CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

May 9, 1977

BERNARD J. ALLEN
DIANE KOHLER-RAUSCH
JOAN A. SCHRAMM
ASSISTANT SECRETARIES
DIRECT DIAL NUMBER
312/454-6534

RECORDATION NO. 2021 Filed & Recorded
MAY 11 1977 - 8 15 PM
INTERSTATE COMMERCE COMMISSION

BY MESSENGER
Interstate Commerce Commission
Washington, D. C. 20423
Attention: Robert L. Oswald, Secretary

File No.:
S.F. 554

Gentlemen:

Pursuant to Section 20c of the Interstate Commerce Act, as amended, enclosed for recordation are executed Counterpart Nos. 1 to 12, inclusive of Chicago and North Western Transportation Company Equipment Trust No. 1 of 1977 dated as of May 1, 1977.

The names and addresses of the parties to the agreement are:

Trustee	Guarantor
The First National Bank of Chicago Corporate Trust Administration P. O. Box A Chicago, Illinois 60690	Chicago and North Western Transportation Company 400 West Madison Street Chicago, Illinois 60606

Railroad equipment included under this Trust is described as follows:

No. of Units	Description	C&NW Road Numbers
194	70-ton 50'6" Box Cars (Berwick Forge and Fabricating Co., a division of Whittaker Corp., P. O. Box 188, Berwick, Pa. 18603)	155600 - 155793

Please return to bearer Counterpart Nos. 1 to 11, inclusive, of the document bearing your recordation data, and retain Counterpart No. 12 for your files. Our check for $50.00 is enclosed for your filing fee.

Very truly yours,

7131A106

Diane Kohler-Rausch

Diane Kohler-Rausch
Assistant Secretary

50

RECEIVED
MAY 11 3 50 PM '77
I.C.C.
FEE OPERATION BR.

dk:db
cc: Mr. A. R. Menard
The First National Bank of Chicago
Mr. Costa Constantine
Cravath, Swaine & Moore, NY

J. M. Butler
R. L. Schardt
M. W. Payette
R. D. Smith

Counterpart — Gile L. Clark

Interstate Commerce Commission

Washington, D.C. 20423

5/11/77

OFFICE OF THE SECRETARY

Diane Kohler-Rausch
Chicago, & North Western Transp. Co.
400 W. Madison St.
Chicago, Ill. 60606

Dear Mrs. Kohler-Rausch

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 5/11/77 at 3:55pm, and assigned recordation number(s) 8821

Sincerely yours,

Robert L. Oswald
Secretary

Enclosure(s)

SE-30
(5/76)

2 PAYEE

CHICAGO AND NORTH WESTERN RAILROAD

REMITTANCE REPORT

STOCK CODE 06310
FORM 631
REV. 1-73

No. 84313

c/o D. Kobler - Ranch

VENDOR NUMBER

Interstate Commerce Commission

Washington, D.C. 20423

PARTICULARS: Dec. for recording E.T. No. 1 of 1977 w/the ICC under Dec. 20c

$ 50.00
AMOUNT

COUNTERPART
No. 12 of 12

8821
RECORDATION NO. ..... Filed & Recorded

MAY 11 1977 -3 55 PM

INTERSTATE COMMERCE COMMISSION

CHICAGO AND NORTH WESTERN

TRANSPORTATION COMPANY

EQUIPMENT TRUST NO. 1

OF 1977

EQUIPMENT TRUST AGREEMENT

Dated as of May 1, 1977

between

THE FIRST NATIONAL BANK OF CHICAGO

Trustee

and

CHICAGO AND NORTH WESTERN

TRANSPORTATION COMPANY

THE GUNTHORP-WARREN PRINTING COMPANY, CHICAGO

TABLE OF CONTENTS

			Page
Article	I	Definitions	11
Article	II	Trust Certificates and Issuance Thereof	13
Article	III	Acquisition of Trust Equipment by Trustee; Deposited Cash	17
Article	IV	Lease of Trust Equipment to the Railroad	21
Article	V	Remedies in Event of Default	28
Article	VI	Additional Covenants and Agreements by the Railroad	34
Article	VII	The Trustee	36
Article	VIII	Miscellaneous	41

EQUIPMENT TRUST AGREEMENT, dated as of May 1, 1977, between THE FIRST NATIONAL BANK OF CHICAGO, a national banking association, as Trustee (hereinafter called the Trustee) and CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, a Delaware corporation (hereinafter called the Railroad).

WHEREAS, the Railroad has contracted or will contract for the construction and transfer to the Trustee of the railroad equipment described herein; and

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

WHEREAS, CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY EQUIPMENT TRUST NO. 1 CERTIFICATES OF 1977 (hereinafter called Trust Certificates) are to be issued and sold in an aggregate principal amount not exceeding $4,500,000, and the net proceeds (hereinafter defined) of such sale together with such other cash, if any, as may be required to be deposited by the Railroad as hereinafter provided is to constitute a fund equal to the aggregate principal amount of Trust Certificates so issued and sold to be known as CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY EQUIPMENT TRUST NO. 1 OF 1977, to be applied by the Trustee from time to time in partial payment of the cost of the Trust Equipment, the remainder of the cost thereof to be paid out of advance rentals to be paid by the Railroad as provided herein; and

WHEREAS, the texts of the Trust Certificates, the dividend warrants to be attached to Trust Certificates with dividend warrants, and the guaranty to be endorsed on the Trust Certificates by the Railroad are to be substantially in the following forms, respectively:

[FORM OF FULLY REGISTERED TRUST CERTIFICATE]

$ No. R

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY EQUIPMENT TRUST NO. 1 OF 1977

EQUIPMENT TRUST CERTIFICATE

Total Authorized Issue $4,500,000

THE FIRST NATIONAL BANK OF CHICAGO, TRUSTEE

Dividends at the Rate of % Per Annum Payable November 1 and May 1

Principal hereof payable May 1, 19

THE FIRST NATIONAL BANK OF CHICAGO, as Trustee under an Equipment Trust Agreement dated as of May 1, 1977, between THE FIRST NATIONAL BANK OF CHICAGO, TRUSTEE (hereinafter called the Trustee), and CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY (hereinafter called the Railroad), hereby certifies that , or registered assigns, is entitled to an interest in the principal amount of $ in CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY EQUIPMENT TRUST NO. 1 of 1977, payable on May 1, 19 , upon presentation and surrender of this Certificate to the Trustee at its principal corporate trust office in the City of Chicago, Illinois, and to payment, until said last mentioned date, of dividends on said principal amount, semiannually on November 1 and May 1 in each year, at the rate of . . % per annum from the date hereof, at said office of the Trustee, with interest at said dividend rate on any due but unpaid principal and on any due but unpaid dividends to the extent that it shall be legally enforceable, all 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 said Agreement.

