TRAILER TRAIN
COMPANY

300 SOUTH WACKER DRIVE · CHICAGO, ILLINOIS 60606
(312) 786-1200

September 21, 1978 8-268A034

No. SEP 25 1978
Date
Fee $ 52

9713
RECORDATION NO. Filed & Recorded

SEP 25 1978 -10 45 AM

INTERSTATE COMMERCE COMMISSION

Mr. Robert L. Oswald
Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Mr. Oswald:

Enclosed for recordation under the provisions of Section 20(c) of the Interstate Commerce Act, as amended, are the original and 8 counterparts each of an Equipment Trust Agreement dated as of September 15, 1978.

The general description of the railroad rolling stock covered by the enclosed Equipment Trust Agreement is set forth in Schedule A attached to this letter and made a part hereof.

The names and addresses of the parties to said Equipment Trust Agreement are as follows:

Company:	Trailer Train Company 300 South Wacker Drive Chicago, Illinois 60606
Trustee:	Harris Trust and Savings Bank 111 West Monroe Street Chicago, Illinois 60690

The undersigned is the Company named above and has knowledge of the matters set forth in the enclosed documents.

Please return the original and 7 copies of the Equipment Trust Agreement to the undersigned at the above address.

Enclosed is a check in the amount of $50.00 covering the required recording fee.

Very truly yours,

TRAILER TRAIN COMPANY

By Thomas D. Marion
Its Assistant Treasurer

TDM:ph
Enclosures

RECEIVED
SEP 25 10 44 AM '78
I.C.C.
FEE OPERATION BR.

Countersigned - G. B. Harrison

SCHEDULE A

Type	Mechanical Designation	Quantity	Company Car Numbers (all inclusive)
ACF Industries, Inc.			
89'4", 70-ton capacity, hydraulic draft gear, flush deck, low level flatcar for autorack service.	FA	63	820536-820547 820549-820599
Bethlehem Steel Corporation			
89'4", 70-ton capacity, hydraulic draft gear, flush deck, all purpose flatcar.	FC	265	978970-979234
Pullman Incorporated *(Pullman Standard Division)*			
89'4", 70-ton capacity, hydraulic draft gear, flush deck, low level flatcar for autorack service.	FA	448	852821-852910 853061-853418
		776	

Interstate Commerce Commission
Washington, D.C. 20423

9/25/78

OFFICE OF THE SECRETARY

Thomas D. Marion
Trailer Train Company
300 South Wacker Drive
Chicago, Illinois 60606

Dear Sir

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 9/25/78 at 10:45am, and assigned recordation number(s) 9713

Sincerely yours,

H.G. Homme, Jr.,
Acting Secretary

Enclosure(s)

SE-30-T
(2/78)

RECORDATION NO. 9713 Filed & Recorded

SEP 25 1978 -10 45 AM

INTERSTATE COMMERCE COMMISSION

TRAILER TRAIN COMPANY EQUIPMENT TRUST

Series 40

EQUIPMENT TRUST AGREEMENT

by and between

HARRIS TRUST AND SAVINGS BANK,
TRUSTEE

and

TRAILER TRAIN COMPANY

Dated as of September 15, 1978

RECONCILIATION AND TIE SHEET between TRUST INDENTURE ACT of 1939 and EQUIPMENT TRUST AGREEMENT dated as of September 15, 1978, between HARRIS TRUST AND SAVINGS BANK, as Trustee, and TRAILER TRAIN COMPANY.

Section of Act	Section of Equipment Trust Agreement
310(a)(1)	8.08
310(a)(2)	8.08
310(a)(3)	Not Applicable
310(a)(4)	Not Applicable
310(b)	8.07, 8.09
311(a)	8.12(a), 8.12(c)
311(b)	8.12(b), 8.12(c)
312(a)*	7.01, 7.02(a)
312(b)	7.02(b)
312(c)	7.02(c)
313(a)	7.04(a)
313(b)	7.04(b)
313(c)	7.04(c)
313(d)	7.04(d)
314(a)(1)	7.03(a)
314(a)(2)	7.03(b)
314(a)(3)	7.03(c)
314(b)	6.03
314(c)(1)	12.03
314(c)(2)	12.03
314(c)(3)	Not Applicable
314(d)(1)	4.06
314(d)(2)	Not Applicable
314(d)(3)	3.04, 4.06, 4.08
314(e)	12.03
315(a)	8.02
315(b)	5.07
315(c)	8.02
315(d)	8.02, 9.03
315(e)	5.11
316(a)(1)(A)	5.10, 9.03
316(a)(1)(B)	5.04, 9.03
316(a)(2)	Omitted
316(b)	5.09
317(a)	5.01
317(b)	8.13
318(a)	12.04

* Since under an equipment trust agreement only the Trustee may appoint paying agents, the references in Section 312(a) of the Act to paying agents of the obligor have been omitted.

TABLE OF CONTENTS*

		Page
PARTIES		1
RECITALS AND FORMS		1
	Sale and Delivery of Railroad Equipment to Trustee	1
	Interim Documents relating to temporary lease of Railroad Equipment to Company	1
	Lease of Railroad Equipment to Company by Trustee	1
	Creation of Series 40 Trust	1
	Form of Trust Certificates	1
	Form of Guaranty for Trust Certificates	3
	Purpose of Agreement	3
CONSIDERATION FOR AGREEMENT		3

ARTICLE ONE

DEFINITIONS

SECTION	1.01.	Definitions	3
		Affiliate	4
		Authorized Newspaper	4
		Business Day	4
		Commission	4
		Company	4
		Corporate Trust Office	4
		Cost	4
		Deposited Cash	4
		Engineer's Certificate	4
		Equipment	4
		Event of Default	5
		holder	5
		Independent Engineer	5
		Investment Securities	5
		Officers' Certificate	5
		Opinion of Counsel	5
		Penalty Rate	5
		Request	5
		Responsible Officer	5
		Trust Certificates	5
		Trust Equipment	6
		Trust Indenture Act of 1939	6
		Trustee	6
		herein, hereof, hereby, hereto, hereunder	6

ARTICLE TWO

TRUST CERTIFICATE AND ISSUANCE THEREOF

SECTION	2.01.	Issuance of Trust Certificates	6
SECTION	2.02.	Interests Represented by Trust Certificates; Interest; Maturities; Denominations	6
SECTION	2.03.	Forms of Trust Certificates and Guaranty	7

* This Table of Contents has been inserted for purposes of convenience and reference. It does not constitute a part of the Agreement.

			Page
SECTION	2.04.	Execution by Trustee	7
SECTION	2.05.	Temporary Trust Certificates	7
SECTION	2.06.	Characteristics of Trust Certificates	7
SECTION	2.07.	Replacement of Lost Trust Certificates	8
SECTION	2.08.	Legal Holidays	8

ARTICLE THREE

ACQUISITION OF TRUST EQUIPMENT BY TRUSTEE; DEPOSITED CASH

SECTION	3.01.	Acquisition of Equipment by Trustee	8
SECTION	3.02.	Payment of Deposited Cash	9
SECTION	3.03.	Payment of Deficiency	9
SECTION	3.04.	Supporting Papers	9

ARTICLE FOUR

LEASE OF TRUST EQUIPMENT TO THE COMPANY

SECTION	4.01.	Lease of Trust Equipment	10
SECTION	4.02.	Equipment Automatically Subjected	10
SECTION	4.03.	Additional and Substituted Equipment Subject Hereto	10
SECTION	4.04.	Rental Payments	10
		Limitation on Tax Liability	11
SECTION	4.05.	Termination of Lease	12
SECTION	4.06.	Substitution and Replacement of Trust Equipment	12
		Supporting Papers	13
		Fair Value	14
SECTION	4.07.	Marking of Trust Equipment	15
		Permissible Markings	15
SECTION	4.08.	Maintenance of Trust Equipment; Casualty Occurrences	15
SECTION	4.09.	Possession of Trust Equipment	16
		Sublease of Trust Equipment	16
SECTION	4.10.	Indemnity	17

ARTICLE FIVE

REMEDIES IN EVENT OF DEFAULT

SECTION	5.01.	Events of Default Defined	17
		Acceleration of Certain Rentals and Principal of Trust Certificates	18
		Right of Trustee to Intervene in Certain Judicial Proceedings	19
SECTION	5.02.	Remedies	19
SECTION	5.03.	Application of Proceeds	19
SECTION	5.04.	Waivers of Default	20
SECTION	5.05.	Obligations of Company Not Affected by Remedies	20

Page

SECTION 5.06. Company to Deliver Trust Equipment to Trustee 21
SECTION 5.07. Certificate as to Default; Trustee to Give Notice of Default, but May Withhold Under Certain Circumstances 21
SECTION 5.08. Limitations on Suits by Holders of Trust Certificates 21
SECTION 5.09. Unconditional Right of Holders of Trust Certificates to Sue for Principal and Interest 22
SECTION 5.10. Control by Holders of Trust Certificates 22
SECTION 5.11. Right of Court to Require Filing of Undertaking to Pay Costs 22
SECTION 5.12. Remedies Cumulative 22

ARTICLE SIX

ADDITIONAL COVENANTS AND AGREEMENTS BY THE COMPANY

SECTION 6.01. Guaranty of Company 23
SECTION 6.02. Discharge of Liens 23
SECTION 6.03. Payment of Expenses; Filing 23
SECTION 6.04. Covenant Against Prepayment of Subordinated Notes 24
SECTION 6.05. Further Assurances 24

ARTICLE SEVEN

LISTS OF HOLDERS OF THE TRUST CERTIFICATES AND REPORTS BY THE COMPANY AND THE TRUSTEE

SECTION 7.01. Company to Furnish Trustee Information as to Names and Addresses of Holders of the Trust Certificates 24
SECTION 7.02. Preservation of Information; Communications to Holders of the Trust Certificates 24
(a) Trustee to Preserve Information 24
(b) Trustee to Furnish Certain Information to Holders of Trust Certificates on Application 25
—or in Lieu thereof to Mail Communications to Holders of Trust Certificates 25
—unless Statement Filed by Trustee with Securities and Exchange Commission and Mailed to Holders of Trust Certificates 25
—Hearing and Order by Securities and Exchange Commission 25
(c) Trustee and Company not Accountable for Furnishing Information 25
SECTION 7.03. Reports by the Company 25
(a) Reports and Information to be Filed with Trustee ... 25
(b) Additional Information to be Filed with Trustee and Securities and Exchange Commission 26
(c) Reports to Holders of Trust Certificates 26

Page

SECTION 7.04. Reports by the Trustee 26
(a) Annual Report to Holders of Trust Certificates 26
(b) Special Reports to Holders of Trust Certificates 27
(c) Manner and Extent of Transmitting Reports 27
(d) Copies to be Filed with Securities and Exchange Commission and Stock Exchanges (if any) 27

ARTICLE EIGHT

THE TRUSTEE

SECTION 8.01. Acceptance of Trusts 27
SECTION 8.02. Duties and Responsibilities of the Trustee; During Default; Prior to Default 27
—Trustee to Use Same Degree of Care as Prudent Man would Use in Case of Event of Default 27
—Trustee Not to be Relieved from Liability for Negligence or Wilful Misconduct 27
—except:
(a) When No Default Subsisting:
(1) Trustee Liable Only for Performance of Duties Specifically Set Forth 28
(2) Trustee May Conclusively Rely Upon Certificates and Opinions Furnished to it Pursuant to Agreement 28
(b) Trustee Not Liable for Good Faith Error of Judgment by Responsible Officer 28
(c) Trustee Not Liable for Action or Non-action at Direction of Holders of Majority of Trust Certificates ... 28
SECTION 8.03. Certain Rights of the Trustee 28
(a) Trustee May Rely on Certain Documents Believed Genuine 28
(b) Trustee May Consult with Counsel 28
(c) Trustee Entitled to Reasonable Security or Indemnity as Condition to Exercise of Rights or Powers 28
(d) Trustee Not Liable for Action in Good Faith 28
SECTION 8.04. Application of Rentals; Responsibility of Trustee to Insure or Record 28
SECTION 8.05. Funds May be Held by Trustee; Investments in Investment Securities 29
SECTION 8.06. Trustee Not Liable for Delivery Delays or Defects in Equipment or Title; May Perform Duties by Agents; Reimbursement of Expenses; Holding of Trust Certificates; Moneys Held in Trust 29
SECTION 8.07. Qualification of Trustee; Conflicting Interests 30
(a) Trustee to Resign if Disqualified 30
(b) Trustee to Give Notice to Holders of Trust Certificates of Failure to Resign 30

Page

(c) Definition of "conflicting interest" 30
(d) Definitions for Purposes of Section 8.07:
(1) underwriter 31
(2) director 32
(3) person 32
(4) voting security 32
(5) Company 32
(6) executive officer 32
—calculations of percentages of voting securities 32

SECTION 8.08. Persons Eligible for Appointment as Trustee 33

SECTION 8.09. Resignation and Removal; Appointment of Successor Trustee 33
(a) Resignation of Trustee 33
(b) Removal by Company 33
(c) Removal by Majority of Holders of Trust Certificates 34
(d) Effective Date of Resignation or Removal 34

SECTION 8.10. Acceptance of Appointment by Successor Trustee 34

SECTION 8.11. Merger or Consolidation of Trustee 34

SECTION 8.12. Preferential Collection of Claims Against the Company ... 34
(a) Trustee, if a Creditor, to Set Apart and Hold Certain Moneys in a Special Account During Default 34
—Situations not Requiring Trustee to Account 35
—Apportionment of Funds and Property Set Apart . 35
—In Case of Resignation or Removal of Trustee ... 36
(b) Creditor Relationships to Which Section 8.12(a) Not Applicable 36
(c) Definitions for Purposes of Section 8.12:
(1) default 36
(2) other indenture securities 37
(3) cash transaction 37
(4) self-liquidating paper 37
(5) Company 37

SECTION 8.13. Paying Agents 37

ARTICLE NINE

CONCERNING THE HOLDERS OF TRUST CERTIFICATES

SECTION 9.01. Evidence of Action Taken by Holders of Trust Certificates 37

SECTION 9.02. Proof of Execution of Instruments and of Holding of Trust Certificates 37

SECTION 9.03. Trust Certificates Owned by Company Deemed Not Outstanding 38

SECTION 9.04. Right of Revocation of Action Taken 38

Page

ARTICLE TEN

MEETINGS OF HOLDERS OF TRUST CERTIFICATES

SECTION 10.01. Purposes for Which Meetings of Holders of Trust Certificates May Be Called 38
SECTION 10.02. Call of Meetings by Trustee 39
SECTION 10.03. Company and Holders of Trust Certificates May Call Meeting 39
SECTION 10.04. Persons Entitled to Vote at Meeting 39
SECTION 10.05. Determination of Voting Rights; Conduct and Adjournment of Meeting 39
SECTION 10.06. Counting Vote and Recording Action of Meeting 40
SECTION 10.07. Call of Meeting Not to Affect Rights of Trustee and Holders of Trust Certificates 40

ARTICLE ELEVEN

SUPPLEMENTAL AGREEMENTS

SECTION 11.01. Supplemental Agreements without Consent of Holders ... 40
SECTION 11.02. Supplemental Agreements with Consent of Holders 41
SECTION 11.03. Effect of Supplemental Agreements 42
SECTION 11.04. Reference in Trust Certificates to Supplemental Agreements 42
SECTION 11.05. Opinion of Counsel to the Trustee 42
SECTION 11.06. Conformity with Trust Indenture Act of 1939 42

ARTICLE TWELVE

MISCELLANEOUS

SECTION 12.01. Rights Confined to Parties and Holders 42
SECTION 12.02. No Recourse 42
SECTION 12.03. Officers' Certificates and Opinions of Counsel; Statements to be Contained Therein 43
SECTION 12.04. Conflict of Any Provision of Agreement with Trust Indenture Act of 1939 43
SECTION 12.05. Binding Upon Assigns 43
SECTION 12.06. Notices 43
SECTION 12.07. Effect of Headings 43
SECTION 12.08. Counterparts 43
SECTION 12.09. Date Executed 43
SECTION 12.10. Governing Law 43
TESTIMONIUM 44
SIGNATURES AND SEALS 44
ACKNOWLEDGMENTS 45
SCHEDULE A. DESCRIPTION OF TRUST EQUIPMENT 46

EQUIPMENT TRUST AGREEMENT dated as of September 15, 1978, by and between HARRIS TRUST AND SAVINGS BANK, a corporation of the State of Illinois, having its principal corporate trust office at 111 West Monroe Street, Chicago, Illinois 60690, as Trustee (hereinafter called the Trustee), and TRAILER TRAIN COMPANY, a Delaware corporation (hereinafter called the Company).

