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INTERSTATE COMMERCE COMMISSION

EQUIPMENT TRUST AGREEMENT

Dated as of August 1, 1974

BETWEEN

MANUFACTURERS HANOVER TRUST COMPANY,
Trustee,

AND

UNITED STATES TRUST COMPANY
OF NEW YORK, as Trustee

EQUIPMENT TRUST AGREEMENT dated as of August 1, 1974, between MANUFACTURERS HANOVER TRUST COMPANY, as Trustee hereunder (hereinafter called the Trustee), and UNITED STATES TRUST COMPANY OF NEW YORK (hereinafter called the Company), acting as trustee under a Trust Agreement dated as of March 1, 1974 (hereinafter called the Trust Agreement) with General Electric Credit Corporation (hereinafter called the Beneficiary).

WHEREAS the Company agrees to cause to be transferred to the Trustee the railroad equipment described in Schedule A hereto subject to the provisions hereof; and

WHEREAS security title to such railroad equipment is to be vested in and is to be retained by the Trustee as security for the obligations of the Company hereunder and of the Lessee under the Lease and the Consent (the Lessee, the Lease and Consent being hereinafter defined), and such railroad equipment is to be leased to the Company hereunder until full title is transferred to the Company under the provisions hereof; and

WHEREAS Equipment Trust Certificates (hereinafter called Trust Certificates) are to be issued and sold hereunder in an aggregate principal amount not exceeding $32,500,000 at any time outstanding, at a price not less than 100% of the principal amount thereof; and

WHEREAS certain of the Trust Certificates shall be in the form of Long-Term Trust Certificates (hereinafter so called) hereinafter set forth and the remainder shall be in the form of Interim Trust Certificates (hereinafter so called) hereinafter set forth, and the proceeds of the issuance thereof are to be deposited with the Trustee to constitute a fund equal to the aggregate principal amount of Trust Certificates so issued and sold to be applied by the Trustee in part payment of the cost of the Trust Equipment (as hereinafter defined), the remainder of the cost thereof to be paid by the Company as provided herein except that, in the case of the Long-Term Trust Certificates issued after September 12, 1974, the proceeds of the issuance thereof shall be applied by the Trustee in payment of the principal amount of Interim Trust Certificates maturing on the dates of such issuance; and

WHEREAS the Company has entered into a Lease of Equipment dated as of March 1, 1974, as amended by an Amendment Agreement dated as of

August 1, 1974 (said Lease, as so amended, being hereinafter called the Lease), with Trailer Train Company (hereinafter called the Lessee) pursuant to which the Company has leased such railroad equipment to the Lessee; and

WHEREAS the Lease is being assigned by the Company to the Trustee as security for the obligations of the Company hereunder and of the Lessee under the Lease and the Consent pursuant to an Assignment of Lease and Agreement dated as of the date hereof; and

WHEREAS the Lessee is entering into a consent and agreement (herein called the Consent) to such Assignment of Lease and Agreement, whereby the Lessee guarantees prompt payment of the principal of and interest on the Trust Certificates when due through the discharge of the Lessee's obligations under the Lease; and

WHEREAS the text of the Trust Certificates are to be substantially in the following forms, respectively.

[FORM OF LONG-TERM TRUST CERTIFICATE]

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

EQUIPMENT TRUST DUE AUGUST 15, 1989

Unconditional Guaranty by Trailer Train Company that Principal and Interest Will Be Paid Through Discharge of Lease Obligations

EQUIPMENT TRUST CERTIFICATE

Total Authorized Issue
$32,500,000
MANUFACTURERS HANOVER TRUST COMPANY, Trustee
Interest at the Rate of 11% Per Annum Payable
February 15 and August 15

MANUFACTURERS HANOVER TRUST COMPANY, as Trustee under an Equipment Trust Agreement dated as of August 1, 1974 (hereinafter called the Agreement), between MANUFACTURERS HANOVER TRUST COMPANY, Trustee (hereinafter called the Trustee), and UNITED STATES TRUST COMPANY OF NEW YORK, as trustee (hereinafter called the Company), hereby certifies that

or registered assigns, is entitled to an interest in the principal amount of $
in the EQUIPMENT TRUST DUE AUGUST 15, 1989, UNCONDITIONAL GUARANTY BY TRAILER TRAIN COMPANY THAT PRINCIPAL AND INTEREST WILL BE PAID THROUGH DISCHARGE OF LEASE OBLIGATIONS, payable in instalments as hereinafter provided, and to interest on the unpaid principal amount represented by this Certificate from the date hereof until the principal amount hereof is due and payable, at the rate of 11% per annum, payable semiannually on February 15 and August 15 in each year, commencing 15, 1975, with interest at the rate of 12% per annum on any overdue principal and interest to the extent that it shall be legally enforceable. Payments of instalments of principal and interest shall be made by the Trustee to the registered holder hereof at the corporate trust office of the Trustee in the Borough of Manhattan, in The City of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, but payable only out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions of the Agreement. Interest due hereunder shall be calculated on the basis of a 360-day year of twelve 30-day months.

The principal amount of this Certificate is due and payable in semiannual instalments on February 15 and August 15 in each year, commencing February 15, 1980, and continuing to and including August 15, 1989, calculated so that the aggregate of the principal and interest payments payable on each such date shall be substantially equal and such instalments of principal shall completely amortize the principal amount of this Certificate, subject to proportionate reduction in the event of prepayment out of moneys deposited with the Trustee on account of Casualty Occurrences (as defined in the Agreement). This Certificate is also prepayable on August 15, 1975, out of any Deposited Cash (as defined in the Agreement) held by the

Trustee and not applied to the cost of railroad equipment to be subject to the trust created by the Agreement. Any such prepayment of this Certificate shall be at 100% of the principal amount hereof to be prepaid, together with accrued interest to the date fixed for prepayment.

This Certificate is one of an authorized issue of Certificates (comprising Long-Term Trust Certificates and Interim Trust Certificates, as defined in the Agreement) in an aggregate principal amount outstanding not exceeding the Total Authorized Issue set forth above, issued or to be issued under and subject to the terms of the Agreement, under which certain railroad equipment leased to the Company and in turn leased to Trailer Train Company and certain moneys are and are to be held by the Trustee in trust for the equal and ratable benefit of the holders of Certificates, **to which Agreement (a copy of which is on file with the Trustee at its said office) reference is made for a full statement of the rights and obligations of the Company, the duties and immunities of the Trustee and the rights of the holder hereof thereunder.** The Company has no personal liability to the holders of the Certificates and the obligations of the Company under the Agreement are limited as provided therein.

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

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

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

As more fully set forth in Section 5.04 of the Agreement, the liability of the Company under the Agreement shall not exceed an amount equal to the income and proceeds from the units of railroad equipment received by the Company.

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

Dated as of:

MANUFACTURERS HANOVER TRUST COMPANY,
Trustee,

by

Vice President

ATTEST:

.....
Assistant Trust Officer

[FORM OF INTERIM TRUST CERTIFICATE]

$ No.

EQUIPMENT TRUST DUE AUGUST 15, 1989

Unconditional Guaranty by Trailer Train Company that Principal and Interest Will Be Paid Through Discharge of Lease Obligations

EQUIPMENT TRUST CERTIFICATE

Total Authorized Issue
$32,500,000
MANUFACTURERS HANOVER TRUST COMPANY, Trustee

MANUFACTURERS HANOVER TRUST COMPANY, as Trustee under an Equipment Trust Agreement dated as of August 1, 1974 (hereinafter called the Agreement), between MANUFACTURERS HANOVER TRUST COMPANY, Trustee (hereinafter called the Trustee), and UNITED STATES TRUST COMPANY OF NEW YORK, as trustee (hereinafter called the Company), hereby certifies that

or registered assigns, is entitled to an interest in the principal amount of $ in the EQUIPMENT TRUST DUE AUGUST 15, 1989, UNCONDITIONAL GUARANTY BY TRAILER TRAIN COMPANY THAT PRINCIPAL AND INTEREST WILL BE PAID THROUGH DISCHARGE OF LEASE OBLIGATIONS, payable on , 197 , and to interest on the unpaid principal amount represented by this Certificate from the date hereof until the principal amount hereof is due and payable, at a rate per annum equal to

with interest on any overdue principal and interest to the extent that it shall be legally enforceable at a rate of 1% per annum in excess of the aforesaid interest rate at the time in effect. Payments of principal and interest shall be made by the Trustee to the registered holder hereof at the corporate trust office of the Trustee in the Borough of Manhattan, in The City of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, but payable only out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions of the Agreement. Interest due hereunder shall be calculated on the basis of a 360-day year of twelve 30-day months.

This Certificate is one of an authorized issue of Certificates (comprising Long-Term Trust Certificates and Interim Trust Certificates, as defined in the Agreement) in an aggregate principal amount outstanding not exceeding the Total Authorized Issue set forth above, issued or to be issued under and subject to the terms of the Agreement, under which certain railroad equipment leased to the Company and in turn leased to Trailer Train Company and certain moneys are and are to be held by the Trustee in trust for the equal and ratable benefit of the holders of Certificates, **to which Agreement (a copy of which is on file with the Trustee at its said office) reference is made for a full statement of the rights and obligations of the Company, the duties and immunities of the Trustee and the rights of the holder hereof thereunder.** The Company has no personal liability to the holders of the Certificates and the obligations of the Company under the Agreement are limited as provided therein.

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

The transfer of this Certificate in whole or in part may be registered on the books of the Trustee upon surrender to the Trustee, in person or by duly authorized attorney, at its said office of this Certificate accompanied by a written instrument of transfer, duly executed by the registered holder in person or by such attorney, in form satisfactory to the Trustee, and thereupon a new Certificate or Certificates in authorized denominations for the same aggregate unpaid principal amount hereof will be issued to the transferee in exchange herefor and, if less than the then entire unpaid principal amount hereof is transferred, a balance piece therefor will be

issued to the transferor. Prior to due presentment for registration of transfer, the Trustee and the Company may treat the person in whose name this Certificate is registered as the absolute owner hereof for the purpose of receiving payment of principal and interest and for all other purposes, and shall not be affected by any notice to the contrary.

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

As more fully set forth in Section 5.04 of the Agreement, the liability of the Company under the Agreement shall not exceed an amount equal to the income and proceeds from the units of railroad equipment transferred by the Company to the Trustee.

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

Dated as of:

MANUFACTURERS HANOVER TRUST COMPANY,
Trustee,

by

Vice President

ATTEST:

.....
Assistant Trust Officer

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

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

ARTICLE ONE

DEFINITIONS

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

Business Day shall mean any calendar day, excluding Saturday, Sunday and legal holidays or days on which banking institutions are authorized by law to be closed in New York, New York.

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

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

Corporate Trust Office shall mean the office of the Trustee in New York, New York, at which the corporate trust business of the Trustee shall, at the time in question, be principally administered, which office is, at the date of execution of this Agreement, located at 40 Wall Street, New York, New York 10015.

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

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

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

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

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

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

Interim Trust Certificates shall mean Trust Certificates maturing on or prior to August 15, 1975, in the form hereinbefore set forth.

Investments shall mean (i) bonds, notes or other direct obligations of the United States of America or obligations for which the full faith and credit of the United States are pledged to provide for the payment of the interest and principal, in each case maturing within one year after the date of investment therein, (ii) open market commercial paper, maturing within one year after the date of investment therein, 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 "A-1" by Standard & Poor's Corporation or "prime-1" or better by Moody's Investors Service or an equivalent rating by a successor thereto or a similar rating service substituted therefor and (iii) certificates of deposit or time deposits, maturing within one year from the date of investment therein, of or in commercial banks or trust companies incorporated and doing business under the laws of the United States of America or one of the States thereof having a capital and surplus aggregating at least $100,000,000.

Lease shall mean the Lease of Equipment dated as of March 1, 1974, between the Company and the Lessee, amended so as to be substantially in the form of Exhibit A hereto, as the same may be further supplemented or amended as contemplated hereby or thereby.

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

Long-Term Trust Certificates shall mean Trust Certificates payable in instalments on February 15 and August 15 in each of the years 1980 through 1989, in the form hereinbefore set forth.

Manufacturer shall mean ACF Industries, Incorporated, Bethlehem Steel Corporation, Pullman Incorporated (Pullman-Standard division) or Thrall Car Manufacturing Company, as the case may be.

Manufacturing Agreement shall mean a Manufacturing Agreement dated as of March 1, 1974, between the Lessee and a Manufacturer, as the same may be supplemented or amended as contemplated hereby or thereby.

Officer's Certificate shall mean a certificate signed by the President, a Vice President, the Secretary or the Treasurer of the Company or the Lessee, as the case may be.

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

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

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

Purchase Agreement shall mean the Purchase Agreement dated as of the date hereof among the Lessee, the Company and the parties named in Annex I and Annex II thereto.

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

Trust Agreement shall mean the Trust Agreement dated as of March 1, 1974, between the Company and the Beneficiary.

Trust Certificates shall mean the Equipment Trust Certificates issued hereunder.

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

Trustee shall mean Manufacturers Hanover Trust Company, a corporation duly organized and existing under the laws of the State of New York, and any successor as trustee hereunder.

