d) The provisions of this Agreement, and all the rights and obligations of the parties hereunder, shall be governed by the laws of the State of New York.

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

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

THE LINCOLN NATIONAL BANK AND TRUST COMPANY OF FORT WAYNE, Trustee,

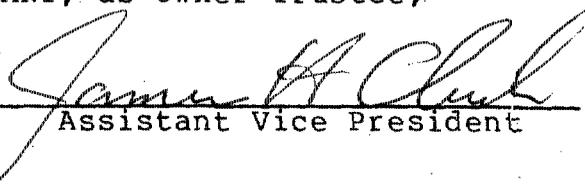
by 
Vice President

[Corporate Seal]

Attest:


Trust Officer

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

by 
Assistant Vice President

[Corporate Seal]

Attest:


Corporate Trust Officer

Schedule A to the Equipment
Trust Agreement

<u>Type</u>	<u>Quantity</u>	<u>Company Car Numbers (inclusive)</u>	<u>Unit Base Price</u>	<u>Total</u>	<u>Delivery Period</u>	<u>Specification Contract No.</u>
<u>Thrall Car Manufac- turing Co.</u>						
60', 70-ton capacity hydraulic draft gear, standard level multi- purpose flat car, MITX type	4	98121-98124	\$30,725	\$ 122,900	3/76	4074-D
	91	98125-98215	30,725	2,795,975	3-4/76	T-6075-T
	<u>95</u>			<u>\$2,918,875</u>		

Schedule B
to the Equipment
Trust Agreement

Payments of Principal and Interest
Expressed as Percentages of
an Assumed Equipment Cost
of \$2,918,875

<u>Payment Date</u>	<u>Debt Service</u>	<u>Debt Interest</u>	<u>Debt Principal</u>	<u>Debt Balance</u>
				69.000001%
1/77	4.779548%*	3.191250%	1.588298%	67.411703%
7/77	4.779548%	3.117791%	1.661757%	65.749946%
1/78	4.779548%	3.040935%	1.738613%	64.011333%
7/78	4.779548%	2.960524%	1.819024%	62.192309%
1/79	4.779548%	2.876394%	1.903154%	60.289155%
7/79	4.779548%	2.788373%	1.991175%	58.297980%
1/80	4.779548%	2.696282%	2.083266%	56.214714%
7/70	4.779548%	2.599931%	2.179617%	54.035097%
1/81	4.779548%	2.499123%	2.280425%	51.754672%
7/81	4.779548%	2.393654%	2.385894%	49.368778%
1/82	4.779548%	2.283306%	2.496242%	46.872536%
7/82	4.779548%	2.167855%	2.611693%	44.260843%
1/83	4.779548%	2.047064%	2.732484%	41.528359%
7/83	4.779548%	1.920687%	2.858861%	38.669498%
1/84	4.779548%	1.788464%	2.991084%	35.678414%
7/84	4.779548%	1.650127%	3.129421%	32.548993%
1/85	4.151549%	1.505391%	2.646158%	29.902835%
7/85	4.151549%	1.383006%	2.768543%	27.134292%
1/86	3.712872%	1.254961%	2.457911%	24.676381%
7/86	3.712872%	1.141283%	2.571589%	22.104792%
1/87	3.283165%	1.022347%	2.260818%	19.843974%
7/87	3.283165%	.917784%	2.365381%	17.478593%
1/88	2.862924%	.808385%	2.054539%	15.424054%
7/88	2.862924%	.713362%	2.149562%	13.274492%
1/89	2.324391%	.613945%	1.710446%	11.564046%
7/89	2.324391%	.534837%	1.789554%	9.774492%
1/90	2.895565%	.452070%	2.443495%	7.330997%
7/90	2.895565%	.339059%	2.556506%	4.774491%
1/91	2.554113%	.220820%	2.333293%	2.441198%
7/91	2.554103%	.112905%	2.441198%	0.000000%
	120.041916%	51.041915%	69.000001%	0%

*All percentages are of an assumed Equipment Cost of \$2,918,875.