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

WHEREAS the Company and manufacturers of such railroad equipment have entered into manufacturing agreements (hereinafter called the Interim Documents) providing, among other things, for the purchase of such railroad equipment by the Company; and

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

WHEREAS Trailer Train Company Equipment Trust Certificates, Series 40 (hereinafter called the Trust Certificates), are to be issued and sold in an aggregate principal amount not exceeding $24,000,000, and the net proceeds of such sale (excluding premium and accrued interest, if any), together with such other cash, if any, as may be required to be deposited by the Company as hereinafter provided is to constitute a fund equal to the aggregate principal amount of the Trust Certificates so issued and sold, to be known as TRAILER TRAIN COMPANY EQUIPMENT TRUST, SERIES 40, to be applied by the Trustee from time to time in part payment of the Cost of the Trust Equipment (as hereinafter defined), the remainder of the Cost thereof to be paid out of advance rentals to be paid by the Company as provided herein; and

WHEREAS the text of the Trust Certificates, including the guaranty to be endorsed thereon by the Company, is to be substantially in the following form:

[FORM OF TRUST CERTIFICATES]

$..... No.....

TRAILER TRAIN COMPANY

% EQUIPMENT TRUST CERTIFICATE, SERIES 40

DUE SEPTEMBER 15, 19

Total Authorized Issue $24,000,000

HARRIS TRUST AND SAVINGS BANK,

Trustee

HARRIS TRUST AND SAVINGS BANK, Trustee (hereinafter called the Trustee) under an Equipment Trust Agreement (hereinafter called the Agreement) dated as of September 15, 1978, by and between the Trustee and TRAILER TRAIN COMPANY, a Delaware corporation (hereinafter called the Company), hereby certifies that

or registered assigns is entitled to an interest of Dollars in Trailer Train Company Equipment Trust, Series 40, due and payable on the date specified in the heading hereof, upon surrender of this Certificate to the Trustee at its principal corporate trust office in the City of Chicago, State of Illinois, and to interest thereon from the date hereof until the principal amount represented by this Certificate shall have become due, payable on March 15 and September 15 in each year, beginning March 15, 1979, at the rate shown above, with interest on any overdue principal and interest, to the extent legally enforceable, at the rate of 10.0% per annum. Pay-

ments of principal and interest shall be made by the Trustee to the registered holder hereof at said office of the Trustee in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts, but only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions of the Agreement. At the option of the Trustee, payment of interest may be made by check to the address of the person entitled thereto as such address shall appear on the registry books of the Trustee.

This Certificate is one of an authorized issue of Trust Certificates (hereinafter called Trust Certificates), in an aggregate principal amount not exceeding $24,000,000, which will mature serially in the principal amount of $1,600,000 on September 15 of each of the years 1979 to 1993, both inclusive, all issued or to be issued under the Agreement, under which certain railroad equipment leased to the Company (or cash or obligations defined in the Agreement as "Investment Securities" in lieu thereof, as provided in the Agreement) is held by the Trustee in trust for the equal and ratable benefit of the holders of the Trust Certificates issued thereunder. Trust Certificates of different maturities bear different interest rates. Reference is made to the Agreement (a copy of which is on file with the Trustee at its said office) for a more complete statement of the terms and provisions thereof (including certain rights and obligations of the Company, certain duties and immunities of the Trustee and certain rights of the registered holder hereof), to all of which the holder hereof, by accepting this Certificate, assents.

The Trust Certificates are issuable as fully registered Trust Certificates in denominations of $1,000 and any integral multiple of $1,000. The several denominations of Trust Certificates of the same maturity and interest rate are interchangeable upon presentation thereof for that purpose at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Agreement.

This Certificate is transferable by the registered holder hereof in person or by duly authorized attorney on the books of the Trustee upon surrender to the Trustee at its said office of this Certificate accompanied by a written instrument of transfer, duly executed by the registered holder in person or by such attorney, in form satisfactory to the Trustee, and thereupon a new Trust Certificate or Certificates in authorized denominations for the same aggregate principal amount and having the same interest rate and having the same date of maturity as this Certificate will be issued to the transferee in exchange herefor. The Trustee and the Company may deem and 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 happening of an Event of Default (as defined in the Agreement) the principal amount represented by this Certificate (and interest accrued thereon) may become or be declared due and payable in the manner and with the effect provided in the Agreement.

The Agreement contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than 66⅔% in aggregate principal amount of the Trust Certificates at the time outstanding, evidenced as in the Agreement provided, to execute supplemental agreements adding any provisions to or changing in any manner or eliminating any of the provisions of the Agreement or of any supplemental agreement or modifying in any manner the rights of the holders of the Trust Certificates; *provided, however,* that no such supplemental agreement shall, among other things, (i) extend the fixed maturity of any Trust Certificate, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof, or make the principal thereof or interest thereon payable in any coin or currency other than that hereinbefore provided, without the consent of the holder of each Trust Certificate so affected, (ii) modify any of the provisions of the guaranty of the Company in respect of any Trust Certificates, or (iii) reduce the aforesaid percentage of Trust Certificates, the holders of which are required to consent to any such supplemental agreement, without the consent of the holders of all Trust Certificates then outstanding. It is also provided in the Agreement that, prior to any declaration accelerating the maturity of the Trust Certifi-

cates, the holders of a majority in aggregate principal amount of the Trust Certificates at the time outstanding may on behalf of the holders of all of the Trust Certificates waive any past default or Event of Default under the Agreement and its consequences except a default in the payment of interest or the principal of any of the Trust Certificates. Any such consent or waiver by the holder of this Trust Certificate (unless revoked as provided in the Agreement) shall be conclusive and binding upon such holder and upon all future holders and owners of this Trust Certificate and any Trust Certificate which may be issued in exchange or substitution herefor, irrespective of whether or not any notation thereof is made upon this Trust Certificate or such other Trust Certificate.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be signed by one of its Vice Presidents, by his signature or a facsimile thereof, and its corporate seal or a facsimile thereof to be hereunto affixed or hereon imprinted and to be attested by the manual signature of one of its Assistant Secretaries. Neither this Certificate nor the guaranty endorsed thereon shall be valid or enforceable for any purpose until this Certificate shall have been so signed by a Vice President and the corporate seal so attested by an Assistant Secretary.

Dated as of , 19

HARRIS TRUST AND SAVINGS BANK,
Trustee,

By_____
Vice President

Attest:

_____
Assistant Secretary

[FORM OF GUARANTY FOR TRUST CERTIFICATES]

Trailer Train Company, for a valuable consideration, hereby unconditionally guarantees to the registered holder of the within Certificate the prompt payment when due of the principal of said Certificate and of the interest thereon specified in said Certificate, with interest on any overdue principal and interest, to the extent legally enforceable, at the rate therein specified, all in accordance with the terms of said Certificate and the Equipment Trust Agreement referred to therein. The Company's Thirty Year Subordinated Notes sold pursuant to the Note Purchase Agreement dated as of January 1, 1967, between the Company and certain of its stockholders are, as provided in such Note Purchase Agreement, junior and subordinate to the obligations of the Company under the foregoing guaranty.

TRAILER TRAIN COMPANY,

By_____
President

WHEREAS it is desired to secure to the holders of the Trust Certificates the payment of the principal thereof at maturity whether by declaration or otherwise, with interest to said date of maturity payable as provided therein, all 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; all other terms used in this Agreement which are defined in the Trust Indenture Act of 1939 or which are by reference therein defined in the Securities Act of 1933 (except as herein

otherwise expressly provided or unless the context otherwise requires), shall have the meanings assigned to such terms in said Trust Indenture Act and in said Securities Act as in force at the date of this Agreement:

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

Authorized Newspaper shall mean a newspaper printed in the English language, customarily published at least once a day for at least five days in each calendar week and of general circulation in the City and the State of New York. If, because of temporary or permanent suspension of publication or general circulation of any newspaper, or for any other reason, it is impossible or impracticable to publish any notices required by this Agreement in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute sufficient publication of such notice.

Business Day means a day which, in the City of Chicago, State of Illinois, is not a day on which banking institutions are authorized by law to close.

Commission shall mean the United States Securities and Exchange Commission, or any successor to the functions thereof.

Company shall mean the corporation designated as such in the first paragraph of this Agreement, and, subject to the provisions of Section 4.09 hereof, any successor thereof.

Corporate Trust Office shall mean the principal office of the Trustee in the City of Chicago, State of Illinois, at which the corporate trust business of the Trustee shall, at the time in question, be administered, which office is, on the date of execution of this Agreement, located at 111 West Monroe Street, Chicago, Illinois 60690.

Cost, when used with respect to any Equipment, shall mean the actual cost thereof to the Company (including freight charges, if any, from a manufacturer's plant to a point of delivery to the Company and applicable local or state sales taxes, if any), as evidenced by the manufacturer's invoice with respect to such Equipment less, from and after the date thereof, the amount of any cash deposit made by the Company with the Trustee due to a quantity discount as provided in the second paragraph of Section 4.04.

Deposited Cash shall mean the aggregate of (a) cash and any advance rentals on deposit with the Trustee as provided in the first paragraph of Section 2.01 and, when required or indicated by the context, any Investment Securities purchased by the use of such cash pursuant to the provisions of Section 8.05, and (b) any sums restored to Deposited Cash from rentals pursuant to Section 4.04(B)(1)(b) and on deposit with the Trustee.

Engineer's Certificate shall mean a certificate signed by the President or a Vice President of the Company or by any other officer or employee of the Company appointed by the Company and approved by the Trustee in the exercise of reasonable care.

Equipment shall mean standard-gauge railroad equipment (other than passenger or work equipment) first put into operation no earlier than July 1, 1978, but shall not include any special devices, automobile-carrying superstructures or other assemblies, at any time attached to any such equipment, the cost or purchase price of which is not included in the Cost of such equipment or the title to which is in a person, firm or corporation other than the Company or the Trustee. The Trustee and the Company recognize that such special devices, automobile-carrying superstructures and other assemblies may be attached to the Equipment and may be owned and financed by persons other than the Company or the Trustee. The Trustee expressly acknowledges, for the purpose of assurance of any such

persons and for the purpose of inducing attachment of such special devices, automobile-carrying superstructures and other assemblies to the Equipment, that the Trustee has no rights therein and that such persons may, at their own cost and expense, upon written notice to the Trustee and the Company, remove such special devices, automobile-carrying superstructures and other assemblies from the Equipment.

Event of Default shall mean any event specified in Section 5.01 to be an Event of Default.

The word *holder,* when used with respect to Trust Certificates shall mean the registered owner of such Trust Certificates and shall include the plural as well as the singular number.

Independent Engineer shall mean an engineer, appraiser or other expert appointed by the Company and approved by the Trustee in the exercise of reasonable care, who (a) is in fact independent, (b) does not have any substantial interest, direct or indirect, in the Company or in any other obligor on the Trust Certificates or in any Affiliate of the Company or of any such other obligor and (c) is not connected with the Company or any other obligor on the Trust Certificates or any Affiliate of the Company or any such other obligor as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

Investment Securities shall mean (a) bonds, notes or other direct obligations of the United States of America or obligations for which the faith of the United States is pledged to provide for the payment of the interest and principal thereon, (b) open market commercial paper of any company incorporated and doing business under the laws of the United States of America or one of the States thereof given a rating of "A-1" or "A-2" by Standard & Poor's Corporation or "prime-1" or "prime-2" by NCO/Moody's Commercial Paper Division of Moody's Investors Service, Inc. or an equivalent rating by a successor thereto or a similar rating service substituted therefor and (c) certificates of deposit of or time deposits in banks or trust companies (including the Trustee) incorporated or doing business under the laws of the United States or one of the States thereof having a capital and surplus aggregating at least $50,000,000.

Officers' Certificate shall mean a certificate signed by the President, any Vice President, the Controller, the Secretary or any Assistant Secretary and by the Treasurer or any Assistant Treasurer of the Company. Each such certificate shall include the statements provided for in Section 12.03 if and to the extent required by the provisions thereof.

Opinion of Counsel shall mean an opinion in writing signed by legal counsel who shall be satisfactory to the Trustee and who may be an employee of or of counsel to the Company. Each such opinion shall include the statements provided for in Section 12.03 if and to the extent required by the provisions thereof. The acceptance by the Trustee of, and its action on, an Opinion of Counsel shall be sufficient evidence that such counsel is satisfactory to the Trustee.

Penalty Rate shall mean 10.0% per annum.

Request shall mean a written request for the action therein specified, delivered to the Trustee, dated not more than ten days prior to the date of delivery to the Trustee and signed on behalf of the Company by the President, a Vice President, the Treasurer, any Assistant Treasurer, the Secretary, the Controller or any Assistant Secretary of the Company.

Responsible Officer shall mean the chairman of the board of directors, the vice chairman of the board of directors, the chairman of the executive committee, the vice chairman of the executive committee, the president, any vice president, the cashier, the secretary, any trust officer, any assistant vice president, any assistant cashier, any assistant secretary or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

Trust Certificates shall mean Trailer Train Company Equipment Trust Certificates, Series 40, issued hereunder.

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

Trust Indenture Act of 1939 shall mean the Trust Indenture Act of 1939 as in force at the date of this Agreement as originally executed.

Trustee shall mean the corporation designated as such in the first paragraph of this Agreement and, subject to the provisions of Article Eight, any successor as trustee hereunder.

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, paragraph or subdivision hereof. Unless otherwise specified, reference herein to an identified Article, Section, paragraph or subdivision shall mean the Article, Section, paragraph or subdivision contained herein.

ARTICLE TWO

Trust Certificates and Issuance Thereof

Section 2.01. *Issuance of Trust Certificates.* The net proceeds (excluding premium and accrued interest, if any, which shall be retained by the Company) of the sale of any of the Trust Certificates shall, forthwith upon the issuance thereof, be deposited in cash with the Trustee. The amount of such net proceeds shall be specified in an Officers' Certificate delivered to the Trustee concurrently with such deposit. At the same time the Company shall, if necessary, deposit with the Trustee any advance rental payable by the Company to the Trustee under Section 4.04(A)(1).

Thereupon, without waiting for the recording or filing of this Agreement or of any other instrument respecting the Trust Equipment, the Trustee shall issue and deliver, as the Company shall direct by Request, Trust Certificates in the aggregate principal amount so sold.

Except as provided in Sections 2.05, 2.06 and 2.07, the aggregate principal amount of Trust Certificates which shall be executed and delivered by the Trustee hereunder shall not exceed the sum of $24,000,000.

Section 2.02. *Interests Represented by Trust Certificates; Interest; Maturities; Denominations.* Each of the Trust Certificates shall represent an interest in the amount therein specified in the trust created hereunder.

The Trust Certificates shall be payable as specified in the form thereof hereinbefore set forth and shall mature on the dates and bear interest at the rates per annum as follows:

Principal Amount	Date of Maturity	Interest Rate
$1,600,000	September 15, 1979	8.80 %
1,600,000	September 15, 1980	8.80
1,600,000	September 15, 1981	8.80
1,600,000	September 15, 1982	8.80
1,600,000	September 15, 1983	8.80
1,600,000	September 15, 1984	8.85
1,600,000	September 15, 1985	8.875
1,600,000	September 15, 1986	8.875
1,600,000	September 15, 1987	8.875
1,600,000	September 15, 1988	8.90
1,600,000	September 15, 1989	8.90
1,600,000	September 15, 1990	8.90
1,600,000	September 15, 1991	8.90
1,600,000	September 15, 1992	9.00
1,600,000	September 15, 1993	9.00

Definitive Trust Certificates shall be in denominations of $1,000 and any integral multiple thereof and shall be numbered consecutively.

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 of this Agreement, *provided, however,* that, at the option of the Trustee, payment of interest may be made by check mailed to the addresses of the persons entitled thereto as such addresses shall appear on the registry books of the Trustee.