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

ARTICLE TWO

TRUST CERTIFICATES AND ISSUANCE THEREOF

SECTION 2.01. *Issuance of Trust Certificates.* The proceeds of the sale of the Trust Certificates shall be deposited with the Trustee as provided in the Purchase Agreement. Simultaneously, the Trustee shall issue and deliver, in accordance with the Purchase Agreement or in accordance with a Request of the Company, Trust Certificates substantially in the form set forth herein, bearing interest at the respective rates per annum set forth in the Purchase Agreement or in such Request, in the aggregate principal amount so sold.

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

SECTION 2.02. *Interests Represented by Trust Certificates; Interest; Maturity.* Each of the Trust Certificates shall represent an interest in the principal amount therein specified in the trust created hereunder. Each Long-Term Trust Certificate shall bear interest on the unpaid principal amount thereof at the rate per annum set forth in the form of Long-Term Trust Certificate contained herein payable semiannually on February 15 and

August 15 in each year, commencing February 15, 1975, or, if issued on or after February 15, 1975, August 15, 1975, with interest payable on any overdue principal and interest at the Penalty Rate, to the extent that it shall be legally enforceable. Each Interim Trust Certificate shall bear interest on the principal amount thereof at the rate per annum therein specified, payable at the maturity of such Interim Trust Certificate, and, if such Interim Trust Certificate shall mature after February 15, 1975, on February 15, 1975. Interest on the Trust Certificates shall be calculated on the basis of a 360-day year of twelve 30-day months.

Subject to the provisions of Article Three hereof respecting prepayment of Trust Certificates, the aggregate principal amount of the Long-Term Trust Certificates shall be payable in semiannual instalments on February 15 and August 15 in each of the years 1980 through 1989, calculated so that the aggregate of principal and interest payments payable on each such date shall be substantially equal and such instalments of principal shall completely amortize the principal amount of the Long-Term Trust Certificates. The Trustee shall furnish each holder of Long-Term Certificates an amortization schedule setting forth the respective amounts of principal and interest payable on each such date. The principal amount of each Interim Trust Certificate will be payable on the date specified for such Interim Trust Certificate in the Purchase Agreement, or such earlier date as may be designated by the Lessee by ten days' notice to the Trustee and the holder thereof, but only out of Deposited Cash pursuant to Section 4.05 hereof.

The principal of and interest on the Trust Certificates shall be payable at the Corporate Trust Office in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, but only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions hereof. Notwithstanding the provisions of the preceding sentence of this paragraph, in the case of payments of principal and interest to be made on a Trust Certificate not then to be paid in full, upon request and deposit of an agreement (or, if approved by the Trustee, a copy of an agreement) of the holder of such Trust Certificate (the responsibility of such holder to be satisfactory to the Trustee) obligating such holder, prior to any transfer or other disposition thereof, to surrender the same to the Trustee for a new Trust Certificate for the unpaid principal amount represented thereby on the date of such surrender, the Trustee will, subject to timely receipt of the

necessary funds, mail its check, or on request of the holder, wire by 11:00 a.m., New York time, funds immediately available to such holder on such date, to such holder at his address shown on the registry books maintained by the Trustee or at such other address as may be directed in writing by such holder without requiring the surrender of such Trust Certificate; *provided, however,* that the deposit of an agreement pursuant to this paragraph shall not be required of any original purchaser of Trust Certificates.

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

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

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

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

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

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

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

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

(h) The Trustee shall not be required (i) to register the transfer of or exchange any Trust Certificate for a period of ten Business Days next preceding any interest payment date or (ii) to issue, register the transfer of or exchange any Trust Certificate during a period beginning at the opening of business 15 days before any selection of Trust Certificates to be prepaid and ending at the close of business on the day of the mailing of the relevant notice of prepayment or (iii) to register the transfer of or exchange any Trust Certificate so selected for prepayment in whole or in part until after the date fixed for prepayment.

SECTION 2.04 *Replacement of Mutilated, Defaced, Lost, Stolen or Destroyed Trust Certificates.* In case any Trust Certificate shall become mutilated or defaced or be lost, stolen or destroyed, then on the terms herein set forth, and not otherwise, the Trustee shall execute and deliver a new Trust Certificate of like tenor and date as the mutilated, defaced, lost, stolen or destroyed Trust Certificate, in exchange and substitution for, and upon cancelation of, the mutilated or defaced Trust Certificate, or in lieu of and in substitution for the same if lost, stolen or destroyed. The applicant for a new Trust Certificate shall furnish to the Trustee evidence to its satisfaction of the loss, theft or destruction of such Trust Certificate alleged to have been lost, stolen or destroyed, and of the ownership and authenticity of such mutilated, defaced, lost, stolen or destroyed Trust Certificate, and shall furnish such security or indemnity as may be required by the Trustee (except in the case of original holders of Trust Certificates), and shall pay all expenses and charges of such exchange or substitution. All Trust Certificates shall be issued, held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement of mutilated, defaced, lost, stolen or destroyed Trust Certificates and shall preclude any and all other rights and remedies, any law or statute now existing or hereafter enacted to the contrary notwithstanding.

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

ARTICLE THREE

PREPAYMENT OF TRUST CERTIFICATES

SECTION 3.01. *Right of Prepayment.* The Trust Certificates are required to be prepaid in part (a) on August 15, 1975, and any February 15 or August 15 thereafter, through the application of moneys paid to the Trustee pursuant to Section 5.07 hereof and (b) on August 15, 1975, through the application of Deposited Cash to be applied thereto pursuant to the last

paragraph of Section 4.01 hereof, at 100% of the principal amount thereof to be prepaid, together with accrued interest to the date fixed for prepayment. Except as provided in this Article Three and Article Six hereof, Trust Certificates may not be prepaid prior to the maturity thereof.

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

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

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

(c) The notice of prepayment to each holder shall (i) specify the date for prepayment, (ii) state that prepayment of the principal amount of the Trust Certificates or portions thereof to be prepaid will be made by the

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

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

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

ARTICLE FOUR

ACQUISITION OF TRUST EQUIPMENT BY TRUSTEE; DEPOSITED CASH

SECTION 4.01. *Acquisition of Equipment by Trustee.* The Company shall cause to be sold, assigned and transferred to the Trustee, as trustee for the holders of the Trust Certificates, and as security for the payment thereof, the Equipment described and set forth in Schedule A hereto. Such Equipment has been or will be delivered to the Lessee, which is hereby designated by the Trustee as its agent to receive such delivery, and an Officer's Certificate as to such delivery shall be conclusive evidence of such delivery.

In the event that it may be deemed necessary or desirable to include in the trust created hereby other Equipment in lieu of any of the Equipment specifically described in Schedule A hereto prior to the delivery of such Equipment described in Schedule A to the Lessee, the Company may, in its discretion, cause such other Equipment to be sold, assigned and transferred to the Trustee, to be substituted under such trust. In the event of any such substitution, the Company and the Trustee shall execute an agreement supplemental hereto providing for the inclusion of such Equipment in this Agreement.

Any units of Equipment not delivered and accepted under the Manufacturing Agreements on or prior to September 1, 1974, and settled for pursuant to this Article Four on or before February 15, 1975 (herein called the Cut-Off Date), shall be excluded from this Agreement and not included in the term Trust Equipment.

In the event of any such exclusion or substitution, the Company and the Trustee shall execute an agreement supplemental hereto limiting this Agreement to the Trust Equipment theretofore accepted and settled for hereunder and, in the case of units of Equipment delivered but not so settled for, the Trustee shall execute a bill or bills of sale (without warranties) for such units to the original owner or owners thereof (or to such party as such owner or owners may designate) and 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 such party in order to make clear upon public records such party's full title to such Trust Equipment under the laws of any jurisdiction.

In the event that on the Cut-Off Date any Deposited Cash shall remain in the possession of the Trustee, the Trustee shall (a) sell, prior to August 15, 1975, all Investments then held by it and (b) apply Deposited Cash and any amount payable in respect of such Investments pursuant to Section 5.04(a)(ii) to the prepayment of Trust Certificates on August 15, 1975, as provided in Article Three hereof.

SECTION 4.02. *Payment of Deposited Cash.* On any Closing Date (as defined in the Manufacturing Agreements), the Trustee shall, subject to the provisions of Sections 4.03 and 4.04 hereof, pay upon Request of the Company, to the Manufacturer or Manufacturers of the Equipment transferred to the Trustee by the Company out of Deposited Cash an amount specified in such Request not exceeding 65% of the aggregate Cost of such Equipment; *provided, however,* that no Event of Default, or any event which, with notice and/or lapse of time, could result in an Event of Default, has occurred hereunder or under the Lease.

SECTION 4.03. *Payment of Deficiency.* The Company covenants that, contemporaneously with any payment by the Trustee pursuant to Section 4.02 hereof with respect to any Equipment transferred to the Trustee by the Company, but subject to the provisions of Section 4.04 hereof, it will pay to the Manufacturer or Manufacturers of such Equipment that portion of the Cost of such Equipment not paid out of Deposited Cash as provided for in Section 4.02 hereof. Unless the Company shall otherwise agree, the total Cost of such Equipment shall not exceed $50,000,000 and the portion of such Cost paid by such Company shall not exceed 35% thereof.

SECTION 4.04. *Supporting Papers.* The Trustee shall not pay out any Deposited Cash pursuant to Section 4.02 hereof with respect to any Equipment unless and until it shall have received, in respect of such Equipment:

(a) an Officer's Certificate of the Lessee stating that (i) the Equipment described and specified therein by number or numbers has been delivered on the date or dates set forth therein and has been marked in accordance with the provisions of Section 5.06 hereof, (ii) such Equipment is Equipment as herein defined, (iii) such Equipment was first put into service no earlier than the date of delivery to and acceptance by the Lessee, as agent for the Company, (iv) the Cost of

such Equipment is an amount therein specified as evidenced by an invoice or invoices of the Manufacturer or Manufacturers thereof, which invoices shall specify all special devices, racks or assemblies the cost of which is included in the Cost, and (v) no Event of Default or any event which, with notice and or lapse of time, could result in an Event of Default, has occurred hereunder or under the Lease;

(b) evidence of payment of the amount to be paid to the Manufacturer or Manufacturers pursuant to Section 4.03 hereof unless such payment is made by the Trustee with funds furnished to it for that purpose by the Company;

(c) a bill or bills of sale from the Manufacturer or Manufacturers transferring and assigning security title to such Equipment to the Trustee, warranting to the Trustee, the Company and the Lessee that at the time of delivery of such Equipment to the Lessee as agent for the Company, the Manufacturer had legal title to the Equipment described therein and good and lawful right to sell such Equipment and that title to such Equipment was, at the time of such delivery, free from all claims, liens, security interests and other encumbrances of any nature except as created by a Manufacturing Agreement and this Agreement and except for the rights of the Lessee under the Lease;

(d) an opinion of counsel for each Manufacturer of such Equipment to the effect that (i) such Manufacturer is a duly organized and existing corporation in good standing under the laws of the state of its incorporation, (ii) its respective Manufacturing Agreement has been duly authorized, executed and delivered by such Manufacturer and, assuming the due authorization, execution and delivery by the Lessee, is a legal and valid instrument binding upon and enforceable against such Manufacturer in accordance with its terms, (iii) the units of such Equipment, at the time of delivery thereof, were free of all claims, liens, security interests and other encumbrances of any nature except as created by such Manufacturing Agreement or the Lease and (iv) such bill or bills of sale have been duly authorized, executed and delivered by such Manufacturer and are valid and effective to transfer security title, free of all claims, liens, security interests or other encumbrances of any nature of or arising from, through or under such Manufacturer, to such Equipment to the Trustee;

(e) a bill or bills of sale from the Company consenting to such bill or bills of sale from the Manufacturer or Manufacturers and confirming to the Trustee that security title to such Equipment is vested in the Trustee and warranting to the Trustee that such security title is free from all claims, liens, security interests and other encumbrances of any nature except as created by this Agreement and except for the rights of the Lessee under the Lease;

(f) an Opinion of Counsel for the Company addressed to the Trustee to the effect that (i) the bill or bills of sale from the Company 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 security title to such Equipment free from all claims, liens, security interests and other encumbrances, resulting from any action by the Company, other than as provided in subparagraph (e) above and (ii) the Lease, Lease Assignment and any supplements thereto have been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute legal, valid and binding agreements, enforceable against the Company in accordance with their terms;

(g) an Opinion of Counsel for the Lessee addressed to the Trustee and the Owner to the effect that (i) the Lease, the Manufacturing Agreements, any supplements thereto and assignments thereof, and the Consent have been duly authorized, executed and delivered by the Lessee and, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitute valid, legal and binding agreements, enforceable in accordance with their terms and (ii) the Lease and the Lease Assignment and any supplements thereto have been duly filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act, and such filing and recordation will protect the Trustee's title and interest in and to such Equipment and the Lease and no other filing, recording or deposit (or giving of notice) with any Federal, state or local government or agency or instrumentality thereof is necessary to protect the title and interest of the Trustee in and to such Equipment and the Lease in the United States of America;

(h) in the case of any Trust Equipment not specifically described in Annex A hereto, an Opinion of Counsel addressed to the Trustee that a

proper supplement hereto in respect of such Trust Equipment has been duly executed by the Trustee and the Company, that a proper supplement to the Lease in respect of such Trust Equipment has been duly executed by the Company and the Lessee and that each of such supplements has been duly filed and recorded in accordance with Section 7.03 hereof; and

(i) such other documents as the Trustee may reasonably request.

Counsel may qualify any opinion specified above to the effect that any agreement is enforceable against the parties thereto in accordance with its terms by a general reference to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' and lessors' rights generally.