This Certificate is one of an issue of Certificates of serial maturities, and having an aggregate principal amount not exceeding $4,500,000, all issued or to be issued under and subject to the terms of said Agreement, under which certain railroad equipment leased to the Railroad (or cash or obligations defined therein as "Government Securities" in lieu thereof, as provided in said Agreement) is held by the Trustee in trust for the benefit of the holders of the interests represented by said Certificates, to which Agreement (a copy of which is on file with the Trustee at its principal corporate trust office in the City of Chicago, Illinois) reference is made for a full statement of the rights and obligations of the Railroad, the duties and immunities of the undersigned and the rights of the registered holder hereof thereunder.

The Certificates are issuable as bearer Certificates with dividend warrants attached, registrable as to principal, in the denomination of $1,000, and as fully registered Certificates in the denominations of $1,000 and any multiple of $1,000. The Certificates with dividend warrants and the fully registered Certificates and the several denominations of fully registered Certificates are interchangeable upon presentation thereof at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in said Agreement.

This Certificate is transferable by the registered holder hereof in person or by duly authorized attorney on the books of the Trustee upon surrender to the Trustee at its said office of this Certificate accompanied by a written instrument of transfer, duly executed by the registered holder in person or by such attorney, in form satisfactory to the Trustee, and thereupon a new fully registered Certificate or Certificates in authorized denominations for the same aggregate principal amount and having the same date of maturity will be issued to the transferee in exchange herefor. The Trustee and the Railroad may deem and treat the person in whose name this Certificate is registered as the absolute owner hereof for the purpose of receiving payment of principal and dividends and for all other purposes and shall not be affected by any notice to the contrary.

In case of default in the performance or observance of any of the covenants of the Railroad in said Agreement contained, the principal amount repre-

sented by this Certificate may be declared due and payable, as provided in said Agreement.

This Certificate shall not be valid for any purpose until the Certificate of Authentication hereon has been executed by or on behalf of the Trustee by the manual signature of an Authorized Signer of the Trustee.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be signed by the manual or facsimile signature of a Vice President, and the corporate seal of the Trustee or a facsimile thereof to be hereunto affixed or imprinted and to be attested by one of its Trust Officers, by a signature or a facsimile thereof, and authenticated by one of its Authorized Signers, by his signature, as of 19 .

THE FIRST NATIONAL BANK
OF CHICAGO, Trustee,

By

Vice President.

ATTEST:

Trust Officer.

CERTIFICATE OF AUTHENTICATION

This is one of the Equipment Trust Certificates described in the within mentioned Equipment Trust Agreement.

THE FIRST NATIONAL BANK
OF CHICAGO, Trustee,

By

Authorized Signer.

[FORM OF GUARANTY FOR FULLY REGISTERED TRUST CERTIFICATES]

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, for a valuable consideration, hereby unconditionally guarantees to the registered holder of the within Certificate the prompt payment of the principal of said Certificate and of the dividends thereon specified in said Certificate, with interest at the dividend rate on any due but unpaid principal and on any due but unpaid dividends to the extent that it shall be legally enforceable, all in accordance with the terms of said Certificate and the Equipment Trust Agreement referred to therein.

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY,

By

Vice President.

[FORM OF TRUST CERTIFICATE WITH DIVIDEND WARRANTS]

$1000 No.

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY EQUIPMENT TRUST NO. 1 OF 1977

EQUIPMENT TRUST CERTIFICATE

Total Authorized Issue $4,500,000

THE FIRST NATIONAL BANK OF CHICAGO, TRUSTEE

Dividends at the Rate of % Per Annum Payable

November 1 and May 1

Principal hereof payable May 1, 19

THE FIRST NATIONAL BANK OF CHICAGO, as Trustee under an Equipment TRUST AGREEMENT dated as of May 1, 1977, between THE FIRST NATIONAL BANK OF CHICAGO, TRUSTEE (hereinafter called the Trustee), and CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY (hereinafter called the Railroad), hereby certifies that the bearer, or, if this Certificate is registered as to principal, the registered holder hereof, is entitled to an interest in the principal amount of $1,000 in CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY EQUIPMENT TRUST NO. 1 OF 1977, payable on May 1, 19 , upon presentation and surrender of this Certificate to the Trustee at its principal corporate trust office in the City of Chicago, Illinois, and to payment, until said last mentioned date, of dividends on said principal amount at the rate of % per annum from May 1, 1977, semi-annually on November 1 and May 1 in each year, according to the tenor of the dividend warrants, hereto annexed, upon presentation and surrender of such warrants, as they severally mature, to the Trustee at its said office, with interest at the dividend warrant rate on any due but unpaid principal and on any due but unpaid dividends to the extent that it shall be legally enforceable, all 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 said Agreement.

This Certificate is one of an issue of Certificates of serial maturities, and having an aggregate principal amount not exceeding $4,500,000, all issued or to be issued under and subject to the terms of said Agreement, under which certain railroad equipment leased to the Railroad (or cash or obligations defined therein as "Government Securities" in lieu thereof, as provided in said Agreement) is held by the Trustee in trust for the benefit of the holders of the interests represented by said Certificates, to which Agreement (a copy of which is on file with the Trustee at its principal corporate trust office in the City of Chicago, Illinois) reference is made for a full statement of the rights and obligations of the Railroad, the duties and immunities of the undersigned and the rights of the holder hereof thereunder.

The Certificates are issuable as bearer Certificates with dividend warrants attached, registrable as to principal, in the denomination of $1,000, and as fully registered Certificates in the denominations of $1,000 and any multiple of $1,000. The Certificates with dividend warrants and the fully registered Certificates and the several denominations of fully registered Certificates are interchangeable upon presentation thereof at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in said Agreement.

This Certificate may be registered as to principal at said principal corporate trust office of the Trustee in the City of Chicago, Illinois, in the name of the holder hereof, and such registration noted hereon by or on behalf of the Trustee. Thereafter title to the interest represented by this Certificate shall pass only by transfer registered at said office unless and until a transfer to bearer shall have been similarly registered and noted hereon. Such registration shall apply only to the principal of this Certificate and not to the dividend warrants hereunto attached, which shall continue to be payable to bearer and transferable by delivery.

Every taker and holder of this Certificate and of the attached warrants, by accepting the same, agrees with the undersigned, with the Railroad and with

every subsequent taker and holder hereof and thereof that this Certificate (unless registered in the name of the holder) and such warrants shall be transferable with the same effect as in the case of a negotiable instrument payable to bearer, by delivery by any person having possession of the same, respectively, however such possession may have been acquired; and the Trustee and the Railroad may treat the bearer of this Certificate, or the registered holder hereof if this Certificate be registered in his name as above provided, and the bearer of any dividend warrant attached hereto whether or not this Certificate be so registered, as the absolute owner of this Certificate or of said warrant, as the case may be, for all purposes, and shall not be affected by any notice to the contrary.

In case of default in the performance or observance of any of the covenants of the Railroad in said Agreement contained, the principal amount represented by this Certificate may be declared due and payable, as provided in said Agreement.