SECTION 2.03. *Forms of Trust Certificates and Guaranty.* The Trust Certificates and the guaranty to be endorsed on the Trust Certificates by the Company as hereinafter in Section 6.01 provided shall be in substantially the forms hereinbefore set forth. The definitive Trust Certificates shall be printed in fully engraved form or lithographed or printed with steel engraved borders or partially engraved and partially printed with steel engraved borders.

SECTION 2.04. *Execution by Trustee.* The Trust Certificates shall be signed in the name and on behalf of the Trustee by the manual or facsimile signature of its President or one of its 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 Assistant Secretaries. In case any officer of the Trustee whose signature, whether facsimile or not, shall appear on any of the Trust Certificates shall cease to be such officer of the Trustee before the Trust Certificates shall have been issued and delivered by the Trustee or shall not have been acting in such capacity on the date of the Trust Certificates, such Trust Certificates may be adopted by the Trustee and be issued and delivered as though such person had not ceased to be or had then been such officer of the Trustee.

SECTION 2.05. *Temporary Trust Certificates.* Temporary printed Trust Certificates in such form and denominations as the Company may determine with the approval of the Trustee may be issued by the Trustee, and shall be exchangeable, without charge to the holder thereof, upon surrender thereof to the Trustee, for definitive Trust Certificates in the proper form, having the proper maturity date and bearing the proper interest rate when the same shall have been prepared. Until such exchange said temporary Trust Certificates shall be entitled to the same benefit of this Agreement in all respects as said definitive Trust Certificates.

SECTION 2.06. *Characteristics of Trust Certificates.* (a) The Trust Certificates shall be registered, as to both principal and interest, in the name of the holder; shall be transferable upon presentation and surrender thereof for transfer at the Corporate Trust Office, accompanied by appropriate instruments of assignment and transfer, duly executed by the registered holder of the surrendered Trust Certificate or Certificates or by duly authorized attorney, in form satisfactory to the Trustee; and shall be dated as of September 15, 1978, or, if issued after March 14, 1979, as of the interest payment date next preceding the date of issue, unless issued on an interest payment date, in which event they shall be dated as of the date of issue, or unless issued in exchange for another Trust Certificate or Certificates bearing unpaid interest from an earlier date, in which case they shall be dated as of such earlier date, and in any case shall entitle the registered holder to interest from the date thereof.

(b) The several denominations of Trust Certificates of the same maturity and interest rate shall be interchangeable in authorized denominations of the same maturity at the Corporate Trust Office.

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

(d) The Trustee shall cause to be kept at the Corporate Trust Office books for the registration and registration of transfer of the Trust Certificates.

(e) For any registration of transfer or exchange the Trustee shall require the payment of a sum sufficient to reimburse it for any governmental charge connected therewith.

(f) Each Trust Certificate delivered, pursuant to any provision of this Agreement, in exchange or substitution for, or upon the transfer of, the whole or any part, as the case may be, of 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.

(g) The Trustee shall not be required to issue, register the transfer of or exchange any Trust Certificate for a period of 15 days next preceding any interest payment date.

SECTION 2.07. *Replacement of Lost Trust Certificates.* In case any Trust Certificate shall become mutilated or defaced or be lost, destroyed or stolen, then on the terms herein set forth, and not otherwise, the Trustee shall execute and deliver a new Trust Certificate of like tenor, date and maturity, and bearing such identifying number or designation as the Trustee may determine, in exchange and substitution for, and upon cancellation of, the mutilated or defaced Trust Certificate, or in lieu of and in substitution for the same if lost, destroyed or stolen. The Company shall execute its guaranty on any Trust Certificates so delivered. The applicant for a new Trust Certificate shall furnish to the Trustee and to the Company evidence to their satisfaction of the loss, destruction or theft of such Trust Certificate alleged to have been lost, destroyed or stolen and of the ownership and authenticity of such mutilated, defaced, lost, destroyed or stolen Trust Certificate and also shall furnish such security or indemnity as may be required by the Trustee and by the Company in their discretion, and shall pay all expenses and charges of such substitution or exchange. All Trust Certificates are held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement of mutilated, defaced, lost, destroyed or stolen 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 2.08. *Legal Holidays.* In any case where the date upon which any Trust Certificate shall mature or the date of any interest payment shall not be a Business Day, then (notwithstanding any other provisions of the Trust Certificates or this Agreement) payment of the principal of or interest on any Trust Certificates need not be made on such date, but shall be made on the next succeeding Business Day with the same force and effect as if made on the nominal date upon which any such Trust Certificate shall mature or the date of any such interest payment and no interest shall accrue with respect to any amount, the payment of which has been so postponed, for the period from and after any such nominal date.

ARTICLE THREE

ACQUISITION OF TRUST EQUIPMENT BY TRUSTEE; DEPOSITED CASH

SECTION 3.01. *Acquisition of Equipment by Trustee.* The Company, as speedily as may be, shall cause to be sold, assigned and transferred to the Trustee, as trustee for the holders of the Trust Certificates, the Equipment described in Schedule A hereto; *provided, however,* that if the Cost of the Equipment sold, assigned and transferred to the Trustee shall equal or exceed 125% of the aggregate principal amount of the Trust Certificates issued pursuant to Section 2.01 hereof, upon Request, the Trustee shall execute and deliver to the Company a supplement hereto excluding from this Agreement any Equipment described in Schedule A not so sold, assigned and transferred. Such Equipment shall be delivered to the person or persons designated by the Trustee as its agent or agents to receive such delivery (who shall be one or more of the officers or agents of the Company) and the certificate of any such agent or agents as to such delivery shall be conclusive evidence of such delivery.

In the event that the Company shall deem it necessary or desirable to procure for the use of the Company, and to include in the trust hereby created, other Equipment in lieu of any units of the Equipment specifically described in Schedule A hereto prior to the delivery of such Equipment by the Trustee or its agent or agents, or in the event that any unit of the Equipment described in Schedule A hereto shall suffer a Casualty Occurrence as defined in Section 4.08 before being delivered to

the Trustee pursuant to this Section and Section 3.04(a), the Company may cause to be sold, assigned and transferred to the Trustee such other Equipment, to be substituted under the trust.

SECTION 3.02. *Payment of Deposited Cash.* From time to time, when and as any of the Trust Equipment shall have been delivered to the Trustee or its agent or agents pursuant to Section 3.01, the Trustee shall (subject to the provisions of Sections 3.03 and 3.04) pay, upon Request, to the manufacturers of the delivered Trust Equipment out of Deposited Cash then held by the Trustee an amount not exceeding 80% of the lesser of the aggregate Cost of such Equipment or its fair value, as specified in the Officers' Certificate furnished to the Trustee pursuant to Section 3.04(b).

SECTION 3.03. *Payment of Deficiency.* The Company agrees that, contemporaneously with any payment by the Trustee pursuant to Section 3.02, it will pay to the Trustee the advance rental provided in Section 4.04(A)(2), and thereupon the Trustee shall, upon Request, pay to the manufacturers of the delivered Trust Equipment, by the use of such advance rental, the portion of the aggregate Cost of the delivered Trust Equipment not paid out of Deposited Cash as provided for in Section 3.02. The intention of this Section is that the Company shall ultimately pay not less than 20% of the Cost of all the Trust Equipment delivered to the Trustee as Trust Equipment pursuant to this Article Three, and the Trustee and the Company shall at any time, if occasion arises, adjust their accounts and payments to the end that the Trustee shall pay with Deposited Cash not more than 80% of the lesser of the Cost or fair value thereof and the Company shall pay the remainder, to be not less than 20% of such Cost.

SECTION 3.04. *Supporting Papers.* The Trustee shall not pay out any Deposited Cash against the delivery of any unit of Equipment unless and until it shall have received:

(a) a certificate of the agent or agents designated by the Trustee to receive delivery of the Trust Equipment, stating that the Trust Equipment described and specified therein by number or numbers has been delivered to such agent or agents;

(b) an Officers' Certificate which shall state (i) that such Trust Equipment is Equipment as herein defined, (ii) that the Cost of such Trust Equipment is an amount therein specified or is not less than an amount therein specified, (iii) whether or not the Cost of any units of Trust Equipment includes the Cost of Components (as defined in Section 4.06), which Cost shall be separately stated in the invoice or invoices in respect thereof, (iv) that such Equipment has been marked as provided in Section 4.07, or that appropriate provision has been made to so mark such Trust Equipment, (v) the date such Trust Equipment was first put into use or that such Trust Equipment was first put into use not earlier than a specified date, (vi) whether such Trust Equipment has, within six months prior to the date of its acquisition by the Company, been used or operated by a person or persons other than the Company in a business similar to that in which it has been or is to be used or operated by the Company and (vii) that, in the opinion of the signers, all conditions precedent provided for in this Agreement, relating to the payment in question, have been complied with;

(c) an Engineer's Certificate which shall state the fair value to the Company, in the opinion of the signer, of such Trust Equipment as of the date of the Request referred to in Section 3.02;

(d) an invoice or invoices from the manufacturers or owners of the Trust Equipment and a bill or bills of sale covering such Trust Equipment from such manufacturers or owners to the Trustee, which bill or bills of sale shall contain a warranty or guaranty to the Trustee that the title to the Trust Equipment described therein is free from all claims, liens, security interests and other encumbrances (including any leasehold interest therein) existing at the time of delivery of such Trust Equipment to the Company or arising from through or under such manufacturers or owners other than the rights of such manufacturers and owners under the Interim Documents referred to in the second preamble hereto and the rights of the Company hereunder; and

(e) an Opinion of Counsel to the effect that (i) such bill or bills of sale are valid and effective, either alone or in connection with any other instrument referred to in and accompanying such

opinion, to vest in the Trustee title to such Trust Equipment free from all claims, liens, security interests and other encumbrances (including any leasehold interest therein) other than the rights of the Company hereunder, (ii) in case of any Trust Equipment not specifically described herein, a proper supplement hereto in respect of such Trust Equipment has been duly executed by the Trustee and the Company and has been filed with the Interstate Commerce Commission pursuant to the requirements of Section 20c of the Interstate Commerce Act, (iii) such Trust Equipment is free of all claims, liens, security interests and other encumbrances arising under the Interim Documents referred to in the second preamble hereto; and (iv) in the opinion of such counsel, all conditions precedent provided for in this Agreement, relating to the delivery in question, have been complied with.

If the Trust Equipment for which payment is being made has, within six months prior to the date of its acquisition by the Company, been used or operated by a person or persons other than the Company in a business similar to that in which it has been or is to be used or operated by the Company and the fair value to the Company of such Trust Equipment is not less than $25,000 and not less than 1% of the aggregate principal amount of Trust Certificates at the time outstanding, the Engineer's Certificate referred to in subparagraph (c) above shall be signed by an Independent Engineer.

Any Officers' Certificate delivered pursuant to this Section 3.04 may state that the Cost of the Trust Equipment therein referred to is tentatively determined, subject to final adjustment to be evidenced in a final Officers' Certificate to be delivered to the Trustee.

If the aggregate final Cost or fair value, whichever is less, as specified in the certificates theretofore delivered to the Trustee pursuant to this Section 3.04, of the Trust Equipment delivered to the Trustee or its agent or agents pursuant to this Article Three shall be less than 125% of the aggregate principal amount of Trust Certificates issued pursuant to Section 2.01, the Company will cause to be assigned and transferred to the Trustee additional Equipment in such amount and of such Cost that the aggregate final Cost or fair value, whichever is less, of the Trust Equipment will be at least 125% of the aggregate principal amount of said Trust Certificates, and will concurrently deliver to the Trustee the documents specified in paragraphs (a) through (e) of this Section 3.04.

ARTICLE FOUR

Lease of Trust Equipment to the Company

Section 4.01. *Lease of Trust Equipment.* The Trustee does hereby let and lease to the Company, for the term of 15 years from and after September 15, 1978, all the Trust Equipment.

Section 4.02. *Equipment Automatically Subjected.* As and when any Equipment shall from time to time be delivered hereunder to the Trustee or its agent or agents, the same shall, *ipso facto* and without further instrument of lease or transfer, become subject to all the terms and provisions hereof.

Section 4.03. *Additional and Substituted Equipment Subject Hereto.* In the event that the Company shall, as provided in Section 3.01, 3.04 or 4.06, cause to be transferred to the Trustee other Equipment in addition to or in substitution for any of the Equipment herein specifically described or subjected hereto, such other Equipment shall be included as part of the Trust Equipment by supplement hereto to be executed by the Trustee and the Company and to be filed with the Interstate Commerce Commission pursuant to the requirements of Section 20c of the Interstate Commerce Act. Such Equipment 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 4.04. *Rental Payments.* The Company hereby accepts the lease of all the Trust Equipment, and agrees to accept delivery and possession hereunder of the Trust Equipment; and the Company agrees to pay to the Trustee at the Corporate Trust Office (or, in the case of taxes, to the proper taxing authority), in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, rent hereunder 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 of and lease to the Company of any unit of the Trust Equipment):

(A) The Company shall pay to the Trustee, as hereinafter provided, as advance rental hereunder, sums which in the aggregate shall be equal to the excess of the aggregate Cost of the Trust Equipment (other than Trust Equipment subjected hereto pursuant to Section 4.06 or the last paragraph of Section 3.04) over the portion of such Cost to be paid out of the net proceeds (excluding premium and accrued interest, if any) of the sale of the Trust Certificates, the intention being that, when all such Trust Equipment shall have been delivered to the Trustee or its agent or agents, the Company shall have paid or shall pay to the Trustee, as advance rental hereunder a sum equal to the amount by which the aggregate Cost of such Trust Equipment exceeds such net proceeds of the sale of the Trust Certificates. The Company agrees to pay such advance rental as follows:

(1) at the time of issue of any Trust Certificates pursuant to Section 2.01 a sum which, when added to such net proceeds of the sale of such Trust Certificates deposited with the Trustee, will make the total sum deposited equal to the principal amount of the Trust Certificates so issued; and

(2) upon delivery of any of such Trust Equipment, a sum equal to the portion of the Cost of such delivered Trust Equipment not paid out of Deposited Cash as provided for in Section 3.02, but not less than 20% of such Cost.

(B) In addition to such advance rental the Company shall pay to the Trustee, as hereinafter provided, as rental for the Trust Equipment (notwithstanding that any of the Trust Certificates shall have been acquired by the Company or shall not have been presented for payment), the following:

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

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

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

(4) the principal of the Trust Certificates, when and as the same shall become payable, whether upon the respective stated dates of maturity thereof or by declaration or otherwise.

If the Company is granted a quantity discount or other allowance based on the Company's purchases of railroad equipment over a year or other time period, and such discount or any portion thereof is applicable to the Trust Equipment or any Components (as hereinafter defined in Section 4.06) thereof (other than special devices, racks or assemblies, the cost or purchase price of which is not included in the Cost of the Trust Equipment or any unit thereof) and is not reflected in the invoices therefor delivered to the Trustee pursuant to Section 3.04(d), the Company will, upon receipt of any such discount or allowance, promptly allocate to the Trust Equipment the portion of such discount or allowance applicable to the Trust Equipment, promptly deposit with the Trustee an amount in cash equal to such portion, and deliver to the Trustee an Officers' Certificate setting forth the basis for the determination of such deposit. Cash deposited with the Trustee pursuant to this paragraph shall be held and applied as provided in the fourth paragraph of Section 4.06.

Nothing herein or in the Trust Certificates contained shall be deemed to impose on the Trustee or on the Company any obligation to pay to the holder of any Trust Certificate any tax, assessment or

governmental charge required by any present or future law of the United States of America, or of any state, county, municipality or other taxing authority thereof, to be paid in behalf of, or withheld from the amount payable to, the holder of any Trust Certificate.

The Company shall not be required to pay any tax, assessment or governmental charge so long as it shall in good faith and by appropriate legal proceedings contest the validity thereof; *provided, however,* that as set forth in an Opinion of Counsel which shall have been furnished to the Trustee by the Company, the rights or interests of the Trustee or of the holders of the Trust Certificates will not be materially impaired thereby.