SECTION 4.05. *Payment of Interim Trust Certificates.* The Trustee shall pay out of Deposited Cash then held by the Trustee such sums as may be necessary to pay Interim Trust Certificates at their maturity, it being contemplated that on the date of each such maturity Long-Term Trust Certificates in a like principal amount will have been issued and the proceeds thereof deposited with the Trustee.

ARTICLE FIVE

LEASE OF TRUST EQUIPMENT TO THE COMPANY

SECTION 5.01. *Lease of Trust Equipment.* The Trustee does hereby let and lease, as herein provided, all the units of Trust Equipment transferred to the Trustee by the Company to the Company, for a term ending on August 15, 1989.

SECTION 5.02. *Substituted Equipment Subject Hereto.* In the event that the Company shall, as provided in Section 4.01 hereof, cause to be transferred to the Trustee other Equipment in substitution for any of the Equipment herein specifically described, such other Equipment shall be included as part of the Trust Equipment by supplement hereto to be executed by the Trustee and the Company and shall be subject to all the terms and conditions hereof in all respects as though it had been part of the Trust Equipment herein specifically described.

SECTION 5.03. *Equipment Automatically Subjected.* As and when any Equipment shall from time to time be accepted under a Manufacturing

Agreement, the same shall be deemed accepted hereunder immediately upon execution and delivery hereof and shall at that time, *ipso facto* and without further instrument or lease, transfer or acceptance except as expressly provided herein, pass under and become subject to all the terms and provisions hereof.

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

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

(b) from time to time upon demand of the Trustee any and all 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;

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

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

Nothing contained herein or in the Trust Certificates shall be deemed to impose on the Trustee or on the Company (except as provided in paragraph (b) above) 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 by or 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 pursuant to paragraph (b) above so long as it shall in good faith and by appropriate legal proceedings contest the validity thereof; *provided, however,* that in the judgment of the Trustee, and 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 and of the holders of the Trust Certificates will not be materially endangered thereby.

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

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

SECTION 5.05. *Termination.* The conveyance to the Trustee of security title to units of Trust Equipment by the Company pursuant to this Agreement is solely to secure the performance by the Company of its obligations under this Agreement and by the Lessee of its obligations under the Lease and the Consent and the payment of all sums payable pursuant to this Agreement (without regard to the provisions of the last paragraph of Section 5.04 hereof) and beneficial ownership in and to such units of Trust Equipment shall be and remain in the Company subject to compliance by

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

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

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

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

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

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

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

SECTION 5.07. *Maintenance of Trust Equipment; Casualty Occurrences.* The Company agrees that it will maintain or cause to be maintained and keep or cause to be kept each unit of the Trust Equipment in good order and proper repair at its own cost and expense, unless and until worn out, lost, stolen, destroyed, or irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (any of such occurrences being hereinafter called a Casualty Occurrence).

Whenever any unit of the Trust Equipment shall suffer a Casualty Occurrence, the Company shall, promptly after it is informed of such Casualty Occurrence under the Lease, cause the Lessee to deliver to the Trustee an Officer's Certificate describing such Trust Equipment and stating the amount to be deposited with the Trustee as hereinafter in this Section 5.07 provided and (except as provided in the fourth paragraph of this Section 5.07) the method of determination of the Fair Value of such unit. On the rental payment date on or after August 15, 1975, next succeeding the delivery of such Officer's Certificate (or, in the event such rental payment date will occur within 60 days after such delivery, on the following rental payment date), the Company shall deposit with the Trustee (subject to the provisions of the last paragraph of Section 5.04 hereof) an amount in cash equal to the Fair Value of such unit as of such date and, upon such payment, the security title of the Trustee to such unit shall terminate and full title to such unit shall vest in the Company and, upon Request, the Trustee shall execute for recording in public offices, at the expense of the Company, such

instrument or instruments in writing as reasonably shall be specified by the Company and accompanying such Request in order to make clear upon public records the Company's full title to such unit under the laws of any jurisdiction. 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.

Any moneys deposited with the Trustee pursuant to the next preceding paragraph shall be applied by the Trustee, on the rental payment date in respect of which such moneys are required to be deposited, to the pre-payment of Trust Certificates on said date as provided in Article Three hereof.

Anything contained herein to the contrary notwithstanding, in the event that any unit of the Trust Equipment shall suffer a Casualty Occurrence, and the Company shall have been informed thereof under the Lease, prior to the settlement for such unit pursuant to Article Four hereof, the Officer's Certificate describing such unit shall state the Cost of such unit (rather than the determination of the Fair Value thereof) as shown on the invoice therefor delivered or to be delivered to the Trustee pursuant to Section 4.04(a) hereof, and the Company will, in lieu of making the payments otherwise required pursuant to the second paragraph of this Section 5.07 and Section 4.03 hereof, pay or cause the Lessee to pay directly to the Manufacturer, on the Closing Date, an amount in cash equal to such Cost, and accrued rental under the Lease thereon, which payment shall, without further action by the Company, have the same effect and entitle the Company to the same rights and privileges hereunder as if the Company had directed the Trustee to exclude such unit from the trust created hereby pursuant to the second paragraph of Section 4.01 hereof.

The Company covenants and agrees to furnish to the Trustee, on or before April 1 in each year, commencing with the year 1975, an Officer's Certificate, as of the preceding December 31, (i) showing the amount, description and numbers of all units of Trust Equipment then subject hereto and the amount, description and numbers of all units of Trust Equipment that may have suffered a Casualty Occurrence during the preceding 12 months or have been withdrawn from use pending repair (other than normal running repairs), and such other information regarding the condition and state of repair of the units of Trust Equipment as the Trustee may reasonably request and (ii) stating that in the case of all units of Trust

Equipment repainted or repaired during the period covered thereby the marks required by Section 5.06 hereof have been preserved or replaced. The Trustee, by its agents, shall have the right once in each calendar year, but shall be under no duty, to inspect the records of the Company with respect to the Trust Equipment, and the Company covenants in that event to furnish to the Trustee all reasonable facilities for the making of such inspection.

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

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

SECTION 5.09. *Indemnity; Compliance with Laws and Rules.* The Company covenants and agrees to indemnify and save harmless the Trustee against any charge or claim made against the Trustee and against any expense, loss or liability (including but not limited to counsel fees and expenses, patent liabilities, penalties and interest) which the Trustee may incur in any manner by reason of the issuance of the Trust Certificates or by reason of entering into or performing this Agreement, any of the instruments or agreements referred to herein or contemplated hereby or the ownership of, or which may arise in any manner out of or as the result of the ordering, acquisition, purchase, use, operation, condition, delivery, rejection, storage or return of, any unit of the Trust Equipment while subject to this Agreement or until no longer in the possession of or stored by the Lessee, whichever is later, and to indemnify and save harmless the Trustee against any charge, claim, expense, loss or liability on account of any accident in connection with the operation, use, condition, possession or storage of any

unit of the Trust Equipment resulting in damage to property, or injury to or death of any person. The indemnities contained in this paragraph shall survive payment of all other obligations under this Agreement and the Trust Certificates and the termination of this Agreement. The Company agrees to comply in all respects with all laws of the jurisdictions in which operations involving any unit subject to this Agreement may extend, with the Interchange Rules of the Association of American Railroads, if applicable, and with all lawful rules of the Interstate Commerce Commission, if applicable, the Department of Transportation and any other legislative, executive, administrative or judicial body or officer exercising any power or jurisdiction over any such unit, to the extent such laws and rules affect the operations or use of such unit; and the Company shall and does hereby indemnify the Trustee and agrees to hold the Trustee harmless from and against any and all liability that may arise from any infringement or violation of any such laws or rules by the Company or any other person. In the event that such laws or rules require the alteration of any such unit or in case any equipment or appliance on any such unit shall be required to be changed or replaced, or in case any additional or other equipment or appliance is required to be installed on such unit in order to comply with such laws and rules, the Company agrees to make such alterations, changes, additions and replacements at its own expense and to use, maintain and operate such unit in full compliance with such laws and rules so long as such unit is subject to this Agreement; *provided, however,* that the Company or the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Trustee, adversely affect the property or rights of the Trustee or the holders of the Trust Certificates.

ARTICLE SIX

Events of Default and Remedies

SECTION 6.01. *Events of Default.* The Company covenants and agrees that, without regard to any limitation of liability contained in Sections 5.04 and 10.06 hereof, in case:

(a) the Company shall default in the payment of any part of the rental payable under Sections 5.04(c) and (d) hereof for more than ten days after the same shall have become due and payable, or

(b) the Company shall, for more than 30 days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants hereof on its part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance, or

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

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

(e) an Event of Default under and as defined in the Lease shall have occurred and be continuing, or

(f) any representation of the Company or the Lessee made in the Purchase Agreement or pursuant thereto shall prove to have been false in any material respect on the date as of which made,

then, in any such case (herein sometimes called an Event of Default), and so long as such Event of Default shall be continuing, the Trustee in its discretion may, and upon the written request of the holders of not less than 25% in principal amount of the then outstanding Trust Certificates shall, by notice in writing delivered to the Company, declare to be due and payable forthwith the entire amount of the rentals (including any unpaid rental then due, but not including rentals required for the payment of interest accruing after the date of such declaration) payable by the Company as set forth in Section 5.04 hereof for the entire remaining term of the lease evidenced hereby and not theretofore paid. Thereupon the entire amount of such rentals shall forthwith become and shall be due and payable immediately without further demand, together with interest at the Penalty Rate, to the extent legally enforceable, on any portion thereof overdue.

In addition, in case one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the holders of not less than 25% in principal amount of the then outstanding Trust Certificates shall, by notice in writing delivered to the Company, 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 5.04(c) or (d) hereof when and as the same shall have become due and payable hereunder, and such default shall have continued for a period of ten days, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the rentals so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Company and collect in the manner provided by law out of the property of the Company (including the Trust Equipment) wherever situated the moneys adjudged or decreed to be payable (subject to the provisions of the last paragraph of Section 5.04 hereof).

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

All rights of action and to assert claims under this Agreement, or under any of the Trust Certificates, may be enforced by the Trustee without the possession of any of the Trust Certificates or the production thereof on any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name and as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the holders of the Trust Certificates. In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Agreement to which the Trustee shall be a party) the

Trustee shall be held to represent all the holders of the Trust Certificates, and it shall not be necessary to make any holders of the Trust Certificates parties to such proceedings.

SECTION 6.02. *Remedies.* In case an Event of Default shall occur and be continuing, the Trustee may, subject to any mandatory requirements of law, by its agents enter upon the premises where any of the Trust Equipment may be and take possession of all or any part of the Trust Equipment and withdraw the same from said premises, retaining all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and shall be entitled to collect, receive, retain and apply in accordance with Section 6.03 hereof all unpaid per diem, mileage or other charges of any kind earned by the Trust Equipment or any part thereof, and may lease the Trust Equipment or any part thereof; or the Trustee may with or without retaking possession (but only after declaring due and payable the entire amount of rentals payable by the Company as provided in Section 6.01 hereof) sell all or any part of the Trust Equipment, 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, at public or private sale, for cash or upon credit, in its discretion, and may proceed otherwise to enforce its rights and the rights of the holders of the outstanding Trust Certificates in the manner herein provided. Upon any such public sale, the Trustee itself or any holder of Trust Certificates may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Trustee may specify, or as may be required by law, and without gathering at the place of sale the Trust Equipment to be sold, and in general in such manner as the Trustee may determine, but so that any sale is held in a commercially reasonable manner and the Company is duly notified of and has a reasonable opportunity to bid at any such sale. Upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Company shall cease to have any rights or remedies in respect of the Trust Equipment hereunder (except as provided in Section 6.03 hereof), but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the 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

SECTION 6.06. *Company to Deliver Trust Equipment to Trustee.* In case the Trustee shall demand possession of the Trust Equipment pursuant to the provisions hereof, the Company shall at its own expense (subject, in the case of the Company, to the provisions of the last paragraph of Section 5.04 hereof) promptly cause the Trust Equipment to be transported to such point or points as shall reasonably be designated by the Trustee and shall there deliver or cause to be delivered the same to the Trustee, or the Trustee may at its option keep the Trust Equipment, without expense to the Trustee, on any lines of railroad or premises approved by the Trustee until the Trustee shall have leased, sold or otherwise disposed of the same. It is hereby expressly covenanted and agreed that the performance of this covenant is of the essence of this Agreement and that upon application to any court having jurisdiction in the premises, the Trustee shall be entitled to a decree against the Company requiring the specific performance thereof.

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

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

SECTION 6.09. *Unconditional Right of Holders of Trust Certificates to Sue for Principal and Interest.* Notwithstanding any other provision in this Agreement, the right of any holder of any Trust Certificate to receive payment of the principal of, and interest on, such Trust Certificate, on or after the respective due dates expressed in such Trust Certificate, or to institute suit (subject to the provisions of the last paragraph of Section 5.04) for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder, except that no such suit shall be instituted if and to the extent that the institution or

prosecution thereof or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the security title reserved under this Agreement upon any property subject hereto.

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

ARTICLE SEVEN

ADDITIONAL COVENANTS AND AGREEMENTS BY THE COMPANY

SECTION 7.01. *Discharge of Liens.* The Company covenants and agrees that, subject to the provisions of Section 5.04 hereof, 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 interest of the Company in the Trust Equipment as such interest is subordinate hereto, or of the leasehold interest of the Lessee in the Trust Equipment; *provided, however,* that 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. If the Company does not forthwith pay and discharge, or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge of, any such debt, tax, charge, assessment, obligation or claim as required by this Section 7.01, the Trustee may, but shall not be obligated to, pay and discharge the same and any amounts so paid shall be secured by and under this Agreement until reimbursed by the Company.