This Certificate shall not be valid for any purpose until the Certificate of Authentication hereon has been executed by or on behalf of the Trustee by the manual signature of an Authorized Signer of the Trustee.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be signed by the manual or facsimile signature of a Vice President, and the corporate seal of the Trustee or a facsimile thereof to be hereunto affixed or imprinted and to be attested by one of its Trust Officers, by a signature or a facsimile thereof, and authenticated by one of its Authorized Signers, by his signature, and dividend warrants bearing the facsimile signature of a Vice President to be attached hereto, as of May 1, 1977.

THE FIRST NATIONAL BANK
OF CHICAGO,

Trustee,

By

Vice President.

ATTEST:

Trust Officer.

CERTIFICATE OF AUTHENTICATION

This is one of the Equipment Trust Certificates with dividend warrants attached described in the within mentioned Equipment Trust Agreement.

THE FIRST NATIONAL BANK
OF CHICAGO, Trustee,

By

Authorized Signer.

[FORM OF DIVIDEND WARRANTS]

$ No.

Due to the bearer hereof on the 1st day of , 19 , on surrender hereof at the principal corporate trust office of the undersigned Trustee in the City of Chicago, Illinois, $, being the semi-annual dividend then due on Certificate No. of CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY EQUIPMENT TRUST NO. 1 OF 1977, payable only out of rentals or other moneys received by the undersigned and applicable to such payment under the provisions of the Equipment Trust Agreement dated as of May 1, 1977, referred to in said Certificate and as therein provided.

THE FIRST NATIONAL BANK
OF CHICAGO,

Trustee,

By

Vice President.

[FORM OF GUARANTY FOR TRUST CERTIFICATES WITH DIVIDEND WARRANTS]

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, for a valuable consideration, hereby unconditionally guarantees to the bearer or registered holder of the within Certificate, and to the bearer or bearers of the dividend warrants appertaining thereto, respectively, the prompt payment of the principal of said Certificate, and of the dividends thereon specified in the dividend warrants thereto attached, with interest at the dividend rate on any due but unpaid principal and on any due but unpaid dividends to the extent that it shall be legally enforceable, all in accordance with the terms of said Certificate and the Equipment Trust Agreement referred to therein.

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY,

By

Vice President.

WHEREAS, it is desired to secure to the holders of the Trust Certificates the payment of the principal thereof in 15 annual installments payable serially on May 1 in each year beginning May 1, 1978, and ending May 1, 1992, both inclusive, as hereinafter more particularly provided, with dividends to the respective dates of maturity, as hereinafter provided, payable semi-annually on May 1 and November 1 in each year, and to evidence the rights of the holders of the Trust Certificates in substantially the forms hereinbefore set forth;

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

ARTICLE I.

DEFINITIONS.

For all purposes of this Agreement, unless the context otherwise requires:

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

Cost, when used with respect to Trust Equipment, shall mean the actual cost thereof (or, if the actual cost thereof shall not have been determined, the estimated total cost thereof set forth in Item 1 of Schedule A hereto) and shall include only such items as may properly be included in such cost under the Interstate Commerce Commission's Uniform System of Accounts for Railroad Companies, as in effect at the time in question, or the accounting rules of such other federal governmental authority having jurisdiction over the accounts of the Railroad, or to the extent not determined thereby or in case there be no such accounting rules of the Interstate Commerce Commission or other federal authority in effect at such time, sound accounting practice.

Deposited Cash shall mean the aggregate of (a) cash on deposit with the Trustee as provided in the first sentence of Section 2.1 hereof, (b) any advance rental on deposit with the Trustee pursuant to Section 4.4 (A) (1) hereof, (c) any sums paid by the Railroad to the Trustee pursuant to Section 4.4 (B) (1) (b) hereof and on deposit with the Trustee, and (d) when required or indicated by the context, any Government Securities purchased by the use of Deposited Cash pursuant to the provisions of Section 7.8 hereof and held by the Trustee.

Equipment means new standard-gauge railroad equipment (other than passenger equipment or work equipment).

The Fair Value of any unit of Trust Equipment shall be deemed to be the Cost thereof, less an amount representing depreciation on such unit arising from reasonable wear and tear to be determined by the method in use at the time in standard railroad practice for determining such depreciation (but in no event exceeding 1/15th of the Cost thereof per annum).

Government Securities shall mean bonds, notes or other direct obligations of the United States of America or repurchase agreements secured by such bonds, notes or other direct obligations of the United States of America.

The word *holder*, when used with respect to Trust Certificates, shall include the plural as well as the singular number and, unless otherwise indicated by the context, shall mean and include the bearer of a Trust Certificate with dividend warrants not registered as to principal, the bearer of a dividend warrant, the registered owner of a Trust Certificate registered as to principal and the registered owner of a fully registered Trust Certificate.

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

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

Principal Office of the Trustee or other similar term shall mean the office of the Trustee in the City of Chicago, Illinois, where, at any particular time, its principal corporate trust business shall be administered.

Railroad shall mean Chicago and North Western Transportation Company, its successors and assigns.

Request shall mean a written request for the action therein specified signed on behalf of the Railroad by the President, a Vice President, the Controller or the Treasurer of the Railroad and delivered to the Trustee.

Trust Certificates shall mean the Trust Certificates issued hereunder, and *dividend warrants* shall mean dividend warrants attached or appertaining to Trust Certificates.

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

Trustee shall mean THE FIRST NATIONAL BANK OF CHICAGO, a national banking association, and any successor as trustee hereunder.

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

ARTICLE II.

TRUST CERTIFICATES AND ISSUANCE THEREOF.

SECTION 2.1. The net proceeds (excluding premium and accrued dividends, if any) of the sale of any of the Trust Certificates shall, forthwith upon issuance thereof, be deposited in cash with the Trustee. At the same time the Railroad shall, if necessary, deposit with the Trustee any advance rental payable by the Railroad to the Trustee under Section 4.4 (A) (1) hereof. Thereupon, without waiting for the recording or filing of this Agreement or of any other instrument respecting the Trust Equipment, the Trustee shall issue and deliver, at any time or times as the Railroad shall direct by Request, Trust Certificates substantially in the forms set forth herein, bearing dividends at the rate specified in said Request and in the aggregate principal amount so sold. Any premium and accrued dividends received upon the sale of the Trust Certificates shall forthwith be paid to the Railroad.

SECTION 2.2. Each of the Trust Certificates shall represent an interest in the principal amount therein specified in the trust created hereunder and shall bear dividends on said principal amount at the rate per annum specified in the Request delivered pursuant to Section 2.1 hereof, payable semiannually on the dates in each year specified in the forms of Trust Certificate hereinbefore set forth.

The aggregate principal amount of Trust Certificates which shall be executed and delivered by the Trustee hereunder shall not exceed the Total Authorized Issue specified in the forms of Trust Certificates hereinbefore set forth, except as provided in Section 2.5 and Section 2.6 hereof.

The principal amount of the Trust Certificates shall become due in 15 equal annual installments payable serially on the dates specified in Item 2 of Schedule A hereto.