SECTION 4.05. *Termination of Lease.* After all payments due or to become due from the Company hereunder shall have been completed and fully made to the Trustee (1) such payments shall be deemed to represent payment of the full purchase price for the purchase by the Company at such time of the Trust Equipment from the Trustee, (2) any moneys remaining in the hands of the Trustee after providing for all outstanding Trust Certificates and after paying the expenses of the Trustee, including its reasonable compensation, shall be paid to the Company, (3) title to all the Trust Equipment shall vest in the Company and (4) the Trustee shall execute for record in public offices, at the expense of the Company, such instrument or instruments in writing as reasonably shall be requested by the Company in order to make clear upon public records the title of the Company to all the Trust Equipment under the laws of any jurisdiction; *provided, however,* that until that time title to the Trust Equipment shall not pass to or vest in the Company, but title to and ownership of all the Trust Equipment shall be and remain in the Trustee, notwithstanding the delivery of the Trust Equipment to and the possession and use thereof by the Company pursuant to the terms of this Agreement.

Anything in the foregoing paragraph to the contrary notwithstanding, any moneys deposited with the Trustee or any paying agent for the payment of the principal of or interest on any Trust Certificate and not so applied but remaining unclaimed by the holder of such Trust Certificate for four years after the date upon which the principal of or interest on such Trust Certificate shall have become due and payable shall be repaid to the Company by the Trustee or such paying agent on demand; and the holder of any such Trust Certificate entitled to receive such payment shall thereafter look only to the Company for the payment thereof and all liability of the Trustee or such paying agent with respect to such moneys shall thereupon cease; *provided, however,* that the Trustee before being required to make repayment of any such moneys may at the expense of the Company cause to be published once a week for two successive weeks (in each case on any Business Day), in an Authorized Newspaper, a notice that such moneys remain unclaimed and that after a date named therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such moneys then remaining will be returned to the Company.

SECTION 4.06. *Substitution and Replacement of Trust Equipment.* Upon Request, the Trustee shall, at any time and from time to time, execute and deliver a bill of sale assigning and transferring to the transferee named by the Company all the right, title and interest of the Trustee in and to any or all of the units of Trust Equipment or Components (as hereinafter in this paragraph defined); *provided, however,* that none of the units of Trust Equipment or Components shall be so assigned or transferred (except as provided in Section 4.05) unless simultaneously (a) there shall be paid to the Trustee cash in an amount not less than the fair value, as of the date of such Request, of the units of Trust Equipment or Components to be assigned or transferred by the Trustee or (b) there shall be conveyed to the Trustee at the time of assignment or transfer of any units of Equipment, other units of Equipment of a fair value which when added to any cash paid to the Trustee at the time of assignment or transfer shall aggregate not less than the fair value as of the date of such Request of the units of Trust Equipment to be assigned or transferred or (c) there shall be conveyed to the Trustee at the time of assignment or transfer of any Components, either other Components (which shall be affixed by the Company to units of Equipment) or units of Equipment, or both, of a fair value which when added to any cash paid to the Trustee at the time of assignment or transfer shall aggregate not less than the fair value as of the date of such Request of the Components to be assigned or transferred; and *pro-*

vided, further, however, that no Components shall be removed from any unit of Trust Equipment, or a substitution of Components made, if such removal, or removal and substitution, will impair the use in the business of the Company of such unit of Trust Equipment. For the purposes of this Section 4.06 the terms "Trust Equipment" and "Equipment" mean complete units of standard-gauge railroad flatcars (other than work equipment), or any trailer hitches, bridge plates, safety chains, riser planks, couplers, draft gears, tie downs, bulkheads, winches, channels, collapsible pedestals or other components (herein called Components) if the Cost thereof is separately stated in the invoice delivered to the Trustee when such Components are first subjected to the trust created hereby; the term "unit" when used with reference to Trust Equipment or Equipment being deemed to mean, however, a complete unit of railroad rolling stock.

At the time of delivery of any Request pursuant to the first paragraph of this Section 4.06, the Company shall, if other Equipment is to be conveyed to the Trustee in substitution for the Trust Equipment to be assigned or transferred by the Trustee, deliver to the Trustee the following papers:

(1) an Engineer's Certificate stating (i) the fair value, as of the date of said Request, of the Trust Equipment so to be assigned or transferred by the Trustee, (ii) that such assignment or transfer will not impair the security under this Agreement in contravention of the provisions hereof and (iii) the fair value to the Company of such substituted Equipment as of such date and that such substituted units have an expected useful life extending beyond the fixed date on which all Trust Certificates mature;

(2) an Officer's Certificate stating (i) the date each unit of Trust Equipment so to be assigned or transferred by the Trustee was first put into use (or that such unit was first put into use not earlier than a specified date), (ii) that, in the case of a Component, the requested assignment or transfer by the Trustee will not impair (after giving effect to any substitution to be made simultaneously therewith) the use of the unit of Trust Equipment to which such Component had been affixed in the business of the Company, (iii) if such substitution consists of one or more Components, that each such Component is to be substituted on a specified unit of the Trust Equipment for another Component used for the same purpose concurrently being removed from such unit and assigned or transferred by the Trustee hereunder, (iv) that each unit of Equipment so to be substituted has been marked as provided in Section 4.07, (v) that each such unit so to be substituted is Equipment as herein defined, (vi) that no Event of Default hereunder has occurred and is continuing, and (vii) that, in the opinions of the signers, all conditions precedent provided for in this Agreement, relating to such substitution, have been complied with;

(3) if Trust Equipment is conveyed to the Trustee, certificates of delivery and invoices and bill or bills of sale to the Trustee from the owner or manufacturer of such Trust Equipment corresponding to those provided for in subparagraphs (a) and (d) of the first paragraph of Section 3.04; and

(4) an Opinion of Counsel to the effect that (i) such bill or bills of sale are valid and effective, either alone or together with any other instruments referred to in and accompanying such opinion, to vest in the Trustee title to such Equipment conveyed to the Trustee free from all claims, liens, security interests and other encumbrances (including any leasehold interest therein) other than the rights of the Company hereunder, (ii) that a proper supplement hereto in respect of any units of Equipment conveyed to the Trustee has been duly executed by the Trustee and the Company and has been filed with the Interstate Commerce Commission pursuant to the requirements of Section 20c of the Interstate Commerce Act, and (iii) that, in the opinion of such counsel, all conditions precedent provided for in this Agreement with respect to the transactions being carried out pursuant to this Section 4.06 have been complied with.

If the fair value of the Trust Equipment to be assigned or transferred by the Trustee, together with all other property so assigned or transferred since the commencement of the then current calendar year, as set forth in the certificate or certificates required by this Section 4.06, is 10% or more of the aggregate principal amount of Trust Certificates at the time outstanding, the Engineer's Certificate

referred to in subparagraph (1) above shall be signed by an Independent Engineer unless the fair value of the Trust Equipment to be assigned or transferred, as set forth in such certificate, is less than $25,000 or less than 1% of the aggregate principal amount of Trust Certificates at the time outstanding. If any Equipment to be conveyed to the Trustee pursuant to this Section 4.06 has, within six months prior to the date of its acquisition by the Company been used or operated, by a person or persons other than the Company, in a business similar to that in which it has been or is to be used or operated by the Company and the fair value to the Company of such Equipment is not less than $25,000 and not less than 1% of the aggregate principal amount of Trust Certificates at the time outstanding, the Engineer's Certificate referred to in subparagraph (1) above shall be signed by an Independent Engineer.

At the time of delivery of any Request pursuant to the first paragraph of this Section 4.06, the Company shall, if cash is to be paid to the Trustee in respect of the Trust Equipment to be assigned or transferred by the Trustee, deliver to the Trustee papers corresponding to those set forth in the second paragraph of this Section insofar as they relate to the action requested.

Cash deposited with the Trustee pursuant to this Section 4.06, pursuant to the second paragraph of Section 4.04, or pursuant to Section 4.08 shall, from time to time, be paid over by the Trustee to the Company upon Request, against conveyance to the Trustee of units of Equipment or Components having a fair value, as of the date of said Request, not less than the amount of cash so paid, and upon compliance by the Company with all of the provisions of the second paragraph of this Section 4.06 (including an Engineer's Certificate corresponding to that required by subparagraph (1) of said second paragraph with respect to substituted Equipment) insofar as they relate to the action requested.

For all purposes of this Section 4.06, where fair value is not required to be determined by an Independent Engineer, fair value shall be determined as follows (and the manner of such determination set forth in each Engineer's Certificate furnished in respect thereof, including a statement of actual fair value or fair value to the Company, as the case may be, without reference to the provisions of subdivision (b) of subparagraphs (1), (2), (3) and (4) of this paragraph):

(1) the fair value of any unit of Trust Equipment assigned or transferred by the Trustee as provided in this Section 4.06 shall be deemed to be the greater of (a) the actual fair value thereof and (b) the Cost thereof as theretofore certified to the Trustee less depreciation at a rate not in excess of 1/15th of such Cost for each period of one year elapsed between the date such unit was first put into use as theretofore certified to the Trustee, and the date as of which fair value is to be determined;

(2) the fair value of any Equipment conveyed to the Trustee as provided in this Section 4.06 shall be deemed to be the lesser of (a) the actual fair value thereof and (b) the Cost of such unit less depreciation at a rate not less than 1/15th of such Cost for each period of one year elapsed between the date such unit was first put into use, and the date as of which fair value is to be determined;

(3) the fair value of any Component assigned or transferred by the Trustee as provided in this Section 4.06 shall be deemed to be the greater of (a) the actual fair value of and (b) the Cost thereof as theretofore certified to the Trustee less depreciation at a rate not in excess of 1/15th of such Cost for each period of one year elapsed between the date such Component was first put into use as theretofore certified to the Trustee, and the date as of which fair value is to be determined; and

(4) the fair value of any Component conveyed to the Trustee in substitution for a Component used for the same purpose to be assigned or transferred by the Trustee as provided in this Section 4.06 shall be deemed to be the lesser of (a) the actual fair value thereof and (b) the Cost thereof less depreciation at a rate not less than 1/15th of such Cost for each period of one year elapsed between the date such Component was first put into use, and the date as of which fair value is to be determined.

For all purposes of this Section 4.06, where fair value is required to be determined by an Independent Engineer such fair value shall be determined without requiring reference to the provisions of subparagraphs (1), (2), (3) and (4) of the next preceding paragraph.

SECTION 4.07. *Marking of Trust Equipment.* The Company agrees that, at the time of delivery to the Trustee pursuant to this Agreement of each unit of Equipment, there shall be plainly, distinctly, permanently and conspicuously marked on each side of such unit, in letters not less than one inch in height:

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

or other similar words which, in an Opinion of Counsel, provide equivalent notice to third parties of interests in such unit under this Agreement; *provided, however,* that, if any unit of Equipment shall be in service pursuant to the terms of the Interim Documents referred to in the second preamble hereof at the time such unit is transferred to the Trustee hereunder, the Company agrees to cause such unit to be so marked as soon as practicable thereafter. On or before March 14, 1979, the Company agrees to furnish to the Trustee an Officers' Certificate certifying that all the units of Equipment have been marked in accordance with the provisions of this Section.

In case, prior to the termination of the lease provided for in this Article Four, any of such marks shall at any time be removed, defaced or destroyed, the Company shall forthwith cause the same to be restored or replaced. The Company shall not change, or permit to be changed, the numbers of any of the units of Trust Equipment at any time covered hereby (or any numbers which may have been substituted as herein provided) except in accordance with a statement of new numbers to be substituted therefor which previously shall have been filed with the Trustee and which shall be filed and recorded by the Company in like manner as this Agreement.

The Trust Equipment may be lettered "Trailer Train" or "TTX" or in some other appropriate manner for convenience of identification of the leasehold interest of the Company therein, and may also be lettered, in case of a sublease of any Trust Equipment made pursuant to Section 4.09, in such manner as may be appropriate for convenience of identification of the subleasehold interest therein; but the Company, during the continuance of the lease provided for herein, will not allow the name of any person, firm, association or corporation to be placed on any of the Trust Equipment as a designation which might be interpreted as a claim of ownership thereof by the Company or by any person, firm, association or corporation other than the Trustee.

SECTION 4.08. *Maintenance of Trust Equipment; Casualty Occurrences.* The Company agrees that it will maintain and keep all the Trust Equipment in good order and proper repair at its own cost and expense, unless and until it becomes worn out, unsuitable for use, stolen, lost or destroyed (hereinafter called a Casualty Occurrence). Whenever any unit of the Trust Equipment shall suffer a Casualty Occurrence the Company shall, within 30 days after it shall have been informed of such Casualty Occurrence, deliver to the Trustee an Engineer's Certificate describing such Trust Equipment and stating the fair value to the Company thereof as of the date such Trust Equipment suffered such Casualty Occurrence. When the total fair value of all units of the Trust Equipment having suffered a Casualty Occurrence (exclusive of units of Trust Equipment having suffered a Casualty Occurrence in respect of which a payment shall have been made to the Trustee pursuant to this Section) shall amount to $250,000 (or such lesser amount as the Company may elect), the Company, within 30 days of such event, shall deposit with the Trustee an amount in cash equal to the fair value of such units of Trust Equipment as of the date of the Casualty Occurrence in respect thereof.

The rights and remedies of the Trustee to enforce or to recover any of the rental payments shall not be affected by reason of any Casualty Occurrence. Cash deposited with the Trustee pursuant to this Section 4.08 shall be held and applied as provided in the fourth paragraph of Section 4.06.

For all purposes of this paragraph, fair value shall be determined in the manner provided in subparagraphs (1) and (3) of the fifth paragraph of Section 4.06.

The Company agrees to furnish to the Trustee on or before April 1, in every calendar year following the calendar year in which the first delivery of any of the Trust Equipment to the Trustee or its agent or agents hereunder shall occur and during the continuance of the lease provided for herein, an Officers' Certificate, dated as of the preceding December 31, stating (1) the amount, description and numbers of all units of the Trust Equipment that may have suffered a Casualty Occurrence since the date of the last preceding statement (or the date of this Agreement in the case of the first statement), and (2) that in the case of all the Trust Equipment repainted or repaired since the date of the last preceding statement (or the date of this Agreement in the case of the first statement) the marks required by Section 4.07 have been preserved, or that such Trust Equipment when repainted or repaired has been again marked as required thereby. The Trustee, by its agents, shall have the right once in each calendar year, but shall be under no duty, to inspect the Trust Equipment at the then existing locations thereof; *provided, however,* that the Company shall not be obligated to interrupt the use of any unit in normal operations nor shall the Company be liable for any injury to, or the death of, any agent or employee of the Trustee incurred while exercising any such right to inspect the Trust Equipment under the preceding provision of this sentence.

SECTION 4.09. *Possession of Trust Equipment.* Except as provided in this Section 4.09, the Company will not assign or transfer its rights hereunder, or transfer or sublet the Trust Equipment or any part thereof, without the written consent of the Trustee first had and obtained; and the Company shall not, without such written consent, except as herein provided, part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment. An assignment or transfer to a corporation which shall acquire all or substantially all the property of the Company and which, by execution of an appropriate instrument satisfactory to the Trustee, shall assume and agree to perform each and all of the obligations and covenants of the Company hereunder and under the guaranty endorsed on the Trust Certificates shall not be deemed a breach of this covenant. The appointment of a receiver or receivers in equity or reorganization or a trustee or trustees in bankruptcy or reorganization for the Company or for its property shall not be deemed an unauthorized assignment if, prior to any action by the Trustee to exercise the remedies herein provided, such receiver or receivers or trustee or trustees shall be discharged or such receiver or receivers or trustee or trustees shall, pursuant to court order or decree, in writing duly assume and agree to pay or perform each and all of the obligations and covenants of the Company hereunder and under the guaranty endorsed on the Trust Certificates, in such manner that such obligations shall have the same status as obligations incurred by such receiver or receivers or trustee or trustees.

So long as the Company shall not be in default under this Agreement, the Company shall be entitled to the possession of the Trust Equipment and also to sublease the Trust Equipment to, or permit its use under the terms of car contracts by, a sublessee or user incorporated in the United States of America (or any State thereof or the District of Columbia), in Mexico (or any State or the Federal District thereof) or in the Dominion of Canada (or any Province or Territory thereof), upon lines of railroad owned or operated by such sublessee or user, or over which such sublessee or user has trackage right or rights for operation of its trains, and upon connecting and other carriers in or between the United States, Mexico or Canada in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Agreement; *provided, however,* that, if the Company subleases or permits the use of the Trust Equipment in Canada (or any Province or Territory thereof) or in Mexico (or any State or the Federal District thereof), the Company shall, except as otherwise provided in Section 6.03, first have (a) taken all necessary action to protect the right, title and interest of the Trustee in the Trust Equipment to be subleased or used and (b) furnished the Trustee with an opinion of Canadian or Mexican counsel, as the case may be, satisfactory to the Trustee, to the effect that such action is all that is necessary to protect the right, title and interest of the Trustee in such Trust Equipment.