SECTION 7.02. *Recording.* The Company will, promptly after the execution and delivery of this Agreement, the Lease, the Lease Assignment and each supplement hereto and thereto, respectively, cause this Agreement, the Lease, the Lease Assignment and each such supplement to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. The Company will from time to time do and perform any other act and will execute, acknowledge, deliver and file, register and record any and all further instruments required by law or reasonably requested by the Trustee for the purposes of proper protection of the security 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, and will furnish an opinion or opinions of counsel in connection with such filing, registration, and recordation; *provided, however,* that the Company shall not be required to take any such action in respect of any jurisdiction outside the United States if (a) the Company deems such action to be unduly burdensome and (b) after giving effect to the failure to take such action, the Company has taken all action required by law to protect the security title of the Trustee to units of Trust Equipment having a Fair Value of not less than 85% of the aggregate Fair Value of all Trust Equipment.

SECTION 7.03. *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 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 EIGHT

CONCERNING THE HOLDERS OF TRUST CERTIFICATES

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

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

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

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

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

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

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

ARTICLE NINE

THE TRUSTEE

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

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

No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own 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, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts or that its action or inaction was contrary to the express provisions of this Agreement;

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

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

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

(f) the Trustee shall be under no obligation to exercise any of its rights or powers vested in it by this Agreement at the request, order or direction of any of the holders of the Trust Certificates, pursuant to the provisions of this Agreement, unless such holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby; and

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

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

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

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

If at any time no Event of Default shall have occurred and be continuing, the Trustee, on Request of the Lessee, shall invest and reinvest Deposited Cash held by it in Investments, at such prices, not in excess of fair market value at the time of investment, including any premium and accrued interest, as are set forth in such Request, such Investments to be held by the Trustee in trust for the benefit of the holders of the Trust Certificates.

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

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

If, to the knowledge of the Trustee, the Lessee shall not be in default under the Lease and no event which, with the lapse of time and/or giving of

notice would constitute such a default shall have occurred and be continuing, the Lessee shall be entitled to receive any interest allowed as provided in the first paragraph of this Section and any interest (in excess of accrued interest paid from Deposited Cash at the time of purchase) or other profit which may be realized from any sale or redemption of Investments.

SECTION 9.05. *Trustee Not Liable for Delivery Delays or Defects in Equipment or Title.* The Trustee shall not be liable to anyone for any delay in the delivery of any of the Trust Equipment, or for any default on the part of the Manufacturer thereof or of the 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 in respect of the value thereof or in respect of the title thereto.

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

The Trustee shall be entitled to receive payment of all its expenses and disbursements hereunder, including reasonable counsel fees, and to receive reasonable compensation for all services rendered by it in the execution of the trust hereby created, all of which shall be paid by the 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 hereunder shall, until paid out or invested by the Trustee as herein provided, be held by it in trust as herein provided for the benefit of the holders of the Trust Certificates.

SECTION 9.06. *Resignation and Removal; Appointment of Successor Trustee.*

(a) The Trustee may resign and be discharged of the trust created by this Agreement by giving 30 days' written notice to the Company and the

holders of the then outstanding Trust Certificates, but such resignation shall not take effect until receipt by the Trustee of an instrument of acceptance executed by a successor trustee as hereinafter provided in Section 9.07 hereof.

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

(c) If at any time the Trustee shall resign or be removed or otherwise become incapable of acting or if at any time a vacancy shall occur in the office of the Trustee for any other cause, a successor trustee may be appointed by the holders of a majority of the aggregate principal amount of the then outstanding Trust Certificates by an instrument in writing delivered to the Company and the Trustee. Until a successor trustee shall be appointed by the holders of Trust Certificates as herein authorized, the Company, by an instrument in writing, shall appoint a trustee to fill such vacancy. A successor trustee so appointed by the Company shall immediately and without further act be superseded by a successor trustee appointed by the holders of Trust Certificates in the manner provided above. Every successor trustee appointed pursuant to this Section 9.06 shall be a national bank, or a bank or trust company incorporated under the laws of the State of New York, having its principal office in the Borough of Manhattan in The City of New York, and having capital and surplus of not less than $100,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

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

SECTION 9.07. *Acceptance of Appointment by Successor Trustee.* Any successor trustee appointed as provided in Section 9.06 hereof shall execute, acknowledge and deliver to the 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, with like effect as if originally named as Trustee herein; 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 9.05 hereof.

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

ARTICLE TEN

MISCELLANEOUS

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

SECTION 10.02. *No Recourse.* No recourse under or upon any obligation, covenant or agreement of this Agreement, or for any claim based thereon or otherwise in respect thereof shall be had against any stockholder, officer or director, as such, past, present or future, of the Company, or against the Beneficiary, 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 is solely a corporate obligation, and that no personal liability whatever shall attach to or be incurred by the stockholders, officers or directors, as such, of the Company or any of them, under or by reason of any of the obligations, covenants and agreements contained in this Agreement, or implied therefrom, and that any and all personal liability, either at common law or in equity, or by statute or constitution, of every such stockholder, officer or director is hereby expressly waived as a condition of and consideration for the execution of this Agreement.

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each of and all the representations, covenants, undertakings and agreements herein made on the part of the Company, are made and intended not as personal representations, covenants, undertakings and agreements by United States Trust Company of New York or for the purpose or with the intention of binding such trust company personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Agreement is executed and delivered by such trust company not in its own right but solely in the exercise of the powers expressly conferred on it as trustee under the Trust Agreement.

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

SECTION 10.04. *Notices.* All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered or mailed by registered mail (a) to the Company at the address set forth for the Company in the Lease or such other address as may hereafter be furnished to the Trustee in writing by the Company and (b) to the Trustee at the Corporate Trust Office, or at 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 the case may be, as to such mailing, having the registry receipt attached, shall be conclusive evidence of the giving of such demand, notice or communication.

SECTION 10.05. *Amendment or Waiver.* Any provision of this Agreement may be amended, by an instrument executed by the parties hereto, or waived, in either case with the written consent of the holders of not less than 66⅔% of the aggregate unpaid principal amount of the Trust Certificates then outstanding; *provided, however,* that no such amendment or waiver shall (a) reduce the amount of principal, change the amount or dates of payment of instalments of principal or reduce the rate or extend the time of payment of interest with respect to the Trust Certificates without the consent of the holder of each Trust Certificate so affected, (b) reduce the amount of or extend the time of payment of any rentals payable under this Agreement or release or provide for the release of any of the Trust Equipment or any other property or cash held by the Trustee in trust, otherwise than as expressly permitted by the present terms of this Agreement, without the consent of the holders of 100% of the aggregate unpaid principal amount of Trust Certificates then outstanding, or (c) reduce the percentage of the aggregate unpaid principal amount of Trust Certificates then outstanding, the holders of which are required to approve any amendment or to effect any waiver.

The Trustee may consent to any amendment or waiver in respect of the Lease, without the approval of the holders of the Trust Certificates, if such amendment or waiver does not adversely affect the interests of the holders of the Trust Certificates. Any other amendment or waiver in respect of the Lease may be consented to by the Trustee with the written approval of the holders of not less than 66⅔% of the aggregate principal amount of the Trust Certificates outstanding; *provided, however,* that, if such amendment or waiver would reduce the amount of or extend the time for payment of any rentals or other obligations under the Lease in a manner so as to affect the due and punctual payment of the principal of and interest on the Trust Certificates and the other obligations of the Company hereunder, the Trustee shall not consent thereto without the prior written approval of the holders of 100% of the aggregate unpaid principal amount of Trust Certificates then outstanding. The holders shall receive 30 days' prior written notice of any amendment pursuant to this Section 10.05.

SECTION 10.06. *Satisfaction of Obligations.* The obligations of the Company under Sections 5.06, 5.07, 5.09, 6.06, 7.01 and 7.02 and the third paragraph of Section 9.05 hereof, but excluding any provisions requiring the execution of any instrument by the Company, shall be deemed in all respects satisfied and be of no further force or effect in so far as they involve personal liability of the Company, other than out of "income and proceeds from the Trust Equipment" (as defined in Section 5.04 hereof), upon the execution and delivery of the Lease (whether or not the Lease shall thereafter be amended, terminated or otherwise modified and irrespective of the genuineness, validity, regularity or enforceability of the Lease); *provided, however,* that such covenants and obligations shall be deemed covenants of the Company within the meaning of subparagraphs (a), (b) and (c) of the first paragraph of Section 6.01 hereof (it being the intention of the parties hereto that neither the Company nor any of its properties shall be subject to any liability for any breach or alleged breach by it of any such covenant or obligation except out of the "income and proceeds from the Trust Equipment", but that any such breach may be made the basis of an event of default under said Section 6.01). The execution and delivery of the Lease shall be presumed conclusively to have occurred, for the purpose of this Section 10.06, upon the delivery to the Company by the Trustee of written confirmation to such effect. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Trustee.

SECTION 10.07. *Effect of Headings; Counterparts; Date Executed; Governing Law.*

(a) The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

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

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

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

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

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

MANUFACTURERS HANOVER TRUST COMPANY,
Trustee,

[CORPORATE SEAL] by .....
Vice President

ATTEST:
.....
Assistant Secretary

UNITED STATES TRUST COMPANY OF NEW YORK,
as Trustee,

by.....
Vice President

[CORPORATE SEAL]

ATTEST:
.....
Assistant Secretary

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

On this 11th day of September, 1974, before me personally appeared T. C. CRANE, to me personally known, who, being by me duly sworn, says that he is a Vice President of MANUFACTURERS HANOVER TRUST 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.

Kathleen C. Kelly

KATHLEEN C. KELLY
Notary Public, State of New York
No. 30-7218885
Qualified in Nassau County
Certificate filed in New York County
Commission Expires March 30, 1976

[NOTARIAL SEAL]

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

On this 9TH day of SEPTEMBER, 1974, before me personally appeared MALCOLM J. HOOD, to me personally known, who, being by me duly sworn, says that he is Vice President of UNITED STATES TRUST COMPANY OF NEW YORK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its By-Laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Thomas B. Zakrzewski
Notary Public

[NOTARIAL SEAL]

THOMAS B. ZAKRZEWSKI
Notary Public, State of New York
No. 24-9820331
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1976

SCHEDULE A

Type	AAR Mechanical Designation	Quantity	Lessee's Car Numbers (Inclusive)
89′4″ 70-ton capacity, standard draft gear, standard level flat car equipped with hitches	FC	230	604259, 604272 604275, 604280, 604281, 604283, 604285, 604286, 604305—604431, 604478, 604484—604513, 604515—604520, 604526—604529, 604539—604545, 604597—604601, 604603—604644
68′ 90-ton capacity, hydraulic draft gear, standard level flat car with stake pocket tie-downs	FC	100	81260— 81359
89′4″ 70-ton capacity, standard draft gear, standard level flat car equipped with hitches	FC	484	160135—160618
89′4″ 70-ton capacity, hydraulic draft gear low level rack car	FC	155	803120—803274
89′4″ 70-ton capacity, hydraulic draft gear, standard level all purpose flat car	FC	397	973326—973525, 974635—974677, 974679—974795, 974797—974802, 974804—974834
89′4″ 70-ton capacity, standard draft gear, standard level flat car equipped with hitches	FC	350	254784—255133
60′ 70-ton capacity, hydraulic draft gear, standard level, agricultural flat car with tie-down equipment	FC	199	97220— 97418
60′ 70-ton capacity, hydraulic draft gear, standard level flat car with heavy duty tie-down equipment	FC	44	97419— 97462

EXHIBIT A

LEASE OF EQUIPMENT

BETWEEN

UNITED STATES TRUST COMPANY OF NEW YORK,

as Trustee for

GENERAL ELECTRIC CREDIT CORPORATION

AND

TRAILER TRAIN COMPANY

Dated as of March 1, 1974

LEASE OF EQUIPMENT dated as of March 1, 1974, between UNITED STATES TRUST COMPANY OF NEW YORK, a New York trust company (hereinafter together with its successors and assigns, being called the Lessor), as trustee under a Trust Agreement dated as of the date hereof with GENERAL ELECTRIC CREDIT CORPORATION, a New York corporation (hereinafter called the Beneficiary), and TRAILER TRAIN COMPANY, a Delaware corporation (hereinafter called the Lessee).

WHEREAS the Lessee has entered or will enter into manufacturing agreements (hereinafter collectively called the Manufacturing Agreements), with Pullman Incorporated (Pullman-Standard division), Bethlehem Steel Corporation, ACF Industries, Incorporated and Thrall Car Manufacturing Company (each such party being hereinafter called a Manufacturer), pursuant to which the Lessee has agreed to purchase and take delivery of certain railroad equipment; and

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

WHEREAS the Lessee agrees to lease from the Lessor all the units of the Equipment, or such lesser number of units as are delivered and accepted under the Manufacturing Agreements on or prior to September 1, 1974, at the rentals and for the term and upon the conditions hereinafter provided (each such unit being hereinafter called a Unit); and

WHEREAS the Lessor will enter into an equipment trust agreement (hereinafter called the Equipment Trust Agreement), with Manufacturers Hanover Trust Company (hereinafter called the Trustee), pursuant to which equipment trust certificates (hereinafter called the Trust Certificates) will be sold to finance a portion of the purchase price of the Equipment, the Lessor will be obligated to make payments of principal and interest thereon out of the rentals received hereunder and security title to the Units and this Lease will be conveyed to the Trustee until the Lessor fulfills all its obligations under the Equipment Trust Agreement;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed

by the Lessee, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions, but subject and subordinate to all the rights and remedies of the Trustee under the Equipment Trust Agreement.