SECTION 2.3. The Trust Certificates, the dividend warrants to be annexed to the Trust Certificates with dividend warrants and the guaranty to be endorsed on the Trust Certificates by the Railroad as hereinafter in Section 6.2 hereof provided shall be in substantially the forms hereinbefore set forth.

SECTION 2.4. 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, its corporate seal, in facsimile, shall be attested by a Trust Officer, and such Trust Certificates shall be authenticated by the manual signature of an authorized signer of the Trustee. The dividend warrants to be attached to the Trust Certificates with dividend warrants shall be authenticated by the facsimile signature of a present or any future Vice President of the Trustee. In case any officer of the Trustee whose signature, whether manual or facsimile, shall appear on any of the Trust Certificates or on the dividend warrants shall cease to be such officer of the Trustee before such Trust Certificates or dividend warrants shall have been issued and delivered by the Trustee, such Trust Certificates and dividend warrants shall be as effective and binding and shall be issued and delivered by the Trustee as though such person had not ceased to be such officer of the Trustee. Before executing or delivering any Trust Certificate with dividend warrants the Trustee shall detach and cancel all matured dividend warrants, if any, thereto appertaining.

SECTION 2.5. The Trust Certificates with dividend warrants shall be issued in the denomination of $1,000; shall be payable to bearer, or to the registered holder if registered as to principal in the manner hereinafter provided; shall be transferable by delivery unless registered as to principal as hereinafter provided; and shall be dated as of the date of this Agreement.

The fully registered Trust Certificates shall be issued in denominations of $1,000 and any multiple of $1,000; shall be registered, as to both principal and dividends, in the name of the holder; shall be transferable upon presentation and surrender thereof for transfer at the Principal Office of the Trustee,

accompanied by appropriate instruments of assignment and transfer, duly executed by the registered holder of the surrendered Trust Certificate or Certificates or by duly authorized attorney, in form satisfactory to the Trustee; and shall be dated as of the date of this Agreement or, if issued after the first dividend payment date on which dividends have been paid in full, as of the dividend payment date on which the dividend was paid next preceding the date of issue, unless issued on a dividend payment date on which dividends have been paid in full, in which event they shall be dated as of the date of issue and shall entitle the registered holder to dividends from the date thereof.

Fully registered Trust Certificates may be exchanged for a like aggregate principal amount of Trust Certificates with dividend warrants of the same maturity having all unmatured dividend warrants attached, or for a like aggregate principal amount of fully registered Trust Certificates of the same maturity of authorized denominations, and Trust Certificates with dividend warrants may be exchanged for a like aggregate principal amount of fully registered Trust Certificates of the same maturity of authorized denominations. The Trust Certificates to be exchanged shall be surrendered at the Principal Office of the Trustee. All Trust Certificates with dividend warrants surrendered for exchange shall have attached all unmatured dividend warrants appertaining thereto, and, in case at the time of such exchange dividends on the Trust Certificates are in default, they shall in addition have attached all matured dividend warrants in default appertaining thereto.

Any of the Trust Certificates with dividend warrants may be registered as to the principal thereof in the name of the holder at the Principal Office of the Trustee, and such registration shall be noted on the Trust Certificate by or on behalf of the Trustee. Thereafter no transfer thereon shall be valid unless made at said office by the registered holder thereof in person, or by his duly authorized attorney, and similarly noted thereon; but the same may be discharged from registration and transferred to bearer as before. No registration, however, shall affect the dividend warrants attached to the Trust Certificate so registered, but every such dividend warrant shall continue to be transferable with the same effect as in the case of a negotiable instrument payable to bearer, by delivery thereof by any person in possession of the same, however such possession may have been acquired.

Anything to the contrary herein notwithstanding, the parties hereto may deem and treat the bearer of any unregistered Trust Certificate and the bearer of any dividend warrant as the absolute owner of such Trust Certificate or dividend warrant, as the case may be, for the purpose of receiving payment thereof and for all other purposes, and shall not be affected by any notice to the contrary. The parties hereto may deem and treat the registered holder of any fully registered Trust Certificate or of any Trust Certificate with dividend warrants registered as to principal, as the case may be, as the absolute owner of such Trust Certificate for all purposes except, in the case of Trust Certificates with dividend warrants registered as to principal, payment of dividends, and shall not be affected by any notice to the contrary.

For any registration, exchange, transfer or discharge from registration the Trustee may, and upon Request shall, require the payment of a sum sufficient to cover reimbursement for any stamp tax or other governmental charge connected therewith.

Each Trust Certificate delivered, pursuant to any provision of this Agreement, in exchange or substitution for, or upon the transfer of, the whole or any part of one or more other Trust Certificates shall carry all the rights to dividends accrued and unpaid, and to accrue, which were carried by the whole or such part of such one or more other Trust Certificates, and, anything to the contrary herein notwithstanding, such Trust Certificate shall be so dated, or have attached thereto such dividend warrants, that neither gain nor loss in dividends shall result from such exchange, substitution or transfer.

The Trustee shall not be required to issue, register, transfer or exchange Trust Certificates for a period of ten days next preceding any dividend payment date.

SECTION 2.6. In case any Trust Certificate, or the dividend warrants, if any, thereto appertaining, shall become mutilated or defaced or be lost, stolen or destroyed, then on the terms herein set forth, and not otherwise, the Trustee, upon Request, (a) shall execute and deliver a new Trust Certificate, and the Railroad shall execute its guaranty thereon, with all unmatured dividend warrants appertaining thereto, if a Trust Certificate with dividend warrants, of like maturity, tenor and date, and bearing the same

serial number as the one mutilated, defaced, lost, stolen or destroyed, in exchange and substitution for, and upon cancellation of, the mutilated or defaced Trust Certificate and dividend warrants, or in lieu of or in substitution for the same if lost, stolen or destroyed, and (b) shall make payment of any matured and unpaid dividend warrants appertaining to the same. The applicant for a new Trust Certificate or for payment as in this Section 2.6 provided shall furnish to the Trustee and to the Railroad evidence to their satisfaction of the mutilation, defacement, loss, theft, or destruction of such Trust Certificate and dividend warrants, if any, alleged to have been mutilated, defaced, lost, stolen, or destroyed, and of the ownership and authenticity of such mutilated, defaced, lost, stolen or destroyed Trust Certificate and dividend warrants, and also such security and indemnity as may be required by the Trustee and by the Railroad, in their discretion; and shall pay all expenses and charges of such substitution or exchange. All Trust Certificates and dividend warrants 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 dividend warrants, and shall preclude any and all other rights and remedies, any law or statute now existing or hereafter enacted to the contrary notwithstanding.

ARTICLE III.

Acquisition of Trust Equipment by Trustee; Deposited Cash.