Any such sublease may provide that the sublessee, so long as it shall not be in default under such sublease, shall be entitled (subject to the rights of the Trustee upon the happening of an Event of

Default) to the possession of the Trust Equipment included in such sublease and the use thereof, and, subject to the provisions of Section 4.07, may provide for lettering or marking upon such Trust Equipment for convenience of identification of the leasehold interest of such sublessee therein. Every such sublease shall subject the rights of the sublessee under such sublease to the rights of the Trustee in respect of the Trust Equipment covered by such sublease in the event of the happening of an Event of Default. A copy of the form of each such sublease (and of each amendment thereto, if any) shall promptly be filed with the Trustee.

SECTION 4.10. *Indemnity.* The Company agrees to indemnify the Trustee against any and all claims arising out of or connected with the ownership or use of any of the Trust Equipment, and particularly against any and all claims arising out of the use of any patented inventions in and about the Trust Equipment, and to comply in all respects with the laws of the United States of America and of all the states and other jurisdictions in which the Trust Equipment, or any unit thereof, may be operated, and with all lawful acts, rules, regulations and orders of any commissions, boards and other legislative, executive, administrative or judicial bodies or officers having power to regulate or supervise any of the Trust Equipment, including without limitation all lawful acts, rules, regulations and orders of any body having competent jurisdiction relating to automatic coupler devices or attachments, air brakes or other appliances; ***provided, however,*** that the Company may in good faith contest the validity of any such law, act, rule, regulation or order, or the application thereof to the Trust Equipment or any part thereof, in any reasonable manner which will not materially endanger the rights or interests of the Trustee or of the holders of the Trust Certificates. The Company shall not be relieved from any of its obligations hereunder by reason of the assertion or enforcement of any such claims or the commencement or prosecution of any litigation in respect thereof. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of principal and interest on the Trust Certificates and the conveyance of the Trust Equipment, as provided in Section 4.05 hereof, or the termination of this Agreement in any manner whatsoever, but shall be limited to claims relating to acts or omissions to act occurring during the term of this Agreement.

ARTICLE FIVE

REMEDIES IN EVENT OF DEFAULT

SECTION 5.01. *Events of Default.* The Company covenants and agrees that in case:

(a) the Company shall default in the payment of any part of the rental payable hereunder (including advance rental) for more than 30 days after the same shall have become due and payable, or

(b) the Company shall make or suffer any unauthorized assignment or transfer of its rights hereunder or shall make any unauthorized transfer or sublease (including, for the purposes of this clause, contracts for the use thereof) of any of the Trust Equipment, or, except as herein authorized, shall part with the possession of any of the Trust Equipment, and shall fail or refuse either to cause such assignment or transfer or sublease to be canceled by agreement of all parties having any interest therein and recover possession of such Trust Equipment within 30 days after the Trustee shall have demanded in writing such cancelation and recovery of possession, or within said 30 days to deposit with the Trustee a sum in cash equal to the fair value as of the date of conveyance (determined as provided in subparagraphs (1) or (3) of the fifth paragraph of Section 4.06) of the Trust Equipment so assigned or transferred or subleased or the possession of which shall have been parted with otherwise than as herein authorized (any sum so deposited to be returned to the Company upon the cancelation of such assignment, transfer or sublease and the recovery of possession by the Company of such Trust Equipment), or

(c) the Company shall, for more than 60 days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants hereof

on its part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance, or

(d) the lease provided for herein shall be terminated by operation of law, or

(e) an event of default shall occur under any lease or agreement, any equipment trust agreement or any indenture under which the Company is an obligor and the Trustee is also acting as trustee thereunder (the term "event of default" being used in this subparagraph (e) to mean any event which, after any applicable notice and/or period of grace provided for in the instrument in question, permits the trustee thereunder to declare the principal amount of the obligation issued or secured thereby to become immediately due and payable),

then in any such case (herein sometimes called an Event of Default), the Trustee, by notice in writing to the Company, or the holders of not less than 25% in principal amount of the then outstanding Trust Certificates, by notice in writing to the Company and the Trustee, may declare to be due and payable forthwith the entire amount of the rentals (including any unpaid advance rental, but not including rentals required for the payment of interest accruing after the date of such declaration) payable by the Company as set forth in Section 4.04 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 happen, the Trustee, by notice in writing to the Company, or the holders of not less than 25% in principal amount of the then outstanding Trust Certificates, by notice in writing to the Company and the Trustee, may 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 Company shall fail to pay any instalment of rental payable pursuant to Section 4.04(B)(3) or (B)(4) when and as the same shall have become due and payable hereunder, and such default shall have continued for a period of 30 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 Company or other obligor upon the Trust Certificates and collect in the manner provided by law out of the property of the Company or other obligor upon the Trust Certificates wherever situated the moneys adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Company or any other obligor upon the Trust Certificates under the Bankruptcy Act or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Company or such other obligor, or in case of any other judicial proceedings relative to the Company or such other obligor, or to the creditors or property of the Company or such other obligor, the Trustee, irrespective of whether the rental payments hereunder or the principal 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 5.01, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the entire amount of the rentals (including any unpaid advance rental, but not including rentals required for the payment of interest accruing after the date of such declaration) 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, except as a result of its negligence or bad faith) and of the holders of the Trust Certificates allowed in such proceedings and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts re-

ceived 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 except as a result of its negligence or bad faith.

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 proceedings instituted by the Trustee shall be brought in its own name 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 5.02. *Remedies.* In case of the happening of any Event of Default, the Trustee may by its agents enter upon the premises of the Company and of any Affiliate or of any sublessee 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 and retain all unpaid *per diem,* mileage or other charges of any kind earned by the Trust Equipment or any part thereof, including user charges accrued pursuant to car contracts between the Company and others, and may lease the Trust Equipment or any part thereof, or with or without retaking possession thereof (but only after declaring due and payable the entire amount of rentals payable by the Company as provided in Section 5.01 hereof) may sell the same or any part thereof, free from any and all claims of the Company at law or in equity, in one lot and as an entirety or in separate lots, insofar as may be necessary to perform and fulfill the trust hereunder, at public or private sale, for cash or upon credit, in its discretion, and may proceed otherwise to enforce its rights and the rights of the holders of interests hereunder in the manner herein provided. Upon any such sale, the Trustee itself may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Trustee may specify, or as may be required by law, and without gathering at the place of sale the Trust Equipment to be sold, and in general in such manner as the Trustee may determine, but so that the Company may and shall have a reasonable opportunity to bid at any such sale. Upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Company shall cease to have any rights or remedies in respect of the Trust Equipment hereunder, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Company, and no payments theretofore made by the Company for the rent or use of the Trust Equipment or any of it shall, in case of the happening of any Event of Default and such taking possession, withdrawal, lease or sale by the Trustee, give to the Company any legal or equitable interest or title in or to the Trust Equipment or any of it or any cause or right of action at law or in equity in respect of the Trust Equipment against the Trustee or the holders of interests hereunder. No such taking possession, withdrawal, lease or sale of the Trust Equipment by the Trustee shall be a bar to the recovery by the Trustee from the Company of rentals then or thereafter due and payable, and the Company shall be and remain liable for the same until such sums shall have been realized as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all the items mentioned in Section 4.04 (other than interest not then accrued), whether or not they shall have then matured.

SECTION 5.03. *Application of Proceeds.* If, in case of the happening of any Event of Default, the Trustee shall exercise any of the powers conferred upon it by Sections 5.01 and 5.02, all payments made by the Company to the Trustee hereunder after such Event of Default, and the proceeds of

any judgment collected from the Company by the Trustee hereunder, and the proceeds of every sale or lease by the Trustee hereunder of any of the Trust Equipment, together with any other sums which may then be held by the Trustee under any of the provisions hereof (other than sums held in trust for the payment of specific Trust Certificates), shall be applied by the Trustee to the payment, in the following order of priority, (a) of all proper charges, expenses or advances made or incurred by the Trustee in accordance with the provisions of this Agreement 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, then *pro rata* without preference between principal and interest.

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

SECTION 5.04. *Waivers of Default.* Prior to the declaration of the acceleration of the maturity of the rentals and of the maturity of all the Trust Certificates as provided in Section 5.01, the holders of a majority in aggregate principal amount of the Trust Certificates at the time outstanding may on behalf of the holders of all the Trust Certificates waive any past Event of Default and its consequences, except an Event of Default in the payment of any instalment of rental payable pursuant to Section 4.04(B)(3) or (B)(4), but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

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 5.01 provided, but before September 15, 1993, 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 Company's default, and all other sums which shall have become due and payable by the Company hereunder (other than the principal of Trust Certificates, and any other rental instalments, which shall not at the time have matured according to their terms) shall be paid by the Company before any sale or lease by the Trustee of any of the Trust Equipment, and every other default in the observance or performance of any covenant or condition hereof shall be made good or secured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall be made therefor, then, and in every such case, the Trustee, if so requested by the holders of a majority in principal amount of the Trust Certificates then outstanding, shall by written notice to the Company waive the default by reason of which there shall have been such declaration or declarations and the consequences of such default, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 5.05. *Obligations of Company 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 Company or in respect of the Trust Equipment, on the part of the Trustee or on the part of the holder of any Trust Certificate, nor any delay or indulgence granted to the Company by the Trustee or by any such holder, shall affect the obligations of the Company hereunder or the obligations of the Company under the guaranty endorsed on the Trust Certificates. The Company hereby waives presentation and demand in respect of any of the Trust Certificates and waives notice of presentation, of demand and of any default in the payment of the principal of and interest on the Trust Certificates.

SECTION 5.06. *Company to Deliver Trust Equipment to Trustee.* In case the Trustee shall rightfully demand possession of any of the Trust Equipment in pursuance of this Agreement, the Company will, at its own expense, forthwith and in the usual manner and at usual speed, cause such Trust Equipment to be drawn to such point or points as shall reasonably be designated by the Trustee and will there deliver or cause to be delivered the same to the Trustee; or, at the option of the Trustee, the Trustee may keep such Trust Equipment, at the expense of the Company, on any lines of railroad or premises approved by the Trustee until the Trustee shall have leased, sold or otherwise disposed of the same. Prior to delivery of the Trust Equipment to the Trustee, the Company shall, at its own expense, remove therefrom any devices, superstructures or assemblies not deemed to be Equipment as defined herein and will repair any damage to any Trust Equipment caused by such removal. The performance of the foregoing covenant is of the essence of this Agreement and upon application to any court having jurisdiction in the premises, the Trustee shall be entitled to a decree against the Company requiring the specific performance thereof.

SECTION 5.07. *Certificate as to Default; Trustee to Give Notice of Default, but May Withhold Under Certain Circumstances.* The Company will deliver to the Trustee as soon as available and in any event within 120 days after the end of each fiscal year, a certificate signed by the President, any Vice President, the Treasurer or any Assistant Treasurer of the Company stating that a review of the activities of the Company during such year has been made under his supervision with a view to determining whether the Company has kept, observed, performed and fulfilled all its obligations under this Agreement and the Trust Certificates and that to the best of his knowledge the Company during such year has kept, observed, performed and fulfilled each and every covenant, obligation and condition contained herein and in the Trust Certificates, or, if the Company shall have been or shall be in default or if an event has occurred or is continuing which, with the giving of notice or the passage of time or both, would constitute a default, specifying all such defaults and events and the nature and status thereof.

The Trustee shall give to the holders of the Trust Certificates in the manner and to the extent provided in Section 7.04(c) with respect to reports pursuant to Section 7.04(a), notice of each default hereunder known to the Trustee within 90 days after the occurrence thereof, unless such default shall have been remedied or cured before the giving of such notice; *provided* that, except in the case of default in the payment of any part of the rental payable hereunder pursuant to Section 4.04(B)(3) or (B)(4) hereof, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors and/or Responsible Officers in good faith determine that the withholding of such notice is in the interests of the holders of the Trust Certificates. The term "default" as used in this Section 5.07 shall mean the happening of any event defined as an Event of Default in Section 5.01, except that, for the purposes of this Section 5.07 only, there shall be eliminated from the definition of any such event as specified in Section 5.01 any reference to the continuance, or the continuance in force, for any period of days of any default or failure on the part of the Company referred to in such definition and the references in Sections 5.01(b) and (c) to the requirements of a written demand by the Trustee.

SECTION 5.08. *Limitations on Suits by Holders of Trust Certificates.* No holder of any Trust Certificate shall have any right by virtue or by availing of any provision of this Agreement to institute any action or proceedings at law or in equity or in bankruptcy or otherwise, upon or under or with respect to this Agreement, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the holders of a majority in aggregate principal amount of the Trust Certificates then outstanding shall have made written request to the Trustee to institute such action or proceedings in its own name as trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceedings and

no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 5.10; it being understood and intended, and being expressly covenanted by the holder of every Trust Certificate with every other holder and the Trustee, that no one or more holders of Trust Certificates shall have any right in any manner whatever, by virtue or by availing of any provision of this Agreement, to affect, disturb, or prejudice the rights of any other holder of Trust Certificates, or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under this Agreement, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Trust Certificates. For the protection and enforcement of the provisions of this Section 5.08, each and every holder of a Trust Certificate and the Trustee shall be entitled to such relief as can be given either at law or in equity.

SECTION 5.09. *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 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 no such suit shall be instituted if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the title reserved under this Agreement upon any property subject hereto.

SECTION 5.10. *Control by Holders of Trust Certificates.* The holders of a majority in aggregate principal amount of the Trust Certificates at the time outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; *provided, however,* that, subject to the provisions of Section 8.02, the Trustee shall have the right to decline to follow any such direction if the Trustee being advised by counsel, determines that the action so directed may not lawfully be taken or if the Trustee in good faith shall, by a Responsible Officer or Officers of the Trustee, determine that the proceeding so directed would involve it in a personal liability, or if the Trustee in good faith shall determine that the action so directed would be unjustly prejudicial to the holders of the Trust Certificates not taking part in such direction; and *provided, further,* that nothing in this Agreement contained shall impair the right of the Trustee to take any action deemed proper by the Trustee and which is not inconsistent with such direction by the holders of the Trust Certificates.

SECTION 5.11. *Right of Court to Require Filing of Undertaking to Pay Costs.* All parties to this Agreement agree, and each holder of any Trust Certificate by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Agreement, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 5.11 shall not apply to any suit instituted by the Trustee, to any suit instituted by any holder of a Trust Certificate, or group of holders of the Trust Certificates, holding in the aggregate more than 10% in principal amount of the Trust Certificates outstanding, or to any suit instituted by any holder of a Trust Certificate for the enforcement of the payment of the principal of, or interest on, any Trust Certificate on or after the due date expressed in such Trust Certificate.

SECTION 5.12. *Remedies Cumulative.* 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.

ARTICLE SIX

Additional Covenants and Agreements by the Company

Section 6.01. *Guaranty of Company.* The Company guarantees that the holder of each of the Trust Certificates shall receive the principal amount thereof, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, when and as the same shall become due and payable, in accordance with the provisions thereof or of this Agreement (and, if not so paid, with interest thereon until paid at the Penalty Rate to the extent legally enforceable), and shall receive interest thereon in like money at the rate specified therein, at the times and place and otherwise as expressed in the Trust Certificates (and, if not so paid, with interest thereon until paid at the Penalty Rate to the extent legally enforceable); and the Company further agrees to endorse upon each of the Trust Certificates, at or before the issuance and delivery thereof by the Trustee, its guaranty of the prompt payment of the principal thereof and of the interest thereon, in substantially the form hereinbefore set forth. Said guaranty so endorsed shall be signed in the name and on behalf of the Company by the manual or facsimile signature of its President or a Vice President. In case any officer of the Company whose signature shall appear on said guaranty shall cease to be such officer before the Trust Certificates shall have been issued and delivered by the Trustee, or shall not have been acting in such capacity on the date of the Trust Certificates, such guaranty shall nevertheless be as effective and binding upon the Company as though the person who signed said guaranty had not ceased to be or had then been such officer.