§1. *Delivery and Acceptance of Units.* The Lessor will cause each Unit accepted pursuant to a Manufacturing Agreement to be delivered to the Lessee at the same point or points within the United States of America at which such Unit is delivered to the Lessor under such Manufacturing Agreement, such point or points, however, to be mutually acceptable to the Lessor and the Lessee. Upon such delivery, the Lessee will cause an inspector of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit and to execute and deliver to the Lessor a certificate of acceptance therefor in the form of Annex D to such Manufacturing Agreement, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee under this Lease and shall be subject thereafter to all the terms and conditions of this Lease.

§2. *Rentals.* The Lessee agrees to pay to the Lessor, as rental for each Unit subject to this Lease, one payment within five business days of the date on which such Unit is settled for under the Manufacturing Agreement in respect of such Unit (such date of settlement for such Unit being hereinafter called a Closing Date) and thereafter 40 consecutive semiannual payments, payable on August 15 and February 15 in each year commencing February 15, 1975. The first rental payment shall be in an amount equal to interest (computed on the basis of a 360-day year of twelve 30-day months) on the Purchase Price (as defined in the Manufacturing Agreements) of each Unit from the thirtieth day following the date of acceptance of such Unit pursuant to §1 hereof to the Closing Date, at a rate per annum equal to the prime rate which Manufacturers Hanover Trust Company, New York, New York, charges for 90-day loans to borrowers of the highest credit standing from time to time in effect for the period such interest is payable; *provided, however,* that changes in such prime rate occurring during the ten business days preceding the Closing Date shall be disregarded; and *provided, further,* that such amount in respect of any Unit shall be not less than the amount of interest on the Purchase Price thereof due the Manufacturer thereof pursuant to the applicable Manufacturing Agreement. The next rental payment shall be an amount equal to .01986111% of the Purchase Price of each Unit then subject to this Lease for each day elapsed (computed on the basis of a 360-day year of twelve 30-day months) from the Closing Date in

respect of such Unit to February 15, 1975. The next nine semiannual payments shall each be in an amount equal to 3.5750% of the Purchase Price of each Unit then subject to this Lease; the next 20 semiannual payments shall each be in amount equal to 6.1066% of the Purchase Price of each Unit then subject to this Lease; and the remaining 10 semiannual rental payments shall each be in an amount equal to 3.5650% of the Purchase Price of each Unit then subject to this Lease.

The rental payments payable on February 15 and August 15, 1975, shall be made, in whole or in part, and to the extent accrued, on such earlier dates and in such amount as may be necessary in order to furnish the Lessor funds with which to make payments of interest on Interim Trust Certificates (as defined in the Equipment Trust Agreement) at the maturity thereof. Such payments shall be increased or decreased to such amounts as will equal the amount of interest due and payable on the Trust Certificates on such dates, after giving effect to the provisions of §22 hereof.

If any of the semiannual rental payment dates referred to above is not a business day under the laws of the State of New York the semiannual rental payment otherwise payable on such date shall be payable on the next succeeding business day, and no interest shall be paid for the period from and after the nominal date for payment thereof on such next succeeding business day.

Notwithstanding anything to the contrary contained herein, any and all rental payments paid by the Lessee and received by the Trustee and the holders of the Trust Certificates pursuant to the Consent (as defined in the Equipment Trust Agreement) in respect of the obligations of the Lessor under the Equipment Trust Agreement not attributable to an Event of Default (as hereinafter defined) hereunder or to late payment shall be thereupon deemed to have been paid in reduction or satisfaction, to the extent thereof, of any rental payments then due and payable by the Lessee to the Lessor under this §2.

The Lessor irrevocably instructs the Lessee to make all the payments provided for in this Lease (other than the first rental payment and any amount payable in respect of a Unit which has not been settled for pursuant to the Equipment Trust Agreement by reason of such Unit having suffered a Casualty Occurrence [as defined in §6 hereof], which rental payment and

amount shall be paid to the Lessor at such place as the Lessor shall specify in writing) at the principal corporate trust office of the Trustee, for the account of the Lessor, in care of the Trustee, with instructions to the Trustee first to apply such payments to satisfy the obligations of the Lessor under the Equipment Trust Agreement known to the Trustee to be due and payable on the date such payments are due and payable hereunder and second, so long as no Event of Default under the Equipment Trust Agreement shall have occurred and be continuing, to pay any balance promptly to the Lessor or to the order of the Lessor in immediately available funds at such place as the Lessor shall specify in writing. The Lessee agrees to make each payment provided for herein as contemplated by this paragraph in immediately available funds in the city where such payment is to be made.

This Lease is a net lease and, subject to the provisions of the fourth paragraph of this §2, the Lessee shall not be entitled to any abatement of rent, reduction thereof or set-off against rent, including, but not limited to, abatements, reductions or set-offs due or alleged to be due to, or by reason of, any past, present or future claims of the Lessee against the Lessor under this Lease or otherwise or against the Trustee; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use of or destruction of all or any of the Units from whatsoever cause, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease or lack of right, power or authority of the Lessor to enter into this Lease or the Equipment Trust Agreement, or by reason of any failure by the Lessor to perform any of its obligations herein contained, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

§3. *Term of Lease.* The term of this Lease as to each Unit shall begin on the date of the acceptance thereof by the Lessee pursuant to §1 hereof

and, subject to the provisions of §§6, 9 and 12 hereof, shall terminate on August 15, 1994.

§4. *Identification Marks.* The Lessee will cause each Unit to be kept numbered with the identifying number set forth in Schedule A hereto, or in the case of any Unit not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain plainly, distinctly, permanently and conspicuously marked on each side of such Unit, in letters not less than one inch in height, the following words: "OWNED BY A BANK OR TRUST COMPANY UNDER A SECURITY AGREEMENT FILED UNDER THE INTERSTATE COMMERCE ACT, SECTION 20c", or other appropriate words designated by the Lessor or the Trustee, with appropriate changes thereof and additions thereto as from time to time may be required by law or reasonably requested in order to protect the title of the Lessor and the security title of the Trustee to such Unit and the rights of the Lessor under this Lease and the Equipment Trust Agreement and of the Trustee under the Equipment Trust Agreement. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace promptly any such words which may be removed, defaced or destroyed. The Lessee will not change or permit to be changed the identifying number of any Unit unless and until (i) a statement of new numbers to be substituted therefor shall have been filed with the Trustee and the Lessor and filed, recorded and deposited by the Lessee in all public offices where this Lease and the Equipment Trust Agreement shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Trustee and the Lessor an opinion of counsel to the effect that such statement has been so filed, recorded and deposited and that such filing, recordation and deposit is sufficient to protect the title and interest of the Trustee and the Lessor in the Units covered by such statement.

Each Unit may be lettered "Trailer Train Company", "T.T.X.", or in some other appropriate manner for convenience of identification of the interests of the Lessor and the Lessee therein. Except as above provided, the Lessee will not allow the name of any person or entity to be placed on any of the Equipment as a designation which might be interpreted as a claim of ownership.

§5. *Taxes.* All payments to be made by the Lessee hereunder will be free of expense to the Lessor and the Trustee for collection or other charges and will be free of expense to the Lessor and the Trustee with respect to the amount of any local, state, federal or foreign taxes (other than any United States federal income tax [and, to the extent that the Lessor or the Beneficiary is entitled to credit therefor against its United States federal income tax liability, any foreign income tax] payable by the Lessor or the Beneficiary in consequence of the receipt of payments provided herein and other than the aggregate of all state or local income taxes or franchise taxes measured solely by net income based on such receipt, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided, and other than any taxes payable by the Trustee in consequence of the receipt by the Trustee of fees or compensation for services rendered under the Equipment Trust Agreement) or license fees, assessments, charges, fines or penalties (all such taxes, license fees, assessments, charges, fines and penalties being hereinafter called impositions) hereafter levied or imposed upon or in connection with or measured by this Lease, the Equipment Trust Agreement or any of the instruments or agreements referred to herein or therein or contemplated hereby or thereby, or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof, the Equipment Trust Agreement or any such instruments or agreements, all of which impositions the Lessee assumes and agrees to pay on demand in addition to the other payments to be made by it provided for herein. The Lessee will also pay promptly all impositions which may be imposed upon any Unit or for the use or operation thereof or upon the earnings arising therefrom (except as provided above) or upon the Lessor solely by reason of its ownership thereof or upon the Trustee or the holders of the Trust Certificates solely by reason of the Trustee's security title thereto and any impositions upon or on account of the trusts created by the Equipment Trust Agreement or the transactions contemplated thereby (whether or not such transactions shall actually be consummated) or the instruments or agreements referred to therein or contemplated thereby, and will keep at all times all and every part of such Unit free and clear of all impositions which might affect the title of the Lessor and the security title of the Trustee (or the interests of the holders of the Equipment Trust Certificates) therein or result in a lien or security interest upon any such Unit and, upon request, will supply the Lessor and the Trustee with a receipt or

other evidence of such payment satisfactory to the Lessor and the Trustee; *provided, however,* that the Lessee shall be under no obligation to pay any impositions so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the nonpayment thereof does not, in the opinion of the Lessor or the Trustee, adversely affect the title, property or rights of the Lessor or the Trustee hereunder or under the Equipment Trust Agreement. If any imposition shall have been charged or levied against the Lessor, the Beneficiary, the Trustee or any holder of Trust Certificates directly and paid by the Lessor, the Beneficiary, the Trustee or such holder, the Lessee shall reimburse the Lessor, the Beneficiary, the Trustee or such holder, as the case may be, on presentation of an invoice therefor. The Lessor agrees that if, in the opinion of independent tax counsel selected by the Lessor and acceptable to the Lessee (and whose fees and expenses shall be paid by the Lessee), a bona fide claim exists to all or a portion of any imposition in respect of which the Lessee has made payment to the Lessor or the Beneficiary as aforesaid, the Lessor shall, upon request and at the expense of the Lessee, take all such legal or other appropriate action deemed reasonable by said independent counsel in order to sustain such claim. The Lessor shall not be obligated to take any such legal or other appropriate action unless the Lessee shall first have indemnified the Lessor for all liabilities and expenses which may be entailed therein and shall have furnished the Lessor with such reasonable security therefor as may be requested. The Lessee shall be entitled to the proceeds of the successful prosecution of any such claim to the extent of payments or reimbursement made by the Lessee pursuant to this §5.

In the event any reports with respect to impositions are required to be made, the Lessee will either make such reports in such manner as to show the interests of the Lessor and the Trustee in the Units if such is necessary or appropriate, or will notify the Lessor and the Trustee of such requirement and will make such reports in such manner as shall be satisfactory to the Lessor and the Trustee.

In the event that, during the continuance of this Lease, the Lessee shall become liable for the payment or reimbursement of any impositions pursuant to this §5, such liability shall continue, notwithstanding the termination of this Lease, until all such impositions are paid or reimbursed by the Lessee.

§6. *Payment for Casualty Occurrences.* Whenever any Unit shall be or become worn out, lost, stolen, destroyed or irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being herein called Casualty Occurrences) during the term of this Lease, or until such Unit shall have been returned in the manner provided in §12 hereof, the Lessee shall, promptly after it shall have determined that such Unit has suffered a Casualty Occurrence, deliver to the Lessor and the Trustee a certificate of an officer of the Lessee (hereinafter called an Officer's Certificate) fully informing them with respect thereto and complying with the provisions of the Equipment Trust Agreement pertaining to the notification of the Trustee of such Casualty Occurrences. On the February 15 or August 15 (but not earlier than August 15, 1975) next succeeding the delivery of such Officer's Certificate (or, in the event such rental payment date will occur within 60 days after delivery of such Officer's Certificate, on the following rental payment date, or, in the event the term of this Lease will expire within 60 days after delivery of such Officer's Certificate, on the final rental payment date hereunder, or, in the event that such Unit shall not have been settled for pursuant to the Equipment Trust Agreement at the time of such delivery, on the date such Unit would have been so settled for but for such Casualty Occurrence), the Lessee shall pay to the Lessor an amount equal to the accrued rental for such Unit to the date of such payment plus a sum equal to the Casualty Value of such Unit as of such payment date determined in the manner set forth below. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue as of the date of such payment, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Lessor shall be entitled to recover possession of such Unit. If the date upon which the making of such payment by the Lessee in respect of any Unit is required as aforesaid shall be after the term of this Lease in respect of such Unit has expired, no rental for such Unit shall accrue after the end of such term but the Lessee, in addition to paying the Casualty Value for such Unit (which shall be the same percentage of the Purchase Price as is indicated in the Schedule below opposite such rental payment date), shall pay interest thereon from the end of such term to the date of such payment at the prime rate of interest which Manufacturers Hanover Trust Company charges on the date of such payment for 90-day loans to borrowers of the highest credit standing.