Section 3.1. The Railroad, as speedily as may be, shall cause to be constructed and sold, assigned, transferred and set over unto the Trustee as trustee for the holders of the Trust Certificates and dividend warrants appertaining thereto, the Equipment described in Item 1 of Schedule A hereto. To that end the Railroad hereby assigns, or as speedily as may be after entering into the contract or contracts for the construction of such Equipment agrees to assign, to the Trustee all its rights, title and interest under said contract or contracts. Such Equipment shall be delivered to the Railroad, 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 procure for the transportation services of the Railroad, and to include in the trust hereby created, other Equipment in lieu of any of the Equipment specifically described herein, the Railroad may cause such other Equipment to be constructed and transferred to the Trustee, to be substituted under the trust, and to that end the Railroad, upon entering into a contract or contracts for the construction of such other Equipment, shall assign to the Trustee all its rights, title and interest under said contract or contracts.

SECTION 3.2. From time to time, when and as any of the Trust Equipment shall have been delivered to the Trustee or its agent, the Trustee shall (subject to the provisions of Section 3.3 hereof) pay, upon Request, to the manufacturer or manufacturers of the delivered Trust Equipment out of Deposited Cash an amount which will equal not more than 80% of the aggregate Cost of the Trust Equipment then delivered to the Trustee.

SECTION 3.3. The Railroad covenants that, contemporaneously with any payment by the Trustee pursuant to Section 3.2 hereof, it will pay to the Trustee the advance rental provided in Section 4.4 (A) (2) hereof, and thereupon the Trustee shall, upon Request, pay to the manufacturer or manufacturers of the delivered Trust Equipment, by the use of such advance rental, the portion of the Cost of the delivered Trust Equipment not paid out of Deposited Cash as provided for in Section 3.2 hereof; the intention being that the Railroad shall ultimately pay not less than 20% of the Cost of all the Trust Equipment, and the Trustee and the Railroad shall at any time if occasion arises adjust their accounts and payments to the end that the Trustee shall pay with Deposited Cash not more than 80% of such Cost and the Railroad shall pay as advance rental the remainder, to be not less than 20% of such Cost.

SECTION 3.4. The Trustee shall not pay out any Deposited Cash against the delivery of any of the Trust Equipment unless and until it shall have received:

(a) An Officer's Certificate stating (i) that the Trust Equipment described and specified therein by number or numbers has been delivered to the Railroad and has been plated or marked in accordance

with the provisions of Section 4.6 hereof; (ii) that such Trust Equipment is Equipment, as herein defined; (iii) either that the Cost of such Trust Equipment, determined as provided herein, is an amount therein specified, or is not less than an amount therein specified, and which may state that such Cost is tentatively determined, subject to final adjustment to be evidenced in an Officer's Certificate of actual Cost to be delivered to the Trustee when such actual Cost is determined; and (iv) that such Trust Equipment has been approved, received and accepted by the Railroad in accordance with the provisions hereof;

(b) An invoice or invoices from the manufacturer or manufacturers of the Trust Equipment and a bill or bills of sale therefor from said manufacturer or manufacturers to the Trustee, which bill or bills of sale shall contain a warranty or guaranty to the Trustee that the title to the Trust Equipment described therein is free from all liens and encumbrances;

(c) An Opinion of Counsel that (i) such bill or bills of sale are valid and effective, either alone or in connection with any other instrument referred to in such opinion, to vest in the Trustee title to such Trust Equipment free from all liens and encumbrances and (ii) that this Agreement has been duly executed by the Railroad and duly filed and recorded in accordance with Section 6.4 hereof; and

(d) In case of any Trust Equipment not specifically described herein, an Opinion of Counsel that a proper supplement hereto in respect of such Trust Equipment has been duly executed by the Railroad and duly delivered, filed and recorded in accordance with Section 6.4 hereof.

If the aggregate Cost of all the Trust Equipment shall be less than 125% of the aggregate principal amount of Trust Certificates issued pursuant to Section 2.1 hereof, the Railroad will cause to be constructed and transferred to the Trustee, pursuant to a proper supplement hereto, additional Equipment in such amount and of such Cost that the aggregate Cost of the Trust Equipment will be at least 125% of the aggregate principal amount of Trust Certificates so issued.

If the aggregate Cost of the Trust Equipment acquired within 15 months from the date hereof shall be less than 125% of the aggregate principal amount of Trust Certificates issued pursuant to Section 2.1 hereof, the Railroad shall, within ten days after the expiration of said 15 months' period, pay to the Trustee in cash, as rental payable under Section 4.4 (B) (1) (c) hereof, the difference between 125% of the aggregate principal amount of Trust Certificates so issued and the sum of (a) the balance of Deposited Cash then in the Trustee's hands and (b) the aggregate Cost of all the Trust Equipment. After such payment, no additional rental shall be payable under Section 4.4 (A) (2) hereof, except to the extent that the Cost of Trust Equipment thereafter delivered shall exceed the estimated total cost thereof set forth in Item 1 of Schedule A hereto.

If the aggregate Cost of Trust Equipment for which payment has been made hereunder shall exceed 125% of the aggregate principal amount of Trust Certificates issued pursuant to Section 2.1 hereof, the Railroad may, on Request, exclude herefrom any of the Equipment described in Item 1 of Schedule A hereto in respect of which payment has not been made, and the Trustee and the Railroad shall enter into an appropriate supplement hereto evidencing such exclusion.

SECTION 3.5. Interest, if any, allowed by the Trustee upon any moneys received by it under the provisions hereof and any interest (in excess of accrued interest paid from Deposited Cash at the time of purchase) or other profit accruing upon any investment of Deposited Cash or Replacement Funds (as hereinafter defined) as permitted by Section 7.8 hereof shall belong to the Railroad and be paid to it by the Trustee, as long as the Railroad shall not be known to the Trustee to be in default hereunder.

SECTION 3.6. Any Deposited Cash remaining in the hands of the Trustee after the delivery of all the Trust Equipment to be delivered pursuant to Section 3.1 and Section 3.4 hereof and payment therefor in the manner provided herein shall be applied by the Trustee toward payment of the principal amount of the next maturing Trust Certificates then outstanding, when and as the same shall become payable, and, to the extent that such payments are so made by the Trustee out of such Deposited Cash, the next succeeding installments of rental payable by the Railroad to the Trustee under Section 4.4 (B) (4) hereof shall be correspondingly reduced.

ARTICLE IV.

LEASE OF TRUST EQUIPMENT TO THE RAILROAD.

SECTION 4.1. The Trustee does hereby let and lease all the Trust Equipment to the Railroad, for the term of 15 years from and after the date of this Agreement.

SECTION 4.2. In the event that the Railroad shall, as provided in Sections 3.1, 3.4, 4.7 and 4.9 hereof, cause to be constructed and transferred to the Trustee other Equipment in addition to or 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 and shall be subject to all the terms and conditions hereof in all respects as though it had been part of the Trust Equipment so described.

SECTION 4.3. As and when any Equipment shall from time to time be delivered to the Railroad as agent for the Trustee, the same shall, *ipso facto* and without further instrument of lease, pass under and become subject to all the terms and provisions hereof.