The Company's Thirty Year Subordinated Notes sold pursuant to the Note Purchase Agreement dated as of January 1, 1967, between the Company and certain of its stockholders are, as provided in such Note Purchase Agreement, junior and subordinate to the obligations of the Company under the foregoing guaranty.

Section 6.02. *Discharge of Liens.* The Company agrees that it will pay and discharge, or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge of, any debt, tax, charge, assessment, obligation or claim which if unpaid might become a lien or charge upon or against any of the Trust Equipment, except upon the leasehold interest of the Company therein; but this provision shall not require the payment of any such debt, tax, charge, assessment, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, provided that such contest will not materially endanger the rights or interests of the Trustee or of the holders of the Trust Certificates and the Company shall have furnished the Trustee with an Opinion of Counsel to such effect.

Section 6.03. *Payment of Expenses; Filing.* The Company agrees to pay the expenses incident to the preparation and execution of the Trust Certificates to be issued hereunder, or connected with the preparation, execution, recording and filing hereof and of any instruments executed under the provisions hereof with respect to the Trust Equipment, and all other reasonable expenses incurred by the Trustee (including the fees of its counsel) in connection herewith. The Company will, promptly after the execution and delivery of this Agreement (and prior to the delivery of any Trust Equipment to the Trustee hereunder) and each supplement hereto, respectively, cause this Agreement and such supplement to be duly filed with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. The Company will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record any and all further instruments, and file, register and record this Agreement and each supplement hereto in all other jurisdictions, required by law or reasonably requested by the Trustee for the purpose of proper protection of the title of the Trustee and the rights of the holders of the Trust Certificates and of fully carrying out and effectuating this Agreement and the intent hereof; *provided, however,* that the Company shall not be required to take any such action in respect of any jurisdiction outside the United States if (1) the Company deems such action to be unduly burdensome, (2) after giving effect to the failure to take such action, the Company has taken all action required by law to protect the title of the Trustee to units of Equipment having a fair value of not less than 85% of the aggregate fair value of all the Trust Equipment (such

fair value to be determined in the manner provided in subparagraphs (1) and (3) of the fifth paragraph of Section 4.06), and (3) any unit of Trust Equipment at any time located in such jurisdiction shall have been marked with the markings specified in Section 4.07 hereof.

Promptly after the execution and delivery of this Agreement and each supplement hereto, the Company will furnish to the Trustee an Opinion of Counsel stating that, in the opinion of such counsel, this Agreement or such supplement, as the case may be, has been properly recorded and filed so as effectively to protect the title of the Trustee to the Trust Equipment and its rights and the rights of the holders of the Trust Certificates thereunder and hereunder (subject to the qualification contained in the proviso to the next preceding paragraph hereof) and reciting the details of such action or stating that, in the opinion of such counsel, no such action is necessary; and the Company shall furnish to the Trustee, on or before April 1 in each calendar year, commencing with the year 1979, an Opinion of Counsel stating either that, in the opinion of such counsel, (i) such action has been taken with respect to the recording, filing, re-recording and refiling of this Agreement and each supplement hereto as is necessary for the proper protection of the title of the Trustee to the Trust Equipment and the rights of the Trustee and holders of the Trust Certificates hereunder and thereunder (subject to the qualification contained in the proviso to the next preceding paragraph hereof) and reciting the details of such action, or (ii) no such action is necessary for any of such purposes (subject to such qualification).

SECTION 6.04. *Covenant Against Prepayment of Subordinated Notes.* The Company covenants and agrees that if the Company shall be in default under any provision of this Agreement, the Company will not voluntarily prepay or retire any of its outstanding Thirty Year Subordinated Notes sold pursuant to the Note Purchase Agreement dated as of January 1, 1967, between the Company and certain of its stockholders.

SECTION 6.05. *Further Assurances.* The Company covenants and agrees from time to time to do all such acts and execute all such instruments of further assurance as it shall be reasonably requested by the Trustee to do or execute for the purpose of fully carrying out and effectuating this Agreement and the intent hereof.

ARTICLE SEVEN

LISTS OF HOLDERS OF THE TRUST CERTIFICATES AND REPORTS BY THE COMPANY AND THE TRUSTEE

SECTION 7.01. *Company to Furnish Trustee Information as to Names and Addresses of Holders of the Trust Certificates.* The Company covenants and agrees that it will furnish or cause to be furnished to the Trustee within 45 to 60 days after each interest payment date, and at such other times as the Trustee may request in writing, within 30 days after receipt by the Company of any such request, a list in such form as the Trustee may reasonably require containing all the information in the possession or control of the Company as to the names and addresses of the holders of Trust Certificates obtained since the date as of which the next previous list, if any, was furnished; *provided, however,* that so long as the Trustee is the registrar of the Trust Certificates pursuant to Section 2.06, no such list need be furnished. Any such list may be dated as of a date not more than 15 days prior to the time such information is furnished or caused to be furnished and need not include information received after such date.

SECTION 7.02. *Preservation of Information; Communications to Holders of the Trust Certificates.* (a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the holders of Trust Certificates (1) contained in the most recent list furnished to it as provided in Section 7.01, (2) received by it in the capacity of paying agent (if so acting) hereunder and (3) filed with it within the two preceding years pursuant to the provisions of Section 7.04(c)(2).

The Trustee may (1) destroy any list furnished to it as provided in Section 7.01 upon receipt of a new list so furnished, (2) destroy any information received by it as paying agent (if so acting)

hereunder upon delivering to itself as Trustee, not earlier than 45 days after an interest payment date on the Trust Certificates, a list containing the names and addresses of the holders of Trust Certificates obtained from such information since the delivery of the next previous list, if any, (3) destroy any list delivered to itself as Trustee which was compiled from information received by it as paying agent (if so acting) hereunder upon the receipt of a new list so delivered and (4) destroy any information filed with it pursuant to the provisions of Section 7.04(c)(2) but not until two years after such information has been filed with it.

(b) In case three or more holders of Trust Certificates (hereinafter referred to as "applicants") apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such applicant has owned a Trust Certificate for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other holders of Trust Certificates with respect to their rights under this Agreement or under the Trust Certificates and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall, within five business days after the receipt of such application, at its election, either

(1) afford such applicants access to the information preserved at the time by the Trustee in accordance with the provisions of Section 7.02(a), or

(2) inform such applicants as to the approximate number of holders of Trust Certificates whose names and addresses appear in the information preserved at the time by the Trustee in accordance with the provisions of Section 7.02(a), and as to the approximate cost of mailing to such holders of the Trust Certificates the form of proxy or other communications, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each holder of a Trust Certificate whose name and address appears in the information preserved at the time by the Trustee in accordance with the provisions of Section 7.02(a), a copy of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after such tender, the Trustee shall mail to such applicants, and file with the Commission together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the holders of Trust Certificates or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If the Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of such material to all such holders of the Trust Certificates with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Each and every holder of the Trust Certificates, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any paying agent shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the holders of the Trust Certificates in accordance with the provisions of Section 7.02(b), regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 7.02(b).

SECTION 7.03. *Reports by the Company.* The Company covenants:

(a) to file with the Trustee, within 15 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents, and other

reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with the Commission pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934; or, if the Company is not required to file information, documents, or reports pursuant to either of said sections, then to file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents, and reports which may be required pursuant to section 13 of the Securities Exchange Act of 1934 in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(b) to file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents, and reports with respect to compliance by the Company with the conditions and covenants provided for in this Agreement as may be required from time to time by such rules and regulations; and

(c) to transmit to the holders of the Trust Certificates, within 30 days after the filing thereof with the Trustee, in the manner and to the extent provided in Section 7.04(c) with respect to reports pursuant to Section 7.04(a), such summaries of any information, documents, and reports required to be filed by the Company pursuant to Section 7.03(a) and (b) as may be required by rules and regulations prescribed from time to time by the Commission.

SECTION 7.04. *Reports by the Trustee.* (a) On or before July 15, 1979, and on or before July 15 in every year thereafter, so long as any Trust Certificates are outstanding hereunder, the Trustee shall transmit to the holders of the Trust Certificates, as hereinafter in this Section 7.04 provided, a brief report dated as of the preceding May 15 with respect to:

(1) its eligibliity under Section 8.08 and its qualifications under Section 8.07, or in lieu thereof, if to the best of its knowledge it has continued to be eligible and qualified under said Sections, a written statement to such effect;

(2) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by it (as Trustee hereunder) which remain unpaid on the date of such report, and for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Trust Certificates, on the trust estate or on any property or funds held or collected by it, as Trustee hereunder, except that it shall not be required (but may elect) to report such advances if such advances so remaining unpaid aggregate not more than ½ of 1% of the principal amount of the Trust Certificates outstanding on the date of such report;

(3) the amount, interest rate, and maturity date of all other indebtedness owing by the Company (or by any other obligor on the Trust Certificates) to it in its individual capacity, on the date of such report, with a brief description of any property held as collateral security therefor, except an indebtedness based upon a creditor relationship arising in any manner described in Section 8.12(b)(2), (3), (4), or (6);

(4) the property and funds, if any, physically in its possession, as Trustee hereunder, on the date of such report;

(5) any release, assignment or transfer, or release, assignment or transfer and substitution, of any Trust Equipment (and the consideration therefor, if any) which it has not previously reported; *provided, however,* that to the extent that the aggregate value (as shown by the Engineer's Certificate furnished to the Trustee in respect thereof) of any or all of such released, assigned or transferred Trust Equipment does not exceed an amount equal to 1% of the principal amount of Trust Certificates then outstanding, the report need only indicate the number of such releases, assignments or transfers, the total value of Trust Equipment released, assigned or transferred as shown by said Engineer's Certificate, the aggregate amount of cash received and the aggregate value of Trust Equipment received in substitution therefor as shown by said Engineer's Certificate;

(6) any additional issue of Trust Certificates which it has not previously reported; and

(7) any action taken by it in the performance of its duties under this Agreement which it has not previously reported and which in its opinion materially affects the Trust Certificates or the trust estate, except action in respect of a default, notice of which has been or is to be withheld in accordance with the provisions of Section 5.07.

(b) The Trustee shall transmit to the holders of the Trust Certificates, as provided in Section 7.04(c), a brief report with respect to (i) the release, assignment or transfer, or release, assignment or transfer and substitution, of any Trust Equipment (and the consideration therefor, if any) unless the fair value of such Trust Equipment (as set forth in the Engineer's Certificate furnished to the Trustee in respect thereof) is less than 10% of the principal amount of Trust Certificates outstanding at the time of such release, assignment or transfer, or such release, assignment or transfer and substitution, such report to be so transmitted within 90 days after such time, and (ii) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by it, as Trustee hereunder, since the date of the last report transmitted pursuant to the provisions of Section 7.04(a) (or if no such report has yet been so transmitted, since the date of execution of this Agreement), for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Trust Certificates, on the trust estate or on property or funds held or collected by it as Trustee hereunder, and which it has not previously reported pursuant to this Section 7.04(b), except that it shall not be required (but may elect) to report such advances if such advances remaining unpaid at any time aggregate 10% or less of the principal amount of Trust Certificates outstanding at such time, such report to be transmitted within 90 days after such time.

(c) Reports pursuant to this Section 7.04 shall be transmitted by mail:

(1) to all registered holders of Trust Certificates, as the names and addresses of such holders appear upon the registration books of the Trustee;

(2) to such holders of Trust Certificates as have, within the two years preceding such transmission, filed their names and addresses with the Trustee for that purpose; and

(3) except in the case of reports pursuant to Section 7.04(b), to each holder of a Trust Certificate whose name and address is preserved at the time by the Trustee, as provided in Section 7.02(a).

(d) a copy of each such report shall, at the time of such transmission to holders of the Trust Certificates, be filed by the Trustee with each stock exchange, if any, upon which the Trust Certificates are listed and also with the Commission. The Company agrees to notify the Trustee when and as the Trust Certificates become listed on any stock exchange.

ARTICLE EIGHT

The Trustee

SECTION 8.01. *Acceptance of Trusts.* The Trustee hereby accepts the trust imposed upon it by this Agreement, and covenants and agrees to perform the same as herein expressed.

SECTION 8.02. *Duties and Responsibilities of the Trustee; During Default; Prior to Default.* In case an Event of Default has occurred (which has not been cured), 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 wilful 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 by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(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 principal amount of the Trust Certificates at the time outstanding (determined as provided in Section 9.03 hereof) relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement.

SECTION 8.03. *Certain Rights of the Trustee.* Except as otherwise provided in Section 8.02:

(a) 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, interest warrant or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) 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;

(c) the Trustee shall be under no obligation to exercise any of the 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; and

(d) 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 discretion or rights or powers conferred upon it by this Agreement.

SECTION 8.04. *Application of Rentals; Responsibility of Trustee to Insure or Record.* The Trustee covenants and agrees to apply the rentals received by it under Section 4.04(B) when and as the same shall be received, and to the extent that such rentals shall be sufficient therefor, for the purposes specified in said Section 4.04(B).

Except as otherwise provided in Section 8.02, the Trustee shall not be required to undertake any act or duty in the way of insuring, taking care of or taking possession of the Trust Equipment or to undertake any other act or duty under this Agreement until fully indemnified by the Company or by one or more of the holders of the Trust Certificates against all liability and expenses; and, except as aforesaid, the Trustee shall not be responsible for the filing or recording or refiling or rerecording of this Agreement or of any supplement hereto or statement of new numbers.

SECTION 8.05. *Funds May be Held by Trustee; Investments in Investment Securities.* Any money at any time paid to or held by the Trustee hereunder until paid out by the Trustee as herein provided may be carried by the Trustee on deposit with itself, and, if and to the extent agreed to between the Trustee and the Company and permitted by applicable law or regulations of governmental authorities having jurisdiction over the Trustee, the Trustee will allow interest upon any such moneys held by it in trust at the rate generally prevailing among Chicago banks and trust companies or allowed by it upon deposits of a similar character.

At any time, and from time to time, if at the time no Event of Default shall have occurred and be continuing, the Trustee, on Request, shall invest and reinvest Deposited Cash held by it or cash deposited with it pursuant to the second paragraph of Section 4.04 or pursuant to Section 4.06 or Section 4.08 (hereinafter in this Section 8.05 called Replacement Funds) in Investment Securities, at such prices, including any premium and accrued interest, as are set forth in such Request, such Investment Securities to be held by the Trustee in trust for the benefit of the holders of the Trust Certificates.

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

The Trustee shall restore to Deposited Cash or Replacement Funds, as the case may be, out of rent received by it for that purpose under the provisions of Section 4.04(B)(1), an amount equal to any expenses incurred in connection with any purchase or sale of Investment Securities and also an amount equal to any loss of principal incident to the sale or redemption of any Investment Securities for a sum less than the amount paid therefor, including accrued interest.

The Company, if not in default under the terms hereof to the knowledge of the Trustee, shall be entitled to receive any interest allowed as provided in the first paragraph of this Section 8.05 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 Investment Securities.

SECTION 8.06. *Trustee Not Liable for Delivery Delays or Defects in Equipment or Title; May Perform Duties by Agents; Reimbursement of Expenses; Holding of Trust Certificates; Moneys Held in Trust.* Except as otherwise provided in Section 8.02, 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 manufacturers or owners thereof or of the Company, or for any defect in any of the Trust Equipment or in the title thereto, nor shall anything herein be construed as a warranty on the part of the Trustee in respect thereof or as a representation on the part of the Trustee in respect of the value thereof or in respect of the title thereto.

Except as otherwise provided in Section 8.02, the Trustee may perform its powers and duties hereunder by or through such attorneys, agents and servants as it shall appoint, and shall be answerable for only its own acts, negligence and wilful defaults and not for the default or misconduct of any attorney, agent or servant appointed by it with reasonable care. The Trustee shall not be responsible in any way for the recitals herein contained or for the execution or validity of this Agreement or of the Trust Certificates (except for its own execution thereof), or for the guaranty by the Company.

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

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

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

SECTION 8.07. *Qualification of Trustee; Conflicting Interests.* (a) If the Trustee has or shall acquire any conflicting interest, as defined in this Section 8.07, it shall, within 90 days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign in the manner and with the effect specified in Section 8.09.