The Casualty Value of each Unit as of any rental payment date shall be the greater of (x) the Fair Value thereof as defined and determined pursuant to the Equipment Trust Agreement and (y) that percentage of the Purchase Price of such Unit as is set forth in the following schedule opposite such rental payment date:

Rental Payment Date	Percentage
Closing Date	103.3304%
August 15, 1975	105.9549
February 15, 1976	108.5183
August 15, 1976	110.8304
February 15, 1977	112.9121
August 15, 1977	112.7084
February 15, 1978	111.7368
August 15, 1978	113.1550
February 15, 1979	112.7049
August 15, 1979	111.4984
February 15, 1980	112.0972
August 15, 1980	109.9378
February 15, 1981	107.0679
August 15, 1981	104.9085
February 15, 1982	97.8118
August 15, 1982	95.0143
February 15, 1983	92.0611
August 15, 1983	88.9590
February 15, 1984	85.7085
August 15, 1984	82.3286
February 15, 1985	78.8236
August 15, 1985	75.1884
February 15, 1986	71.4172
August 15, 1986	67.5374
February 15, 1987	63.5924
August 15, 1987	59.5886
February 15, 1988	55.5311
August 15, 1988	51.4257

Rental Payment Date	Percentage
February 15, 1989	47.2786
August 15, 1989	43.0973
February 15, 1990	38.8897
August 15, 1990	37.1404
February 15, 1991	35.2920
August 15, 1991	33.3400
February 15, 1992	31.2797
August 15, 1992	29.1060
February 15, 1993	26.8138
August 15, 1993	24.3975
February 15, 1994	20.4914
August 15, 1994, and thereafter	16.3100

Except as hereinabove in this §6 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit after delivery to and acceptance thereof by the Lessee hereunder.

The Lessee will at all times while this Lease is in effect, at its own expense, carry or cause to be carried and maintained insurance in respect of the Units at the time subject hereto, and public liability insurance, in amounts and against risks customarily insured against by railroad companies on similar equipment, and in any event in amounts and against risks comparable to those insured against by the Lessee on similar equipment owned by it. Any net insurance proceeds as the result of insurance carried by the Lessee or condemnation payments received by the Lessor in respect of Units suffering a Casualty Occurrence shall be deducted from the amounts payable by the Lessee to the Lessor in respect of Casualty Occurrences pursuant to this §6. If the Lessor shall receive any such net insurance proceeds or condemnation payments after the Lessee shall have made payments pursuant to this §6 without deduction for such net insurance proceeds or such condemnation payments, the Lessor shall pay such proceeds or payments to the Lessee up to an amount equal to the Casualty Value paid by the Lessee and any balance of such proceeds or payments shall remain the property of the Lessor. The Lessee hereby assigns to the Lessor and the Trustee, as their interest may appear, as security for the

performance of the Lessee's obligations under this §6, all its right, title and interest in and to such net insurance proceeds and condemnation payments; *provided, however,* that unless and until an Event of Default (as defined in §9 hereof) shall have occurred and shall be continuing, the Lessee may retain such proceeds and payments. The Lessee shall take all action and provide such notice required by law or reasonably requested by the Lessor or the Trustee to protect the interest of the Lessor and the Trustee in such insurance proceeds and condemnation payments.

§7. *Annual Reports.* On or before April 1 in each year, commencing with the year 1975, the Lessee will furnish to the Lessor and the Trustee, in such number of counterparts or copies as may reasonably be requested, an Officer's Certificate, as of the preceding December 31, (i) showing the amount, description and numbers of all Units then leased hereunder and the amount, description and numbers of all Units that may have suffered a Casualty Occurrence during the preceding 12 months (or since the date of this Lease in the case of the first such Officer's Certificate) or have been withdrawn from use pending repair (other than normal running repairs), and such other information regarding the condition and state of repair of the Units as the Lessor or the Trustee may reasonably request, (ii) stating that, in the case of all Units repaired or repainted during the period covered thereby, the markings required by §4 hereof and the Equipment Trust Agreement have been preserved or replaced and (iii) setting forth a schedule of insurance together with the name and address of the carriers thereof. The Lessor shall have the right at its sole cost, risk and expense, by its agents, to inspect the Units and the records of the Lessee with respect thereto at such reasonable times as the Lessor may request during the term of this Lease with respect to any Unit.

Within ten days after its annual audit has been completed, but in no event later than six months after the close of each fiscal year, the Lessee will promptly furnish to the Lessor a balance sheet as of the end of such year and a profit and loss statement for the year then ended prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year and certified by the Lessee's independent certified public accountants. The Lessee shall also furnish to the Lessor unaudited quarterly reports of similar tenor within 90 days after the end of each quarterly accounting period and such other financial information as the Lessor may reasonably request from time to time.

As soon as available and in any event within 120 days after the end of each fiscal year, the Lessee will deliver to the Lessor a certificate signed by the President, any Vice President, the Treasurer or any Assistant Treasurer of the Lessee stating that a review of the activities of the Lessee during such year has been made under his supervision with a view to determining whether the Lessee has kept, observed, performed and fulfilled all of its covenants and obligations under this Lease and that to the best of his knowledge the Lessee during such year has kept, observed, performed and fulfilled each and every covenant and obligation contained herein, or, if an Event of Default under this Lease shall exist or if an event has occurred which, with the giving of notice or the passage of time or both, would constitute such an Event of Default, specifying such Event of Default or such event and the nature and status thereof.

§8. *Disclaimer of Warranties; Compliance with Laws, Rules and Regulations; Maintenance; Indemnification.* **The Lessor makes no warranty or representation, either express or implied, as to the design or condition of, or as to the quality of the material, equipment or workmanship in, the Units delivered to the Lessee hereunder, and the Lessor makes no warranty of merchantability or fitness of the Units for any particular purpose or as to its title to the Units or any component thereof,** it being agreed that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee; but the Lessor hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of the Lessor and/or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Lessor may have against the manufacturer of the Units or of the components thereof. The Lessor shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's acceptance of delivery of the Units shall be conclusive evidence as between the Lessee, the Lessor and the Trustee that all Units described in

any certificate of acceptance confirming such acceptance are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor or the Trustee or any holder of Trust Certificates based on any of the foregoing matters.

The Lessee agrees, for the benefit of the Lessor and the Trustee, to comply in all respects with all laws of the jurisdictions in which operations involving any Unit subject to this Lease may extend, with the Interchange Rules of the Association of American Railroads, if applicable, and with all lawful rules of the Interstate Commerce Commission, if applicable, the Federal Railroad Administrator and any other legislative, executive, administrative or judicial body or officer exercising any power or jurisdiction over any such Unit, to the extent such laws and rules affect the operations or use of such Unit; and the Lessee shall and does hereby indemnify the Lessor and the Trustee and agrees to hold the Lessor and the Trustee harmless from and against any and all liability that may arise from any infringement or violation of any such laws or rules by the Lessee, the Lessee's employees or any other person. In the event that such laws or rules require the alteration of any Unit or in case any equipment or appliance on any such Unit shall be required to be changed or replaced, or in case any additional or other equipment or appliance is required to be installed on such Unit in order to comply with such laws and rules, the Lessee agrees to make such alterations, changes, additions and replacements at its own expense and to use, maintain and operate such Unit in full compliance with such laws and rules so long as such Unit is subject to this Lease; *provided, however,* that the Lessee may in good faith contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor or the Trustee, adversely affect the property or rights of the Lessor or the Trustee hereunder or under the Equipment Trust Agreement.

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

Any and all additions to any Unit and any and all parts installed on or replacements made to any Unit (other than any special devices, racks or assemblies at any time attached or affixed to any such Unit, the cost or purchase price of which is not included in the Purchase Price of such Unit

and the title to which is in a person or entity other than the Lessor, the Lessee or the Trustee) shall be considered accessions to such Unit and, without cost or expense to the Lessor or the Trustee, there shall immediately be vested in the Lessor and the Trustee the same interests in such accessions as the interests of the Lessor and the Trustee in such Unit. The Lessee may make alterations or modifications to any Unit so long as they do not affect the value of such Unit adversely. The Lessee shall not permit any special device, rack or assembly to be attached or affixed to any Unit which may not be readily removed from such Unit without materially impairing such Unit or the value thereof unless such special device, rack or assembly is to be considered an accession to such Unit.

The Lessee agrees to indemnify and save harmless the Lessor, the Trustee and the holders of Trust Certificates against any charge or claim made against the Lessor or the Trustee and against any expense, loss or liability (including but not limited to strict liability imposed by statute or rule of law, counsel fees and expenses, patent liabilities, penalties and interest) which the Lessor, the Trustee or any holder of Trust Certificates may incur in any manner by reason of the issuance of the Trust Certificates or by reason of entering into or performing the Equipment Trust Agreement, this Lease, any of the instruments or agreements referred to therein or herein or contemplated thereby or hereby or the ownership of, or which may arise in any manner out of or as the result of the ordering, acquisition, purchase, leasing, use, operation, condition, delivery, rejection, storage or return of, any Unit while subject to this Lease or until no longer in the possession of or stored by the Lessee, whichever is later, and to indemnify and save harmless the Lessor, the Trustee and the holders of Trust Certificates against any charge, claim, expense, loss or liability (including but not limited to strict liability imposed by statute or rule of law, counsel fees and expenses) on account of any accident in connection with the operation, use, condition, possession or storage of any Unit resulting in damage to property, or injury to or death of any person. The indemnities contained in this paragraph shall survive payment of all other obligations under this Lease and the termination of this Lease.

The Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of, and furnish a copy to, the Lessor) any and all reports known by the Lessee to be required to be filed by the Lessor, or

requested by the Lessor to be filed, with any federal, state or other regulatory authority by reason of the ownership by the Lessor of the Units, the security title of the Trustee to the Units or the leasing of the Units to the Lessee.

§9. *Default.* If, during the continuance of this Lease, one or more of the following events (herein sometimes called Events of Default) shall occur and be continuing:

A. default shall be made in the payment of any part of the rental provided in §2 or §17 hereof and such default shall continue for seven days; or

B. the Lessee shall make or permit any unauthorized assignment or transfer of this Lease or any unauthorized sublease or use of the Units, or any thereof; or

C. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for 20 days after written notice from the Lessor to the Lessee specifying the default and demanding that the same be remedied; or

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

if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier;

then, in any such case, the Lessor, at its option, may:

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

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and determine as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon the Lessor may, subject to any mandatory requirements of law, by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of the Units and thenceforth hold, possess and enjoy the same free from any right of the Lessee, its successors or assigns, to use the Units for any purposes whatever; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, a sum, with respect to each Unit, which represents the excess of (x) the present value, at the time of such termination, of the entire unpaid balance of all rentals for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over (y) the then present value of the rentals which the Lessor reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 6% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, (ii) any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Lessor or the Beneficiary shall have sustained by reason of the breach of any

covenant or covenants of this Lease other than for the payment of rental and (iii) an amount which, after deduction of all taxes required to be paid by the Lessor or the Beneficiary in respect of the receipt thereof under the laws of the United States of America or any political subdivision thereof, shall, in the reasonable opinion of the Beneficiary, cause the Beneficiary's net return under this Lease to be equal to the net return that would have been available to the Beneficiary if it had been entitled to utilization of all or such portion of the Investment Credit (as defined in §17 hereof) with respect to the Units, lost, not claimed, not available for claim, disallowed or recaptured by or from the Beneficiary as a result of the breach of one or more of the representations, warranties and covenants made by the Lessee in §17 or any other provision of this Lease, the inaccuracy of any statement in any letter or document furnished to the Lessor or the Beneficiary by the Lessee, the termination of this Lease, the Lessee's loss of the right to use any Unit or the sale or other disposition of the Lessor's or the Beneficiary's interest in any Unit after the occurrence of an Event of Default, plus such sum as shall, in the reasonable opinion of the Beneficiary, cause the Beneficiary's net return under this Lease to be equal to the net return that would have been available to the Beneficiary if it had been entitled to utilization of all or such portion of the ADR Deduction (as defined in §17 hereof) which was lost, not claimed, not available for claim or disallowed or recaptured in respect of a Unit as a result of the breach of one or more of the representations, warranties and covenants made by the Lessee in §17 or any other provision of this Lease, the inaccuracy of any statement in any letter or document furnished to the Lessor or the Beneficiary by the Lessee, the termination of this Lease, the Lessee's loss of the right to use such Unit or the sale or other disposition of the Lessor's or the Beneficiary's interest in such Unit after the occurrence of an Event of Default.

The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. Subject to the provisions of the third paragraph of §2 hereof, the Lessee hereby waives any and all existing or future claims

to any offset against the rental payments due hereunder and agrees to make rental payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

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

§10. *Return of Units Upon Default.* If this Lease shall terminate pursuant to §9 hereof, the Lessee shall forthwith deliver possession of the Units to the Lessor. Each Unit returned to the Lessor pursuant to this §10 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) have attached or affixed thereto any special device, rack or assembly considered an accession thereto as provided in §8 hereof and have removed therefrom any special device, rack or assembly not so considered an accession thereto and (iii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable. For the purpose of delivering possession of any Unit or Units to the Lessor as above required, the Lessee shall at its own cost, expense and risk:

A. forthwith and in the usual manner and at usual speed, cause such Units to be transported to such point or points as shall reasonably be designated by the Lessor, and

B. arrange for the Lessor to store such Units on any lines of railroad or premises approved by the Lessor until such Units have been sold, leased or otherwise disposed of by the Lessor.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to cause the assembly, delivery, storage and transporting of the Units. During any storage period, the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any Unit, to inspect the same.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this § 10, the Lessee hereby irrevocably appoints the Lessor as the agent and the attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Lessor, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be at the time in possession of such Unit. In connection therewith the Lessee will supply the Lessor with such documents as the Lessor may reasonably request and the Lessee will give all notice as may be requested by the Lessor to any user of the Units to deliver possession of such Units to the Lessor.