SECTION 4.4. The Railroad hereby accepts the lease of all the Trust Equipment and covenants and agrees to accept delivery and possession hereunder of the Trust Equipment as hereinbefore provided; and the Railroad 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, rent 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 Railroad of any of the Trust Equipment):

(A) The Railroad shall pay to the Trustee, as hereinafter provided, as advance rental hereunder, sums which in the aggregate shall be equal to the difference between the aggregate Cost of the Trust Equipment (other than Trust Equipment subjected hereto pursuant to Sections 4.7 or 4.9 hereof) and the portion of such Cost to be provided out of the

net proceeds (excluding premium and accrued dividends, if any) of the sale of the Trust Certificates, the intention being that, when all such Trust Equipment shall have been delivered to the Railroad as agent for the Trustee, the Railroad shall have paid or shall pay to the Trustee as advance rental hereunder, a sum equal to the amount by which the aggregate Cost of such Trust Equipment exceeds such net proceeds of the sale of the Trust Certificates. The Railroad agrees to pay such advance rental as follows:

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

(2) Upon delivery of any of such Trust Equipment a sum equal to the portion of the Cost of such delivered Trust Equipment not paid out of Deposited Cash as provided for in Section 3.2 hereof, but not less than 20% of such Cost.

(B) In addition to such advance rental the Railroad shall pay to the Trustee, as hereinafter provided, as rental for the Trust Equipment, and whether or not at the time any thereof shall have been delivered to the Railroad, the following:

(1) (a) The necessary and reasonable expense of the trust hereby created, including compensation and expenses provided for herein, (b) an amount equal to any expenses incurred or loss of principal (including interest accrued thereupon at time of purchase) in connection with any purchase, sale or redemption by the Trustee of Government Securities, and (c) any sums which shall be required to be paid to the Trustee pursuant to the provisions of the second to the last paragraph of Section 3.4;

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

(3) (a) The amounts of the dividends payable on the Trust Certificates, when and as the same shall become payable, and (b) interest at the dividend rate from the due date, upon the amount of any installments of rental payable under this subparagraph (3) and the following subparagraph (4) which shall not be paid when due, to the extent legally enforceable; and

(4) The principal of the Trust Certificates, when and as the same shall become payable, whether upon the respective stated dates of maturity thereof, or otherwise under the provisions thereof or of this Agreement.

Nothing herein or in the Trust Certificates contained shall be deemed to impose on the Trustee or on the Railroad any obligation to pay to the holder of any Trust Certificate or dividend warrant 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 of other taxing authority thereof to be paid in behalf of, or withheld from the amount payable to, the holder of any Trust Certificate or dividend warrant.

The Railroad shall not be required to pay any tax, assessment or governmental charge so long as it shall in good faith and by appropriate legal proceedings contest the validity thereof, unless in the judgment of the Trustee the rights or interests of the Trustee or of the holders of the Trust Certificates or dividend warrants may be materially endangered thereby.

SECTION 4.5. At the termination of the lease contained herein and after all payments due or to become due from the Railroad hereunder shall have been completed and fully made to the Trustee (1) such payments shall be applied and treated as purchase money and as the full purchase price of the Trust Equipment, (2) any moneys remaining in the hands of the Trustee after providing for all outstanding Trust Certificates and dividend warrants and after paying the reasonable expenses and compensation of the Trustee shall be paid to the Railroad, (3) title to all the Trust Equipment shall vest in the Railroad and (4) the Trustee shall execute for record in public offices, at the expense of the Railroad, such instrument or instruments in writing as reasonably shall be requested by the Railroad in order

to make clear upon public records the title of the Railroad to all the Trust Equipment under the laws of any jurisdiction; *provided, however,* that until that time title to the Trust Equipment shall not pass to or vest in the Railroad, but title to and ownership of all the Trust Equipment shall be and remain in the Trustee, notwithstanding the delivery of the Trust Equipment to the Railroad and its possession and use thereof.

SECTION 4.6. The Railroad agrees that at or before the delivery to the Railroad of each unit of the Trust Equipment, there shall be plainly, distinctly, permanently and conspicuously placed and fastened upon each side of such unit a metal plate bearing the words shown in Item 3 of Schedule A hereto, or such words shall be otherwise plainly, distinctly, permanently and conspicuously marked on each side of such unit, in either case in letters not less than one-half inch in height. Such plates or marks shall be such as to be readily visible and as to indicate plainly the Trustee's ownership of each unit of the Trust Equipment. In case, prior to the termination of the lease contained herein, any of such plates or marks shall at any time be removed, defaced or destroyed, the Railroad shall immediately cause the same to be restored or replaced. The Railroad shall not change or permit to be changed the numbers of any of the Trust Equipment (or any numbers which may have been substituted as herein provided) except in accordance with a statement of new numbers to be substituted therefor which previously shall have been filed with the Trustee by the Railroad.

The Trust Equipment may be lettered "CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY", "CHICAGO AND NORTH WESTERN RAILWAY SYSTEM", "CHICAGO AND NORTH WESTERN", "NORTH WESTERN", "CNW" or "C. & N. W.", or with the name, insignia, emblem or initials of any Affiliate which, as hereinafter provided, is permitted to use the Equipment, or in some other appropriate manner, for convenience of identification of the leasehold interest of the Railroad therein. During the continuance of the lease provided for herein, the Railroad shall not allow the name of any person, association or corporation to be placed on any of the Trust Equipment as a designation which might be interpreted as a claim of ownership thereof by the Railroad or by any person, association or corporation other than the Trustee.

SECTION 4.7. The Railroad agrees that it will maintain and keep all the Trust Equipment in good order and proper repair at its own cost and expense, unless and until worn out, lost or destroyed. The rights and remedies of the Trustee to enforce or to recover any of the rental payments shall not be affected by reason of such wearing out, loss or destruction.

Whenever any of the Trust Equipment shall be worn out, lost or destroyed, the Railroad shall deliver to the Trustee an Officer's Certificate describing such Trust Equipment and stating the Fair Value thereof and shall either (a) deposit with the Trustee an amount in cash equal to such Fair Value or (b) cause to be transferred to the Trustee additional Equipment (which term, for purposes of Equipment acquired with moneys deposited pursuant to this Section 4.7 and Section 4.9 hereof only, shall mean any standard-gauge railroad equipment, other than passenger equipment or work equipment, first put into use on or after the date of this Agreement), free from all liens, security interests and other encumbrances other than those which have been duly subordinated to the Trustee's rights in such equipment), of a Fair Value at least equal to the Fair Value of such Trust Equipment so worn out, lost or destroyed, and deliver to the Trustee, in respect of such additional Equipment, certificates, bills of sale and Opinions of Counsel comparable to those provided in Section 3.4 hereof, and, in addition, an Officer's Certificate describing such additional Equipment and stating the Cost and Fair Value thereof. Fair Value of Trust Equipment shall be computed as of the date on which the Railroad makes the determination that such Trust Equipment has become worn out, lost or destroyed. Cash deposited with the Trustee pursuant to this Section 4.7 shall be held and applied as provided in Section 4.9 hereof. The Trustee will release from this Agreement, upon compliance with the provisions of this Section 4.7, any of the Trust Equipment worn out, lost or destroyed.