(b) In the event that the Trustee shall fail to comply with the provisions of Section 8.07(a) the Trustee shall, within ten days after the expiration of such 90-day period, transmit notice of such failure to the holders of the Trust Certificates in the manner provided in Section 7.04(c) with respect to reports pursuant to Section 7.04(a).

(c) For the purposes of this Section 8.07 the Trustee shall be deemed to have a conflicting interest if

(1) the Trustee is trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the Company are outstanding, unless such other indenture is a collateral trust indenture under which the only collateral consists of Trust Certificates issued under this Agreement, *provided* that there shall be excluded from the operation of this paragraph any indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the Company are outstanding, if the Company shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that trusteeship under this Agreement and such other indenture or indentures is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under one of such indentures;

(2) the Trustee or any of its directors or executive officers is an obligor upon the Trust Certificates or an underwriter for the Company;

(3) the Trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common control with the Company or an underwriter for the Company;

(4) the Trustee or any of its directors or executive officers is a director, officer, partner, employee, appointee, or representative of the Company, or of an underwriter (other than the Trustee itself) for the Company who is currently engaged in the business of underwriting, except that (i) one individual may be a director or an executive officer, or both, of the Trustee and a director or an executive officer, or both, of the Company, but may not be at the same time an executive officer of both the Trustee and the Company, (ii) if and so long as the number of directors of the Trustee in office is more than nine, one additional individual may be a director or an executive officer, or both, of the Trustee and a director of the Company and (iii) the Trustee may be designated by the Company or by any underwriter for the Company to act in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, escrow agent, or depositary, or in any other similar capacity, or, subject to the provisions of Section 8.07(c)(1), to act as trustee, whether under an indenture or otherwise;

(5) 10% or more of the voting securities of the Trustee is beneficially owned either by the Company or by any director, partner or executive officer thereof, or 20% or more of such voting securities is beneficially owned, collectively, by any two or more of such persons; or 10% or more of the voting securities of the Trustee is beneficially owned either by an underwriter for the Company or by any director, partner, or executive officer thereof, or is beneficially owned, collectively, by any two or more such persons;

(6) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, (i) 5% or more of the voting securities, or 10% or more of any other class of security, of the Company, not including the Trust Certificates and securities issued under any other indenture under which the Trustee is also trustee or (ii) 10% or more of any class of security of an underwriter for the Company;

(7) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, 5% or more of the voting securities of any person who, to the knowledge of

the Trustee, owns 10% or more of the voting securities of, or controls directly or indirectly or is under direct or indirect common control with, the Company;

(8) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, 10% or more of any class of security of any person who, to the knowledge of the Trustee, owns 50% or more of the voting securities of the Company; or

(9) the Trustee owns, on May 15 in any calendar year, in the capacity of executor, administrator, testamentary or *inter vivos* trustee, guardian, committee or conservator, or in any other similar capacity, an aggregate of 25% or more of the voting securities, or of any class of security, of any person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under Section 8.07(c)(6), (7) or (8). As to any such securities of which the Trustee acquired ownership through becoming executor, administrator, or testamentary trustee of an estate which included them, the provisions of the preceding sentence shall not apply, for a period of two years from the date of such acquisition, to the extent that such securities included in such estate do not exceed 25% of such voting securities or 25% of any such class of security. Promptly after May 15 in each calendar year, the Trustee shall make a check of its holdings of such securities in any of the above-mentioned capacities as of such May 15. If the Company fails to make payment in full of the rentals payable hereunder in respect of the principal of, or interest on, any of the Trust Certificates when and as the same become due and payable, and such failure continues for 30 days thereafter, the Trustee shall make a prompt check of its holdings of such securities in any of the above-mentioned capacities as of the date of the expiration of such 30-day period, and after such date, notwithstanding the foregoing provisions of this paragraph, all such securities so held by the Trustee, with sole or joint control over such securities vested in it, shall, but only so long as such failure shall continue, be considered as though beneficially owned by the Trustee for the purposes of Section 8.07(c)(6), (7) and (8).

The specification of percentages in Section 8.07(c)(5) to (9), inclusive, shall not be construed as indicating that the ownership of such percentages of the securities of a person is or is not necessary or sufficient to constitute direct or indirect control for the purposes of Section 8.07(c)(3) or (7).

For the purposes of Sections 8.07(c)(6), (7), (8) and (9) only, (i) the terms "security" and "securities" shall include only such securities as are generally known as corporate securities, but shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a person by one or more banks, trust companies or banking firms, or any certificate of interest or participation in any such note or evidence of indebtedness; (ii) an obligation shall be deemed to be in default when a default in payment of principal shall have continued for 30 days or more and shall not have been cured; and (iii) the Trustee shall not be deemed to be the owner or holder of (x) any security which it holds as collateral security, as trustee or otherwise, for an obligation which is not in default as defined in clause (ii) above, or (y) any security which it holds as collateral security under this Agreement, irrespective of any default hereunder, or (z) any security which it holds as agent for collection, or as custodian, escrow agent, or depositary, or in any similar representative capacity.

Except as provided above, the word "security" or "securities" as used in this Agreement shall mean any equipment trust certificate, note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, or, in general, any interest or instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

(d) For the purposes of this Section 8.07:

(1) The term "underwriter" when used with reference to the Company shall mean every person who, within three years prior to the time as of which the determination is made, has pur-

chased from the Company with a view to, or has offered or sold for the Company in connection with, the distribution of any security of the Company outstanding at such time, or has participated or has had a direct or indirect participation in any such undertaking, or has participated or has had a participation in the direct or indirect underwriting of any such undertaking, but such term shall not include a person whose interest was limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers' commission.

(2) The term "director" shall mean any director of a corporation, or any individual performing similar functions with respect to any organization whether incorporated or unincorporated.

(3) The term "person" shall mean an individual, a corporation, a partnership, an association, a joint-stock company, a trust, an unincorporated organization, or a government or political subdivision thereof. As used in this paragraph (3), the term "trust" shall include only a trust where the interest or interests of the beneficiary or beneficiaries are evidenced by a security.

(4) The term "voting security" shall mean any security presently entitling the owner or holder thereof to vote in the direction or management of the affairs of a person, or any security issued under or pursuant to any trust, agreement or arrangement whereby a trustee or trustees or agent or agents for the owner or holder of such security are presently entitled to vote in the direction or management of the affairs of a person.

(5) The term "Company" shall mean any obligor upon the Trust Certificates.

(6) The term "executive officer" shall mean the president, every vice-president, every trust officer, the cashier, the secretary, and the treasurer of a corporation, and any individual customarily performing similar functions with respect to any organization whether incorporated or unincorporated, but shall not include the chairman of the board of directors.

The percentages of voting securities and other securities specified in this Section 8.07 shall be calculated in accordance with the following provisions:

(A) A specified percentage of the voting securities of the Trustee, the Company or any other person referred to in this Section 8.07 (each of whom is referred to as a "person" in this paragraph) means such amount of the outstanding voting securities of such person as entitles the holder or holders thereof to cast such specified percentage of the aggregate votes which the holders of all the outstanding voting securities of such person are entitled to cast in the direction or management of the affairs of such person.

(B) A specified percentage of a class of securities of a person means such percentage of the aggregate amount of securities of the class outstanding.

(C) The term "amount", when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to capital shares, and the number of units if relating to any other kind of security.

(D) The term "outstanding" means issued and not held by or for the account of the issuer. The following securities shall not be deemed outstanding within the meaning of this definition:

(i) securities of an issuer held in a sinking fund relating to securities of the issuer of the same class;

(ii) securities of an issuer held in a sinking fund relating to another class of securities of the issuer, if the obligation evidenced by such other class of securities is not in default as to principal or interest or otherwise;

(iii) securities pledged by the issuer thereof as security for an obligation of the issuer not in default as to principal or interest or otherwise; and

(iv) securities held in escrow if placed in escrow by the issuer thereof;

provided, however, that any voting securities of an issuer shall be deemed outstanding if any person other than the issuer is entitled to exercise the voting rights thereof.

(E) A security shall be deemed to be of the same class as another security if both securities confer upon the holder or holders thereof substantially the same rights and privileges; *provided, however,* that, in the case of secured evidences of indebtedness, all of which are issued under a single indenture, differences in the interest rates or maturity dates of various series thereof shall not be deemed sufficient to constitute such series different classes; and *provided, further,* that, in the case of unsecured evidences of indebtedness, differences in the interest rates or maturity dates thereof shall not be deemed sufficient to constitute them securities of different classes, whether or not they are issued under a single indenture.

SECTION 8.08. *Persons Eligible for Appointment as Trustee.* There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America or the State of New York or the State of Illinois, having its principal office and place of business in the Borough of Manhattan, City and State of New York or in the City of Chicago, State of Illinois, respectively, having a combined capital and surplus of at least $50,000,000, and which is authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then, for the purposes of this Section 8.08, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 8.08, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.09.

SECTION 8.09. *Resignation and Removal; Appointment of Successor Trustee.* (a) the Trustee may at any time resign by giving written notice of resignation to the Company and by mailing notice of resignation to all registered holders of Trust Certificates at their last addresses appearing on the registry books. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors of the Company, one copy of which instrument shall be delivered to the Trustee so resigning and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any holder of a Trust Certificate who has been a *bona fide* holder of a Trust Certificate or Trust Certificates for at least six months may, subject to the provisions of Section 5.11, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(1) the Trustee shall fail to comply with the provisions of Section 8.07(a) after written request therefor by the Company or by any holder of a Trust Certificate who has been a *bona fide* holder of a Trust Certificate or Trust Certificates for at least six months, or

(2) the Trustee shall cease to be eligible in accordance with the provisions of Section 8.08 and shall fail to resign after written request therefor by the Company or by any such holder of a Trust Certificate, or

(3) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, the Company may remove the Trustee and appoint a successor trustee by written instrument, in duplicate, executed by order of its Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 5.11, any holder of a Trust Certificate who has been a *bona fide* holder

of a Trust Certificate or Trust Certificates for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The holders of a majority in aggregate principal amount of the Trust Certificates at the time outstanding may at any time remove the Trustee and appoint a successor trustee by delivering to the Trustee to be removed, to the successor trustee so appointed and to the Company the evidence provided for in Section 9.01 of the action taken by the holders of the Trust Certificates.

(d) Any resignation or removal of the Trustee and any appointment of a successor trustee pursuant to any of the provisions of this Section 8.09 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 8.10.

SECTION 8.10. *Acceptance of Appointment by Successor Trustee.* Any successor trustee appointed as provided in Section 8.09 shall execute, acknowledge and deliver to the Company 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; but, nevertheless, on the written request of the Company 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 and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Company 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 pursuant to the provisions of Section 8.06.

No successor trustee shall accept appointment as provided in this Section 8.10 unless at the time of such acceptance such successor trustee shall be qualified under the provisions of Section 8.07 and eligible under the provisions of Section 8.08.

Upon acceptance of appointment by a successor trustee as provided in this Section 8.10, the Company shall mail notice of the succession of such trustee hereunder to the registered holders of the Trust Certificates at their last addresses appearing on the registry books. If the Company fails to mail such notice within ten days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Company.

SECTION 8.11. *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 the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be qualified under the provisions of Section 8.07, and eligible under the provisions of Section 8.08, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 8.12. *Preferential Collection of Claims Against the Company.* (a) Subject to the provisions of Section 8.12(b), if the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Company within four months prior to a default, as defined in Section 8.12(c), or subsequent to such a default, then, unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the holders of the Trust Certificates and the holders of other indenture securities (as defined in Section 8.12(c)):

(1) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest, effected after the beginning of such four-months' period and valid as against the Company and its other creditors, except any such

reduction resulting from the receipt or disposition of any property described in Section 8.12(a)(2), or from the exercise of any right of set-off which the Trustee could have exercised if a petition in bankruptcy had been filed by or against the Company upon the date of such default; and

(2) all property received by the Trustee in respect of any claim as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such four-months' period, or an amount equal to the proceeds of any such property, if disposed of, *subject, however,* to the rights, if any, of the Company and its other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of the Trustee

(A) to retain for its own account (i) payments made on account of any such claim by any person (other than the Company) who is liable thereon, and (ii) the proceeds of the *bona fide* sale of any such claim by the Trustee to a third person, and (iii) distributions made in cash, securities, or other property in respect of claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable state law;

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such four-months' period;

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such four-months' period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received the Trustee had no reasonable cause to believe that a default as defined in Section 8.12(c) would occur within four months; or

(D) to receive payment on any claim referred to in paragraph (B) or (C), against the release of any property held as security for such claim as provided in paragraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of paragraphs (B), (C) and (D), property substituted after the beginning of such four-months' period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and, to the extent that any claim referred to in any of such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any pre-existing claim of the Trustee as such creditor, such claim shall have the same status as such pre-existing claim.

If the Trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned between the Trustee, the holders of the Trust Certificates and the holders of other indenture securities in such manner that the Trustee, the holders of the Trust Certificates and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable state law, the same percentage of their respective claims, figured before crediting to the claim of the Trustee anything on account of the receipt by it from the Company of the funds and property in such special account and before crediting to the respective claims of the Trustee, the holders of the Trust Certificates and the holders of other indenture securities dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable state law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable state law, whether such distribution is made in cash, securities, or other property, but shall not include any

such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership, or proceedings for reorganization is pending shall have jurisdiction (i) to apportion between the Trustee, the holders of the Trust Certificates and the holders of other indenture securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and the proceeds thereof, or (ii) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee, the holders of the Trust Certificates and the holders of other indenture securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee who has resigned or been removed after the beginning of such four-months' period shall be subject to the provisions of this subsection (a) as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such four-months' period, it shall be subject to the provisions of this subsection (a) if and only if the following conditions exist:

(i) the receipt of property or reduction of claim, which would have given rise to the obligation to account, if such Trustee had continued as trustee, occurred after the beginning of such four-months' period; and

(ii) such receipt of property or reduction of claim occurred within four months after such resignation or removal.

(b) There shall be excluded from the operation of Section 8.12(a) a creditor relationship arising from

(1) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee;

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction, or by this Agreement, for the purpose of preserving any property which shall at any time be subject to this Agreement or of discharging tax liens or other prior liens or encumbrances thereon, if notice of such advance and of the circumstances surrounding the making thereof is given to the holders of the Trust Certificates at the time and in the manner provided in this Agreement;

(3) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, conversion agent, registrar, custodian, paying agent, fiscal agent or depositary, or other similar capacity;

(4) an indebtedness created as a result of services rendered or premises rented; or an indebtedness created as a result of goods or securities sold in a cash transaction as defined in Section 8.12(c);

(5) the ownership of stock or of other securities of a corporation organized under the provisions of section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Company; or

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self-liquidating paper as defined in Section 8.12(c).

(c) As used in this Section 8.12:

(1) the term "default" shall mean any failure to make payment in full of the principal of or interest on any of the Trust Certificates or upon the other indenture securities when and as such principal or interest becomes due and payable.

(2) the term "other indenture securities" shall mean securities upon which the Company is an obligor (as defined in the Trust Indenture Act of 1939) outstanding under any other indenture (i) under which the Trustee is also trustee, (ii) which contains provisions substantially similar to the provisions of this Section 8.12, and (iii) under which a default exists at the time of the apportionment of the funds and property held in such special account.

(3) the term "cash transaction" shall mean any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand.

(4) the term "self-liquidating paper" shall mean any draft, bill of exchange, acceptance or obligation which if made, drawn, negotiated or incurred by the Company for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

(5) the term "Company" shall mean any obligor upon the Trust Certificates.

SECTION 8.13. *Paying Agents.* (a) Whenever the Trustee shall appoint a paying agent other than the Company, it will cause such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section 8.13,

(1) that it will hold all sums held by it as such agent for the payment of the principal of or interest on the Trust Certificates (whether such sums have been paid to it by the Company or by any other obligor on the Trust Certificates) in trust for the benefit of the holders of the Trust Certificates, and will notify the Trustee of the receipt of sums to be so held, and

(2) that it will give the Trustee notice of any failure by the Company (or by any other obligor on the Trust Certificates) to make any payment of the principal of, or interest on, the Trust Certificates when the same shall be due and payable.

(b) If the Company shall act as paying agent for the Trustee, it will, on or before each due date of the principal of, or interest on, the Trust Certificates, set aside, segregate and hold in trust for the benefit of the holders of the Trust Certificates a sum sufficient to pay such principal or interest so becoming due. The Company will promptly notify the Trustee of any failure to take such action.