§11. *Assignment; Possession and Use.* This Lease shall be assignable in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor (other than the Trustee) except upon written notice of such assignment from the Lessor. All the rights of the Lessor hereunder (including but not limited to the rights under §§5, 8, 9 and 17 hereof) shall inure to the benefit of the Lessor's assigns as if named herein as Lessor. Whenever the term Lessor is used in this Lease it shall apply and refer to the Lessor and, where the context so requires, the Beneficiary and each assignee of the Lessor.

So long as no Event of Default exists hereunder and the Lessee shall have fully complied with the provisions of this §11 and the third paragraph of §17 hereof, the Lessee shall be entitled to the possession of the Units and also to sublease the Units to, or to permit their use under the terms of car contracts by, a sublessee or user incorporated in the United States of America (or any State thereof or the District of Columbia), upon lines of railroad owned or operated by a railroad company or companies incorporated in the United States of America (or any State thereof or the District of Columbia), or over which such railroad company or companies have trackage rights or rights for operation of their trains, and upon connecting and other carriers in the usual interchange of traffic in the continental United States, Canada and Mexico, but only upon and subject to all the terms and conditions of this Lease; *provided, however,* that if the Lessee subleases or permits the use of any Unit in Canada (or any Province or Territory thereof) or in Mexico (or any State or the Federal District thereof), the Lessee shall, except as otherwise provided in §15 hereof, first have (a) taken all necessary action to protect the right, title and interest of

the Lessor and the Trustee in the Units to be so subleased or used and (b) furnished the Lessor and the Trustee with an opinion of Canadian or Mexican counsel, as the case may be, satisfactory to the Lessor and the Trustee to the effect that such action is all that is necessary to protect the right, title and interest of the Lessor and the Trustee in such Units; *and provided further,* that any such sublease or use shall be consistent with the provisions of §17 hereof.

Any such sublease may provide that the sublessee, so long as it shall not be in default under such sublease, shall be entitled to the possession of the Units included in such sublease and the use thereof; *provided, however,* that every such sublease shall be subject to the rights and remedies of the Trustee under the Equipment Trust Agreement and the Lessor under this Lease in respect of the Units covered by such sublease.

The Lessor shall have the right to declare this Lease terminated in case of any unauthorized assignment or transfer of the Lessee's rights hereunder or in case of any unauthorized transfer or sublease of any of the Units.

The Lessee, at its own expense, will as soon as possible cause to be duly discharged any lien, charge, security interest or other encumbrance (except any sublease authorized as aforesaid and other than an encumbrance resulting from claims against the Lessor or the Trustee not related to the ownership or leasing of, or the security title of the Trustee to, the Units) which may at any time be imposed on or with respect to any Unit including any accession thereto or the interest of the Lessor, the Trustee or the Lessee therein. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of this §11.

§12. *Renewal Option; Return of Units upon Termination of Term.* Provided that this Lease has not been earlier terminated, no Event of Default exists hereunder and the Lessee is not otherwise in default hereunder, the Lessee may, by written notice delivered to the Lessor not less than six months prior to the end of the original term of this Lease elect to extend the term of this Lease in respect of all, but not fewer than all, the Units then covered by this Lease, for a five-year period commencing on the scheduled expiration of the original term of this Lease, at a rental payable in 10 semiannual payments, payable on February 15 and August 15 in each

year of the extended term, each in an amount equal to the Fair Rental Value of each such Unit at the end of the original term of this Lease.

Fair Rental Value shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's length transaction between an informed and willing lessee (other than a lessee currently in possession), and an informed and willing lessor, under no compulsion to lease and, in such determination, costs of removal from the location of current use shall not be a deduction from such value. If on or before four months prior to the expiration of the term of this Lease or any extended term hereof, the Lessor and the Lessee are unable to agree upon a determination of the Fair Rental Value of the Units, such value shall be determined in accordance with the foregoing definition by a qualified independent Appraiser. The term Appraiser shall mean such independent appraiser as the Lessor and the Lessee may mutually agree upon, or failing such agreement prior to the 90th day next preceding the expiration of the original term of this Lease, a panel of three independent appraisers, one of whom shall be selected by the Lessor, the second by the Lessee and the third by the first two so selected. The Appraiser shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both the Lessor and the Lessee. The expenses and fee of the Appraiser shall be borne by the Lessee.

As soon as practicable on or after the termination of the original or any extended term of this Lease, and in any event not later than 90 days thereafter, the Lessee will, at its own cost and expense, at the request of the Lessor, cause each Unit to be transported to such point or points as shall be reasonably designated by the Lessor immediately prior to such termination and arrange for the Lessor to store such Unit on any lines of railroad or premises approved by the Lessor for a period not exceeding three months from the date such Unit is first placed in storage pursuant to this §12; the assembly, delivery, storage and transporting of such Unit to be at the expense and risk of the Lessee. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of such Unit, to inspect the same; *provided, however,* that the Lessee shall not be liable except in the case of negligence or intentional act of the Lessee or

of its employees or agents and, except to the extent otherwise provided by law, for any injury to or the death of any person exercising, either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence. The assembly, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to cause the assembly, delivery, storage and transporting of the Units. Each Unit returned to the Lessor pursuant to this §12 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) have attached or affixed thereto any special device, rack or assembly considered an accession thereto as provided in §8 hereof and have removed therefrom any special device, rack or assembly not so considered an accession thereto and (iii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable. If the Lessor shall elect to abandon any Unit which has suffered a Casualty Occurrence or which, within 90 days after expiration of this Lease, the Lessor shall elect to abandon, it may deliver written notice to such effect to the Lessee and the Lessee shall thereupon assume, and hold the Lessor harmless from, all liability arising in respect of any responsibility of ownership thereof, from and after receipt of such notice. The Lessor shall execute and deliver to the Lessee a bill or bills of sale (without warranties) transferring to the Lessee, or upon its order, the Lessor's title to and property in any Unit abandoned by it pursuant to the immediately preceding sentence. The Lessee shall have no additional liability to the Lessor in respect of any Unit abandoned by the Lessor after termination of this Lease; *provided, however,* that the foregoing clause shall not in any way relieve the Lessee of its obligations pursuant to §6 hereof to make payments provided for therein in respect of any Unit experiencing a Casualty Occurrence during the term of this Lease.

§ 13. *Provisions Concerning Subordinated Notes; Merger or Consolidation.* The parties hereto acknowledge that the obligations of the Lessee under this Lease shall be superior in right of payment to all the Lessee's Thirty Year Subordinated Notes sold or to be sold pursuant to a Note Purchase Agreement dated as of January 1, 1967, between the Lessee and certain of its stockholders. The Lessee covenants and agrees that if an Event

of Default exists hereunder or an Event of Default (as defined in the Equipment Trust Agreement) exists under the Equipment Trust Agreement or any event which, with the giving of notice or the lapse of time, or both, would constitute an Event of Default hereunder or under the Equipment Trust Agreement shall have occurred and be continuing, the Lessee will not voluntarily prepay or retire any of such Notes.

The Lessee agrees not to merge or consolidate with any other corporation unless the survivor of such merger or consolidation shall be a solvent corporation organized under the laws of the United States of America or a State thereof or the District of Columbia and such survivor (if not the Lessee) shall assume, by an instrument in form and substance satisfactory to the Lessor and the Trustee, all the obligations and liabilities of the Lessee hereunder and under the Lessee's Consent and Agreement to the assignment hereof to the Trustee.

§ 14. *Increase of User Rates.* The Lessee covenants and agrees (i) that, if an Event of Default exists under §9(A) hereof by reason of the failure of the Lessee to pay to the Trustee within the grace period provided in §9(A) hereof all or any part of the rentals due and payable under §2 hereof required for the payment of the principal of or interest on the Trust Certificates (but not including any principal or interest payable by reason of acceleration of the date of payment thereof), the Lessee will, upon written notice by the Lessor so to do, within ten days after receipt of such notice, deliver to all parties to its Form A and Form B car contracts (or such other Forms as may hereafter be used in substitution or in replacement of such Form A and Form B car contracts) due and proper notice of increases in the car user charges under such contracts, (ii) that all car contracts covering any unit or units of railroad equipment of which the Lessee is the owner or the lessee will contain provisions permitting the Lessee to require such increases and (iii) that, except in connection with an assignment or transfer in accordance with the provisions of the Equipment Trust Agreement, the Lessee will not assign or transfer its rights and obligations to require such increases under any such car contracts. Such increases shall commence to accrue and shall be effective on the first day of the first calendar month beginning subsequent to ten days after delivery of such notice by the Lessee to the parties to such car contracts. Such increases shall be in such amounts or percentages as will cause to accrue and be payable to the account of the

Lessee in respect of the first calendar month during which they are in effect such additional sums of money as will be needed by the Lessee to enable it to pay all such overdue principal and interest (with interest on overdue principal and interest at the Penalty Rate [as defined in § 16 hereof], to the extent that it shall be legally enforceable) and to cure any defaults in payment of any principal or interest (or rentals intended to provide for payment thereof) payable under comparable provisions of any other equipment trust, conditional sale or other equipment agreement of the Lessee not guaranteed jointly and severally by its shareholders or a group of its shareholders (except defaults arising by reason of acceleration of the date of payment of instalments of principal, dividends or interest, or rentals intended to provide for payment thereof), whether heretofore or hereafter entered into, based upon the most recent records or information available to the Lessee relating to the use of its cars. If for any reason any such increases so made by the Lessee shall fail to provide in 90 days sufficient cash to enable the Lessee to cure such default or defaults hereunder and under any other such agreements, or if cash is provided but is not for any reason applied to cure such defaults, the Lessee will, upon receipt of written notice from the Lessor so to do, promptly make such further increases in its user charges as may from time to time be necessary to enable the Lessee to cure all such defaults hereunder and under such other agreements.

§15. *Recording and Expenses.* Prior to the delivery and acceptance of any Unit hereunder, the Lessee will without expense to the Lessor cause this Lease, any supplement relating to such Unit, any assignments hereof and thereof, the Manufacturing Agreements and any supplement thereto relating to such Unit to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. The Lessee will undertake the filing and recording required under the Equipment Trust Agreement and will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record and deposit (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Trustee (except as otherwise provided in the Equipment Trust Agreement) for the purpose of proper protection, to the satisfaction of the Lessor and the Trustee, of the Lessor's and the Trustee's respective interests in this Lease and the Units, or for the purpose of carrying out the intention of this Lease and the Equipment Trust Agreement; *provided,*

however, that the Lessee shall not be required to take any such action in respect of any jurisdiction outside the United States if (1) the Lessee deems such action to be unduly burdensome, (2) after giving effect to the failure to take such action, the Lessee has taken all action required by law to protect the title of the Lessor and the Trustee to Units having a fair value of not less than 85% of the aggregate fair value of all the Units then subject to this Lease (such fair value to be determined in the manner provided in the Equipment Trust Agreement), and (3) any Unit at any time located in such jurisdiction shall have been marked with the markings specified in §4 hereof.

The Lessee will promptly furnish to the Lessor and the Trustee evidence of all such filing, registering, recording, depositing, refiling, reregistering, rerecording and/or redepositing and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Lessor and the Trustee.

§16. *Interest on Overdue Rentals.* Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay also an amount equal to interest at the Penalty Rate (as defined in the Equipment Trust Agreement) on the overdue rentals and other obligations for the period of time during which they are overdue.

§17. *Federal Income Taxes.* The Beneficiary, as the beneficial owner of the Units, shall be entitled to such deductions, credits and other benefits as are provided by the Internal Revenue Code of 1954, as amended to the date hereof (hereinafter called the Code), to an owner of property, including, without limitation, the maximum depreciation deduction authorized under section 167 of the Code utilizing the "class life" prescribed in accordance with section 167(m) of the Code (herein called the ADR Deduction), deductions with respect to interest payable under the Equipment Trust Agreement and the Manufacturing Agreements (herein called the Interest Deduction), and the 7% investment credit (herein called the Investment Credit), with respect to the Purchase Price of the Units pursuant to section 38 and related sections of the Code.

The Lessee agrees that neither it nor any corporation controlled by it, in control of it, or under common control with it, directly or indirectly, will at any time take any action or file any returns or other documents inconsistent with the foregoing or which would increase the amount of rentals required to

be taken into income by the Beneficiary and that each of such corporations will file such returns, take such actions and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent hereof.

Notwithstanding anything to the contrary contained in §11 hereof, the Lessee represents and warrants that (i) all the Units constitute property the entire Purchase Price of which qualifies for the Investment Credit under section 50 of the Code; (ii) at the time the Lessor becomes the owner of the Units, the Units will constitute "new section 38 property" within the meaning of section 48(b) of the Code and at the time the Lessor becomes the owner of the Units, the Units will not have been used by any person so as to preclude "the original use of such property" within the meaning of sections 48(b) and 167(c)(2) of the Code from commencing with the Lessor; (iii) at all times during the term of this Lease, each Unit will constitute "section 38 property" within the meaning of section 48(a) of the Code and will not be used predominantly outside the United States within the meaning of said section 48(a) (or any exception thereto); and (iv) the Lessee will maintain sufficient records to verify such use.