The Railroad covenants and agrees to furnish to the Trustee, whenever required by the Trustee, and at least once in every calendar year following the calendar year in which the first delivery of any of the Trust Equipment occurs and during the continuance of the lease contained herein, an Officer's Certificate stating (1) the amount, description and numbers of the Trust Equipment then covered hereby and showing the Trust Equipment then in

actual service, (2) the amount, description and numbers of all Trust Equipment that may have become worn out, or that may have become unsuitable for use or not needed or lost or destroyed by accident or otherwise since the date of the last preceding statement, and (3) the amount, description and numbers of all Trust Equipment then undergoing repairs, other than running repairs, or then withdrawn from use for such repairs, and stating that all the Trust Equipment repainted or repaired since the date of the last preceding statement is plated or marked as required by Section 4.6 hereof. The Trustee, by its agents, shall have the right once in each calendar year, but shall be under no duty, to inspect, at the expense of the Railroad, the Trust Equipment, and the Railroad covenants in that event to furnish to the Trustee all reasonable facilities for the making of such inspection.

SECTION 4.8. The Railroad, so long as it is not in default hereunder, shall be entitled to the possession of the Trust Equipment from and after delivery thereof to the Railroad, and the use thereof upon the lines of railroad owned or operated by the Railroad (either alone or jointly with another) or by any Affiliate or upon lines over which the Railroad or any Affiliate shall have trackage or other operating rights, and the Railroad shall also be entitled to permit the use of the Trust Equipment upon other carriers in the usual interchange of traffic and upon carriers over which through or run-through service may from time to time be afforded, but only upon and subject to all the terms and conditions of this Agreement.

Except as otherwise provided in this Section 4.8, the Railroad shall not without first obtaining the written consent of the Trustee, assign or transfer its rights hereunder, or transfer or sublet the Trust Equipment or any part thereof, except to responsible railroads or industries for a term not exceeding one year or to an Affiliate, and then subject in all respects to the rights and remedies of the Trustee hereunder, or part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment. An assignment or transfer to a railroad company or other purchaser which shall acquire all or substantially all the lines of railroad of the Railroad, and which, by execution of an appropriate instrument satisfactory to the Trustee, shall assume and agree to perform each of and all the obligations and covenants of the Railroad hereunder and under the guaranty endorsed on

the Trust Certificates, shall not be deemed a breach of this covenant. The appointment of a receiver or receivers in equity or reorganization or a trustee or trustees in bankruptcy or reorganization for the Railroad or for its property shall not be deemed an unauthorized assignment if, prior to any action by the Trustee to exercise the remedies herein provided, such receiver or receivers or trustee or trustees shall be discharged or such receiver or receivers or trustee or trustees shall, pursuant to court order or decree, in writing duly assume and agree to pay or perform each of and all the obligations and covenants of the Railroad hereunder and under the guaranty endorsed on the Trust Certificates, in such manner that such obligations shall have the same status as obligations incurred by such receiver or receivers or trustee or trustees.

SECTION 4.9. Any units of the Trust Equipment which shall have become unsuitable in any respect for the use of, or are no longer needed by, the Railroad may be released from this Agreement and it is hereby mutually agreed that at any time hereafter until title thereto shall become vested in the Railroad the Trustee will release any such units of the Trust Equipment upon the filing with it of a Request and an Officer's Certificate which shall describe such units, shall state that they have become unsuitable for the use of, or are no longer needed by, the Railroad, shall state the selling price thereof, and shall specify the Cost and the then Fair Value thereof. No such release shall be made unless and until the Railroad shall have (a) paid to the Trustee an amount equal to such selling price or Fair Value, whichever shall be greater, or (b) caused to be transferred to the Trustee additional Equipment on the same basis as provided in Section 4.7 hereof.

Any moneys paid to the Trustee pursuant to this Section 4.9 or Section 4.7 hereof or the second to the last paragraph of Section 3.4 hereof (all such moneys being herein called Replacement Funds) shall be received and held by the Trustee in trust hereunder pending delivery of additional Equipment. Upon the filing with it of a Request and an Officer's Certificate which shall specify the kind and number of units of Equipment to be purchased and the Cost thereof, Replacement Funds shall, upon receipt by the Trustee of certificates, bills of sale and Opinions of Counsel comparable to those provided in Section 3.4 hereof, be applied to the purchase of such Equipment.

SECTION 4.10. The Railroad covenants and agrees to indemnify the Trustee against any and all claims arising out of or connected with the ownership or use of any of the Trust Equipment, and particularly against any and all claims arising out of the use of any patented inventions in and about the Trust Equipment, and to comply in all respects with the laws of the United States of America and of all the states in which the Trust Equipment, or any thereof, may be operated, and with all lawful acts, rules, regulations and orders of the Interstate Commerce Commission and of all other commissions, boards and other legislative, executive, administrative or judicial bodies or officers having power to regulate or supervise any of the Trust Equipment, including without limitation all lawful acts, rules, regulations and orders of any body having competent jurisdiction relating to automatic coupler devices or attachments, air brakes or other appliances; *provided, however,* that the Railroad may in good faith contest the validity of any such law, act, rule, regulation or order, or the application thereof to the Trust Equipment or any part thereof, in any reasonable manner which will not in the judgment of the Trustee materially endanger the rights or interest of the Trustee or of the holders of the Trust Certificates or dividend warrants. The Railroad shall not be relieved from any of its obligations hereunder by reason of the assertion or enforcement of any such claims or the commencement or prosecution of any litigation in respect thereof.

ARTICLE V.

REMEDIES IN EVENT OF DEFAULT.

SECTION 5.1. The Railroad covenants and agrees that in case

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

(b) the Railroad shall make or suffer any unauthorized assignment or transfer of its rights hereunder or shall make any unauthorized transfer or sublease of any of the Trust Equipment, or, except as herein authorized, shall part with the possession of any of the Trust Equipment, and shall fail or refuse either to cause such assignment or transfer

or sublease to be cancelled by agreement of all parties having any interest therein and recover possession of such Trust Equipment within 30 days after the Trustee shall have demanded in writing such cancellation and recovery of possession, or within said 30 days to deposit with the Trustee a sum in cash equal to the Fair Value of the Trust Equipment so assigned or transferred or subleased or the possession of which shall have been parted with otherwise than as herein authorized (any sum so deposited to be returned to the Railroad upon the cancellation of such assignment, transfer or sublease and the recovery of possession by the Railroad of such Trust Equipment), or

(c) the Railroad shall, for more than 90 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,

then, in any such case (herein sometimes called an event of default), 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 Railroad, declare to be due and payable forthwith the entire amount of the rentals (including any unpaid advance rental, but not including rentals required for the payment of dividends accruing after the date of such declaration) payable by the Railroad as set forth in Section 4.4 hereof 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 dividend rate, to the extent legally enforceable, on any portion thereof overdue; and the Trustee shall be entitled to recover judgment for the total amount so becoming payable by the Railroad, together with interest thereon at the dividend rate, to the extent legally enforceable, and to collect such judgment out of any property of the Railroad wherever situated.