ARTICLE NINE

CONCERNING THE HOLDERS OF TRUST CERTIFICATES

SECTION 9.01. *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 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 (a) by an 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, or (b) by the record of the holders of Trust Certificates voting in favor thereof at any meeting of holders of Trust Certificates duly called and held in accordance with the provisions of Article Nine, or (c) by a combination of such instrument or instruments and any such record of such a meeting of holders of Trust Certificates.

SECTION 9.02. *Proof of Execution of Instruments and of Holding of Trust Certificates.* Subject to the provisions of Sections 8.02 and 10.05, 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 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 or by having the signature of any person executing such an instrument guaranteed by any bank, banker or trust company or by a member of the New York Stock Exchange, or in any other manner the Trustee shall deem sufficient.

The ownership of Trust Certificates may be proved by the register of such Trust Certificates or by a certificate of the registrar thereof.

The Trustee may require such additional proof of any matter referred to in this Section 9.02 as it shall deem necessary.

The record of any meeting of holders of Trust Certificates shall be proved in the manner provided in Section 10.06.

SECTION 9.03. *Trust Certificates Owned by Company Deemed Not Outstanding.* 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 Company or by any other obligor on the Trust Certificates or by any Affiliate of the Company or any such other obligor shall be disregarded, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, request or consent, only Trust Certificates which the Trustee knows are so owned shall be disregarded.

SECTION 9.04. *Right of Revocation of Action Taken.* At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 9.01, of the taking of any action by the holders of the percentage in aggregate principal amount of the Trust Certificates specified in this Agreement in connection with such action, any holder of a Trust Certificate the serial number of which is shown by the evidence to be included in the Trust Certificates the holders of which have consented to such action may, by filing written notice with the Trustee at its Corporate Trust Office and upon proof of holding as provided in Section 9.02, revoke such action so far as 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 percentage in aggregate principal amount of the Trust Certificates specified in this Agreement in connection with such action shall be conclusive and binding upon the Company, the Trustee and the holders of all the Trust Certificates.

ARTICLE TEN

MEETINGS OF HOLDERS OF TRUST CERTIFICATES

SECTION 10.01. *Purposes for Which Meetings of Holders of Trust Certificates May Be Called.* A meeting of holders of Trust Certificates may be called at any time and from time to time pursuant to the provisions of this Article Ten for any of the following purposes:

(a) to give any notice to the Company or to the Trustee, or to give any directions to the Trustee, or to waive any default hereunder and its consequences, or to take any other action authorized to be taken by holders of Trust Certificates, pursuant to any of the provisions of Article Five;

(b) to remove the Trustee and appoint a successor trustee pursuant to the provisions of Section 8.09; or

(c) to take any other action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of the Trust Certificates under any other provision of this Agreement or under applicable law.

SECTION 10.02. *Call of Meetings by Trustee.* The Trustee may at any time call a meeting of holders of Trust Certificates to take any action specified in Section 10.01, to be held at such time and at such place in the Borough of Manhattan, City and State of New York, or the City of Chicago, the State of Illinois, as the Trustee shall determine. Notice of every meeting of the holders of Trust Certificates, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed by the Trustee at least 30 days prior to such meeting to the registered holders of the Trust Certificates at their last addresses appearing on the registry books.

SECTION 10.03. *Company and Holders of Trust Certificates May Call Meeting.* In case at any time the Company, pursuant to a resolution of its Board of Directors, or the holders of at least 10% in aggregate principal amount of the Trust Certificates then outstanding, shall have requested the Trustee to call a meeting of holders of Trust Certificates to take any action authorized in Section 10.01, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed notice of such meeting within 20 days after receipt of such request, then the Company or the holders of the Trust Certificates in the amount above specified may determine the time and the place in the Borough of Manhattan, City and State of New York or the City of Chicago, the State of Illinois, for such meeting and may call such meeting by publishing notice thereof at least three times in an Authorized Newspaper, the first publication to be not less than 20 nor more than 180 days prior to the date fixed for such meeting.

SECTION 10.04. *Persons Entitled to Vote at Meeting.* To be entitled to vote at any meeting of holders of Trust Certificates a person shall be a holder of one or more Trust Certificates or a person appointed by an instrument in writing as proxy by a holder of one or more Trust Certificates. The only persons who shall be entitled to be present or to speak at any meeting of the holders of the Trust Certificates shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 10.05. *Determination of Voting Rights; Conduct and Adjournment of Meeting.* Notwithstanding any other provisions of this Agreement, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of holders of the Trust Certificates, in regard to the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit. Except as otherwise permitted or required by any such regulations, the holding of Trust Certificates shall be proved in the manner specified in Section 9.02 and the appointment of any proxy shall be proved in the manner specified in said Section 9.02 or by having the signature of the person executing the proxy witnessed or guaranteed by any bank, banker or trust company satisfactory to the Trustee.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by holders of the Trust Certificates as provided in Section 10.03, in which case the Company or the holders of the Trust Certificates calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the holders of a majority in principal amount of the Trust Certificates represented at the meeting and entitled to vote.

Subject to the provisions of Section 9.03, at any meeting each holder of Trust Certificates or proxy shall be entitled to one vote for each $1,000 principal amount of Trust Certificates held or represented by him; *provided, however,* that no vote shall be cast or counted at any meeting in respect of any Trust Certificate challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote except as a holder of Trust

Certificates or proxy. Any meeting of holders of Trust Certificates duly called pursuant to the provisions of Section 10.02 or 10.03 may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

At any meeting of holders of Trust Certificates, the presence of persons holding or representing Trust Certificates in an aggregate principal amount sufficient to take action upon the business for the transaction of which such meeting was called shall be necessary to constitute a quorum; but, if less than a quorum be present, the persons holding or representing a majority of the Trust Certificates represented at the meeting may adjourn such meeting with the same effect, for all intents and purposes, as though a quorum had been present.

SECTION 10.06. *Counting Vote and Recording Action of Meeting.* The vote upon any resolution submitted to any meeting of holders of Trust Certificates shall be by written ballots on which shall be subscribed the signatures of the holders of Trust Certificates or proxies and the serial number or numbers of the Trust Certificates held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of holders of Trust Certificates shall be prepared by the secretary of the meeting, and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and showing that said notice was published as provided in Section 10.02. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting, and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 10.07. *Call of Meeting Not to Affect Rights of Trustee and Holders of Trust Certificates.* Nothing in this Article Ten contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of holders of Trust Certificates or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the holders of Trust Certificates under any of the provisions of this Agreement or of the Trust Certificates.

ARTICLE ELEVEN

SUPPLEMENTAL AGREEMENTS

SECTION 11.01. *Supplemental Agreements without Consent of Holders.* Without the consent of the holders of any of the Trust Certificates, the Trustee and the Company may enter into the supplements permitted by Sections 3.01, 3.04 and 4.06 hereof. In addition, without the consent of the holders of any Trust Certificates, the Company, when authorized by a resolution of its Board of Directors, and the Trustee, at any time and from time to time, may enter into one or more agreements supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another corporation to the Company, and the assumption by any such successor of the covenants of the Company herein and in its guaranty in respect of the Trust Certificates contained, all as provided in Section 4.09 hereof; or

(2) to add to the covenants of the Company, for the benefit of the holders of the Trust Certificates, or to surrender any right or power herein conferred upon the Company; or

(3) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Agreement, *provided* such action shall not adversely affect the interests of the holders of the Trust Certificates; or

(4) to make provision for the designation of offices or agencies other than or in addition to the Corporate Trust Office, for the registration of transfer of the Trust Certificates.

The Trustee is hereby authorized to join the Company in the execution of any supplemental agreement authorized or permitted by the terms of this Agreement and to make any further appropriate agreements and stipulations which may be therein contained, but the Trustee shall not be obligated to enter into any such supplemental agreement which affects the Trustee's own rights, duties or immunities under this Agreement or otherwise.

A supplemental agreement authorized by the provisions of this Section 11.01 may be executed by the Company and the Trustee without the consent of the holders of any of the Trust Certificates at the time outstanding, notwithstanding any of the provisions of Section 11.02.

SECTION 11.02. *Supplemental Agreements with Consent of Holders.* With the consent (evidenced as provided in Section 9.01) of the holders of not less than 66⅔% in aggregate principal amount of the Trust Certificates at the time outstanding, the Company, when authorized by a resolution of its Board of Directors, and the Trustee may from time to time and at any time enter into an agreement or agreements supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or of any supplemental agreement or modifying in any manner the rights and obligations of the holders of the Trust Certificates and of the Company; *provided, however,* that no such supplemental agreement shall, without the consent of the holder of each outstanding Trust Certificate affected thereby,

(1) change the fixed maturity of the principal of, or any instalment of interest on, any Trust Certificate, or change the dates upon which rentals are payable with respect to such principal at maturity or any instalment of interest, or reduce the principal amount thereof or the interest thereon or any rentals payable with respect to such principal or interest instalment, or change the coin or currency in which any Trust Certificate or the interest thereon or any rentals relating thereto is payable, or impair the right to institute suit for the enforcement of such payment on or after the fixed maturity or date of payment thereof; or

(2) modify any of the provisions of the guaranty of the Company in respect of any Trust Certificate; or

(3) create any security interest with respect to the Trust Equipment ranking prior to, or on a parity with, the security interest created by this Agreement or deprive any holder of the benefit of the security interest created by this Agreement in all or any part of the Trust Equipment; or

(4) reduce the percentage in principal amount of the outstanding Trust Certificates, the consent of whose holders is required for any such supplemental agreement, or the consent of whose holders is required for any waiver (or compliance with certain provisions of this Agreement or certain defaults hereunder and their consequences) provided for in this Agreement; or

(5) modify any of the provisions of this Section 11.02, or Section 11.03, except to increase any such percentage or to provide that certain other provisions of this Agreement cannot be modified or waived without the consent of the holder of each Trust Certificate affected thereby.

Upon the request of the Company, accompanied by a copy of a resolution of its Board of Directors certified by the Secretary or an Assistant Secretary of the Company authorizing the execution of any such supplemental agreement, and upon the filing with the Trustee of evidence of the consent of the holders as aforesaid, the Trustee shall join with the Company in the execution of such supplemental agreement unless such supplemental agreement affects the Trustee's own rights, duties or immunities under this Agreement or otherwise, in which case the Trustee may in its discretion but shall not be obligated to enter into such supplemental agreement.

It shall not be necessary for the consent of the holders under this Section 11.02 to approve the particular form of any proposed supplemental agreement, but it shall be sufficient if such consent shall approve the substance thereof.

SECTION 11.03. *Effect of Supplemental Agreements.* Upon the execution of any supplemental agreement pursuant to the provisions of this Article Eleven, this Agreement shall be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Agreement of the Trustee, the Company and the holders of Trust Certificates shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental agreement shall be and be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

SECTION 11.04. *Reference in Trust Certificates to Supplemental Agreements.* Trust Certificates issued and delivered after the execution of any supplemental agreement pursuant to the provisions of this Article Eleven, or after any action taken at a meeting of holders pursuant to Article Ten, may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental agreement or as to any action taken at any such meeting; and, in such case, suitable notation may be made upon outstanding Trust Certificates after proper presentation and demand. If the Trustee shall so determine, new Trust Certificates so modified to conform, in the opinion of the Trustee and the Board of Directors of the Company, to any modification of this Agreement contained in any such supplemental agreement, or any action taken at any such meeting, may be prepared by the Trustee and executed by the Trustee, and the Company shall place its guaranty thereon and such new Trust Certificates may be delivered in exchange for the Trust Certificates then outstanding, without cost to the holders thereof, upon surrender of such Trust Certificates.

SECTION 11.05. *Opinion of Counsel to the Trustee.* The Trustee, subject to the provisions of Section 8.02, may receive an Opinion of Counsel as conclusive evidence that any supplemental agreement executed pursuant to this Article Eleven is authorized or permitted by the terms of this Agreement and that it is not inconsistent herewith.

SECTION 11.06. *Conformity with Trust Indenture Act of 1939.* Each supplemental agreement executed pursuant to this Article Eleven shall conform to the requirements of the Trust Indenture Act of 1939 as then in effect.

ARTICLE TWELVE

MISCELLANEOUS

SECTION 12.01. *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, firm or corporation, other than the parties hereto and the holders of the Trust Certificates, any right, remedy or claim under or by reason of this Agreement or of any term, covenant or condition hereof, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and of the holders of the Trust Certificates.

SECTION 12.02. *No Recourse.* No recourse under any obligation, covenant or agreement of this Agreement, or of the guaranty endorsed on any Trust Certificate, shall be had against any stockholder, officer or director of the Company, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Agreement and said guaranty are solely corporate obligations, and that no personal liability whatever shall attach to or be incurred by the stockholders, officers or directors of the Company, as such, or any of them, under or by reason of any of the obligations, covenants or agreements contained in this Agreement or in said guaranty, 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 and said guaranty.

SECTION 12.03. *Officers' Certificates and Opinions of Counsel; Statements to be Contained Therein.* Upon any application or demand by the Company to the Trustee to take any action under any of the provisions of this Agreement (other than the issuance of Trust Certificates), the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent provided for in this Agreement relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent have been complied with.

Each certificate or opinion provided for in this Agreement and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Agreement shall include (a) a statement that the person making such certificate or opinion has read such condition or covenant; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (c) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such condition or covenant has been complied with; and (d) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

SECTION 12.04. *Conflict of Any Provision of Agreement with Trust Indenture Act of 1939.* If and to the extent that any provision of this Agreement limits, qualifies or conflicts with another provision included in this Agreement which is required to be included herein by any of sections 310 to 317, inclusive, of the Trust Indenture Act of 1939, such required provision shall control.

SECTION 12.05. *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 12.06. *Notices.* All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail to (a) in the case of the Company, 300 South Wacker Drive, Chicago, Illinois 60606, or such other address as may hereafter be furnished to the Trustee in writing by the Company and (b) in the case of the Trustee, 111 West Monroe Street, Chicago, Illinois 60690, or such other address as may hereafter be furnished to the Company in writing by the Trustee. An affidavit by any person representing or acting on behalf of the Company or the Trustee, as to such mailing, having the registry receipt attached, shall be conclusive evidence of the giving of such demand, notice or communication.

SECTION 12.07. *Effect of Headings.* The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 12.08. *Counterparts.* This Agreement has been simultaneously executed in several counterparts each of which shall be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

SECTION 12.09. *Date Executed.* This Agreement shall be deemed to have been executed on the date of the acknowledgment thereof by the officer of the Trustee who signed it on behalf of the Trustee.

SECTION 12.10. *Governing Law.* 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 Illinois.

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

HARRIS TRUST AND SAVINGS BANK, Trustee

[CORPORATE SEAL]

By _____
Vice President

Attest:

_____
Assistant Secretary

TRAILER TRAIN COMPANY,

[CORPORATE SEAL]

By _____
Vice President—Finance

Attest:

_____
Assistant Secretary

STATE OF ILLINOIS
COUNTY OF COOK } ss.:

On this 22nd day of Sept., 1978, before me personally appeared J. E. SPRENG, to me personally known, who, being by me duly sworn, says that he is a Vice President of HARRIS TRUST AND SAVINGS BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

Larette C. Seay
Notary Public

My Commision Expires November 29, 1980

STATE OF ILLINOIS
COUNTY OF COOK } ss.:

On this 21st day Sept., 1978, before me personally appeared N. V. Reichert, to me personally known, who, being by me duly sworn, says that he is the Vice President—Finance of TRAILER TRAIN COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

Margaret R. Golz
Notary Public

My Commission Expires July 7, 1982

SCHEDULE A

Type	Mechanical Designation	Quantity	Company Car Numbers (all inclusive)
ACF Industries, Inc.			
89'4", 70-ton capacity, hydraulic draft gear, flush deck, low level flatcar for autorack service.	FA	63	820536-820547 820549-820599
Bethlehem Steel Corporation			
89'4", 70-ton capacity, hydraulic draft gear, flush deck, all purpose flatcar.	FC	265	978970-979234
Pullman Incorporated *(Pullman Standard Division)*			
89'4", 70-ton capacity, hydraulic draft gear, flush deck, low level flatcar for autorack service.	FA	448	852821-852910 853061-853418
		776	