If (i) for any reason (including the inaccuracy in law or in fact of the representations and warranties set forth in the preceding paragraph or any act or omission of the Lessee or the inaccuracy of any statement in any letter or document furnished to the Lessor by the Lessee in connection with any application for ruling of the Internal Revenue Service or otherwise) prior to the Lessor's receipt of a favorable ruling (herein called the Ruling) from the Internal Revenue Service to the effect that the Lessor is the owner of the Units and has the right to claim the Investment Credit, the ADR Deduction, and the Interest Deduction or (ii) by reason of any act or omission of the Lessee or the inaccuracy of any statement in any letter or document furnished to the Lessor by the Lessee in connection with any application for ruling of the Internal Revenue Service, the Beneficiary shall lose, or shall not have, or shall lose the right to claim, or shall suffer a disallowance of or shall be required to recapture (any such event being hereinafter called a Loss), all or any portion of the Investment Credit, the ADR Deduction, or the Interest Deduction with respect to all or part of any Unit, the rental rates for the Units set forth in §2 hereof shall, on the next succeeding rental payment date after written notice to the Lessee by the Lessor of such fact, be increased to such amount or amounts as shall, in the reasonable opinion of

the Lessor or the Beneficiary, cause the Beneficiary's net return (computed on the same assumptions as utilized by the Beneficiary in originally evaluating this transaction) to equal the net return that would have been realized by the Beneficiary if the Beneficiary had been entitled to utilize all the Interest Deduction, the Investment Credit and the ADR Deduction, and the Lessee shall forthwith pay to the Lessor as additional rental the amount of any interest and/or penalties which may be assessed by the United States of America against the Lessor or the Beneficiary attributable to the loss of all or such portion of the Interest Deduction, the Investment Credit or the ADR Deduction; *provided, however,* that such rental rate shall not be so increased and such additional rentals shall not be payable if the Beneficiary shall have lost, or shall not have, or shall have lost the right to claim, or shall have suffered a disallowance of, or shall have been required to recapture all or any portion of the Investment Credit, the ADR Deduction or the Interest Deduction with respect to all or part of such Unit as a direct result of the occurrence of any of the following events:

(i) a Casualty Occurrence with respect to such Unit, if the Lessee shall have paid to the Lessor the amounts stipulated under §6 hereof;

(ii) a voluntary transfer or other voluntary disposition by the Beneficiary of any interest in such Unit or the voluntary reduction by the Beneficiary of its interest in the rentals from such Unit under the Lease (except pursuant to an assignment of this Lease to the Trustee), unless, in each case, an Event of Default shall have occurred and be continuing;

(iii) the failure of the Lessor and/or the Beneficiary to claim in a timely manner the Investment Credit, the ADR Deduction or the Interest Deduction; or

(iv) the failure of the Beneficiary to have sufficient liability for Federal income tax against which to credit such Investment Credit or sufficient income to benefit from the ADR Deduction or the Interest Deduction, as applicable.

In the event the rental rates shall be adjusted as hereinbefore provided, the Casualty Values set forth in §6 hereof and the damages and amounts set forth in subparagraph (b) of §9 hereof shall be adjusted accordingly.

The Lessor will apply for and diligently seek the Ruling. The Lessee will furnish such documents, records and representations, including, but not limited to, evidence of the useful life and residual value of the Units sufficient to support the matters claimed in any request for such Ruling as shall be deemed necessary and appropriate for such request by the Lessor.

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

> If to the Lessor, at 130 John Street, New York, New York 10038, attention of Corporate Trust Division, with a copy to the Beneficiary, at P.O. Box 8300, Stamford, Connecticut 06904, attention of Manager —Operations, and at P.O. Box 81 (North Station), White Plains, New York 10603, attention of Loan Officer;
>
> If to the Lessee, at 300 South Wacker Drive, Chicago, Illinois 60606, attention of Vice President—Finance and Treasurer;

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing. Any certificate, document or report required to be furnished by either party hereto to the other party shall be delivered to the address set forth above for such party.

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

This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the Units and supersedes all other agreements, oral or written, with respect to the Units, other than the Participation Agreement dated as of the date hereof between the Lessee and the Beneficiary, the Equipment Trust Agreement and the Manufacturing Agreements. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Lessor and the Lessee.

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

§21. *Law Governing.* The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; *provided, however,* that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording or depositing hereof and of any assignment hereof or out of the marking on the Units as shall be conferred by the laws of the several jurisdictions in which this Lease or any assignment hereof shall be filed, recorded or deposited or in which any Unit may be located.

§22. *Obligations of Lessor Under Equipment Trust Agreement; Additional Rentals.* In addition to the rentals specified in §2 hereof the Lessee agrees to pay to the Lessor:

(a) on the business day next preceding the date for prepayment of Trust Certificates pursuant to the Equipment Trust Agreement (other than prepayment in respect of Casualty Occurrences), an amount equal to interest payable on the Trust Certificates to be prepaid on such date; and

(b) on February 15 and August 15, 1975, an amount equal to interest payable on the Trust Certificates from the date of sale thereof, or, in the case of the August 15, 1975, payment in respect of Trust Certificates issued on or prior to February 15, 1975, from February 15, 1975, on that portion of the proceeds as are used for the acquisition of Units by the Trustee to the date such proceeds are so used.

In the event that the Lessor shall become obligated to make any payment (other than payments in settlement for Equipment whether by advance rental or otherwise pursuant to the Equipment Trust Agreement) or to perform any other obligations pursuant to the Equipment Trust Agree-

ment not covered by the provisions of this Lease, the Lessee shall pay such additional amounts to the Trustee and perform such obligations so that the Lessor's obligations (other than payments in settlement for Equipment whether by advance rental or otherwise pursuant to the Equipment Trust Agreement) pursuant to the Equipment Trust Agreement shall be fully complied with including, but not limited to, the obligation to pay the Interim Trust Certificates at maturity in the event that the Long-Term Trust Certificates (as defined in the Equipment Trust Agreement) are not sold as contemplated by Section 4.05 of the Equipment Trust Agreement. In the event that the Lessee shall be required to make payment to the Trustee to pay Interim Trust Certificates at maturity, the Lessor shall request the Trustee to issue Trust Certificates to the Lessee in the amount of such payment. Thereupon, the rentals due hereunder shall be increased to such amount or amounts as shall cause the Beneficiary's net return to equal the net return that would have been realized by the Beneficiary if the Beneficiary had been entitled to utilize all the Interest Deduction that would be available if Trust Certificates were not held by the Lessee.

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

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

UNITED STATES TRUST COMPANY OF NEW YORK,
as Trustee,

[CORPORATE SEAL]

by .....
Vice President

Attest:

.....
Assistant Secretary

TRAILER TRAIN COMPANY,

[CORPORATE SEAL]

by .....
Vice President—Finance and Treasurer

Attest:

.....
Assistant Secretary

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

On this day of , 1974, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of UNITED STATES TRUST COMPANY OF NEW YORK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

.....
Notary Public

[NOTARIAL SEAL]

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this day of , 1974, 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 and Treasurer of TRAILER TRAIN COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

.....
Notary Public

[NOTARIAL SEAL]

My Commission expires

SCHEDULE A

Type	AAR Mechanical Designation	Quantity	Lessee' Car Numbers (Inclusive)
89′4″ 70-ton capacity, standard draft gear, standard level flat car equipped with hitches	FC	230	604259, 604272 604275, 604280, 604281, 604283, 604285, 604286, 604305—604431, 604478, 604484—604513, 604515—604520, 604526—604529, 604539—604545, 604597—604601, 604603—604644
68′ 90-ton capacity, hydraulic draft gear, standard level flat car with stake pocket tie-downs	FC	100	81260— 81359
89′4″ 70-ton capacity, standard draft gear, standard level flat car equipped with hitches	FC	484	160135—160618
89′4″ 70-ton capacity, hydraulic draft gear low level rack car	FC	155	803120—803274
89′4″ 70-ton capacity, hydraulic draft gear, standard level all purpose flat car	FC	397	973326—973525, 974635—974677 974679—974795, 974797—974802, 974804—974834
89′4″ 70-ton capacity, standard draft gear, standard level flat car equipped with hitches	FC	350	254784—255133
60′ 70-ton capacity, hydraulic draft gear, standard level, agricultural flat car with tie-down equipment	FC	199	97220— 97418
60′ 70-ton capacity, hydraulic draft gear, standard level flat car with heavy duty tie-down equipment	FC	44	97419— 97462

EXHIBIT B

ASSIGNMENT OF LEASE AND AGREEMENT dated as of August 1, 1974 (hereinafter called "this Assignment"), between UNITED STATES TRUST COMPANY OF NEW YORK, (hereinafter called the Lessor), as trustee for GENERAL ELECTRIC CREDIT CORPORATION, and MANUFACTURERS HANOVER TRUST COMPANY (hereinafter called the Assignee).

WHEREAS the Lessor and Trailer Train Company (hereinafter called the Lessee) have entered into a Lease of Equipment dated as of March 1, 1974 (hereinafter, as amended by an Amendment Agreement dated as of August 1, 1974, called the Lease), providing for the leasing by the Lessor to the Lessee of certain units of railroad equipment; and

WHEREAS, in order to provide security for the obligations of the Lessor under an Equipment Trust Agreement dated as of the date hereof (hereinafter called the Equipment Trust Agreement) between the Assignee and the Lessor, the Lessor agrees to assign for security purposes its rights in, to and under the Lease to the Assignee;

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

1. Subject to the provisions of Paragraph 11 hereof, the Lessor hereby assigns, transfers and sets over unto the Assignee, as collateral security for the payment and performance of the obligations of the Lessor under the Equipment Trust Agreement, all the Lessor's right, title and interest, powers, privileges, and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys being hereinafter called the Payments), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Lessor hereby

irrevocably authorizes and empowers the Assignee in its own name, or the name of its nominee, or in the name of the Lessor or as its attorney, to ask, demand, sue for, collect and receive any and all sums to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Assignee agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Assignee will apply such Payments to satisfy the obligations of the Lessor under the Equipment Trust Agreement. So long as no Event of Default (or event which, with notice or lapse of time, or both, could constitute an Event of Default) under the Equipment Trust Agreement shall have occurred and be continuing, any remaining balance shall be paid to the Lessor at such place as the Lessor shall specify in writing. The Assignee will promptly notify the Lessor of the occurrence of an Event of Default (or event which, with notice or lapse of time, or both, could constitute an Event of Default) under the Lease of which it has knowledge; *provided, however,* that any failure to provide such notice shall not affect the rights and remedies of the Assignee hereunder or under the Equipment Trust Agreement.

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

3. To protect the security afforded by this Assignment the Lessor agrees as follows:

(a) The Lessor will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Lessor; without the written consent of the Assignee, the Lessor will not anticipate the rents or other payments under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be per-

formed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

(b) At the Lessor's sole cost and expense, the Lessor will appear in and defend every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of the Lessor under the Lease.

(c) Should the Lessor fail to make any payment or to do any act which this Assignment requires the Lessor to make or do, then the Assignee, but without obligation so to do, after first making written demand upon the Lessor and affording the Lessor a reasonable period of time within which to make such payment or do such act, but without releasing the Lessor from any obligation hereunder, may make or do the same in such manner and to such extent as the Assignee may deem necessary to protect the security hereof, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Assignee, and also the right to perform and discharge each and every obligation, covenant and agreement of the Lessor contained in the Lease; and in exercising any such powers, the Assignee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and the Lessor will reimburse the Assignee for such costs, expenses and fees.

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

5. Upon the full discharge and satisfaction of all the Lessor's obligations under the Equipment Trust Agreement, this Assignment and all rights herein assigned to the Assignee shall terminate, and all estate, right, title and interest of the Assignee in and to the Lease shall revert to the Lessor.

6. If an Event of Default under the Equipment Trust Agreement shall occur and be continuing, the Assignee may declare all sums secured hereby immediately due and payable and may apply all such sums against the amounts due and payable under the Equipment Trust Agreement.

7. The Lessor will, from time to time, do and perform any other act and will execute, acknowledge, deliver and file, register, deposit and record (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Assignee in order to confirm or further assure, the interests of the Assignee hereunder.

8. The Assignee may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

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

10. The Lessor shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Assignee at its address set forth in the Equipment Trust Agreement, or at such other address as the Assignee shall designate. Any notice required or permitted to be given by the Assignee to the Lessor shall be delivered or made to the Lessor at its address set forth in the Lease, or at such other address as the Lessor shall designate.

11. The Assignee hereby agrees with the Lessor that the Assignee will not, so long as no Event of Default under the Lease or the

Equipment Trust Agreement has occurred and is then continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits assigned and transferred by the Lessor to the Assignee by this Assignment, except as contemplated by Paragraph 1 hereof. The liability of the Lessor to the Assignee under this Assignment of Lease and Agreement shall be limited in accordance with provisions of the last paragraph of Section 5.04 of the Equipment Trust Agreement.

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

UNITED STATES TRUST COMPANY
OF NEW YORK,
as Trustee

[CORPORATE SEAL]

by .....
Vice President

Attest:

.....
Assistant Secretary

MANUFACTURERS HANOVER TRUST
COMPANY,

by .....
Vice President

[CORPORATE SEAL]

Attest:

.....
Assistant Secretary