In addition, in case one or more events of default shall happen, 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 Railroad, 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.

SECTION 5.2. In case of the happening of any event of default, the Trustee may by its agents enter upon the Railroad and premises of the Railroad and of any Affiliate and take possession of all or any part of the Trust Equipment and withdraw the same from the Railroad and such premises, retaining all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and shall be entitled to collect, receive and retain all unpaid *per diem,* mileage or other charges of any kind earned by the Trust Equipment or any part thereof, and may lease the Trust Equipment or any part thereof, or with or without retaking possession thereof (but only after declaring due and payable the entire amount of rentals payable by the Railroad as provided in Section 5.1 hereof) may sell the same or any part thereof, free from any and all claims of the Railroad at law or in equity, in one lot and as an entirety, or in separate lots, insofar as may be necessary to perform and fulfill the trust hereunder, at public or private sale, for cash or upon credit, in its discretion, and may proceed otherwise to enforce its rights and the rights of the holders of interests hereunder in the manner herein provided. Upon any such sale, the Trustee itself may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Trustee may specify, or as may be required by law, and without gathering at the place of sale the Trust Equipment to be sold, and in general in such manner as the Trustee may determine, but so that the Railroad may and shall have a reasonable opportunity to bid at any such sale. Upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Railroad shall cease to have any rights or remedies in respect of the Trust Equipment hereunder, and all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Railroad, and no payments theretofore made by the Railroad 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 Railroad any legal or equitable interest or

title in or to the Trust Equipment or any of it or any cause or right of action at law or in equity in respect of the Trust Equipment against the Trustee or the holders of the Trust Certificates hereunder. No such taking possession, withdrawal, lease or sale of the Trust Equipment by the Trustee shall be a bar to the recovery by the Trustee from the Railroad of rentals then or thereafter due and payable, and the Railroad shall be and remain liable for the same until such sums shall have been realized as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all the items mentioned in Section 4.4 hereof (other than dividends or interest not then accrued), whether or not they shall have then matured. The holders of a majority in principal amount of the then outstanding Trust Certificates shall have the right from time to time to direct which of the proceedings above provided for shall be taken for the enforcement of the remedies contained herein.

SECTION 5.3. If, in case of the happening of any event of default, the Trustee shall exercise any of the powers conferred upon it by Sections 5.1 and 5.2 hereof, all payments made by the Railroad to the Trustee hereunder after such event of default, and the proceeds of any judgment collected hereunder from the Railroad by the Trustee, and the proceeds of every sale or lease by the Trustee of any of the Trust Equipment, together with any other sums which may then be held by the Trustee under any of the provisions hereof (other than sums held in trust for the payment of specific Trust Certificates and/or dividend warrants), shall be applied by the Trustee to the payment in the following order of priority: (a) of all proper charges, expenses or advances made or incurred by the Trustee in accordance with the provisions hereof, and (b) of the dividends then due, with interest on overdue dividends at the dividend rate to the extent legally enforceable, and of the principal of all the outstanding Trust Certificates, with interest thereon at the dividend rate to the extent legally enforceable, from the last preceding dividend date, whether such Trust Certificates shall have then matured by their terms or not, all such payments to be in full if such proceeds shall be sufficient, and if not sufficient, then *pro rata* without preference between principal and dividends.

After all such payments shall have been made in full, the title to any of the Trust Equipment remaining unsold shall be conveyed by the Trustee to

the Railroad free from any further liabilities or obligations to the Trustee hereunder. If after applying all such sums of money realized by the Trustee as aforesaid there shall remain any amount due to the Trustee under the provisions hereof, the Railroad agrees to pay the amount of such deficit to the Trustee. If after applying as aforesaid the sums of money realized by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Railroad.

SECTION 5.4. If at any time after the principal of all the Trust Certificates shall have been declared and become due and payable or if at any time after the entire amount of rentals shall have been declared and become due and payable, all as in Section 5.1 hereof provided, but before the date for payment of the last installment of principal of the Trust Certificates, all arrears of rent (with interest at the dividend rate upon any overdue installments to the extent legally enforceable), the reasonable expenses and compensation of the Trustee, together with all expenses of the trust occasioned by the Railroad's default, and all other sums which shall have become due and payable by the Railroad hereunder (other than the principal of Trust Certificates and any other rental installments which shall not at the time have matured, other than by declaration, according to their terms) shall be paid by the Railroad before any sale or lease by the Trustee of any of the Trust Equipment, and every other default in the observance or performance of any covenant or condition hereof shall be made good or secured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall be made therefor, then, and in every such case, the Trustee, in its discretion may, and upon the written request of the holders of a majority in principal amount of the Trust Certificates then outstanding and which shall not have matured (other than by declaration) according to their terms shall, by written notice to the Railroad, waive the default by reason of which there shall have been such declaration or declarations and the consequences of such default, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 5.5. No retaking of possession of the Trust Equipment by the Trustee, nor any withdrawal, lease or sale thereof, nor any action or failure or omission to act against the Railroad or in respect of the Trust Equipment

on the part of the Trustee or on the part of the holder of any Trust Certificate or dividend warrant, nor any delay or indulgence granted to the Railroad by the Trustee or by any such holder, shall affect the obligations of the Railroad hereunder or the obligations of the Railroad under the guaranty endorsed on the Trust Certificates. The Railroad hereby waives presentation and demand in respect of any of the Trust Certificates and dividend warrants and waives notice of presentation, of demand and of any default in the payment of the principal of and dividends on the Trust Certificates.

SECTION 5.6. In case the Trustee shall demand possession of the Trust Equipment pursuant to the provisions hereof and shall reasonably designate a point or points upon the railroad of the Railroad or of any Affiliate for the delivery of the Trust Equipment to it, the Railroad shall at its own expense forthwith and in the usual manner cause the Trust Equipment to be moved to such point or points on such railroads as shall 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 on any of the lines of railroad or premises of the Railroad or of any Affiliate until the Trustee shall have leased, sold or otherwise disposed of the same, and for such purpose the Railroad agrees to furnish without charge for rent or storage the necessary facilities at any convenient point or points selected by the Trustee. 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 Railroad requiring the specific performance thereof.

SECTION 5.7. The remedies in this Agreement provided in favor of the Trustee and the holders of the Trust Certificates or dividend warrants, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity.

ARTICLE VI.

ADDITIONAL COVENANTS AND AGREEMENTS BY THE RAILROAD.

SECTION 6.1. The Railroad hereby covenants and agrees to make payment of the reasonable expenses and compensation of the Trustee, and of all taxes, assessments and governmental charges herein mentioned for which the Trustee, as such, may be liable and of the rentals and of the other amounts provided for herein.

SECTION 6.2. The Railroad covenants, agrees and guarantees that the holder of each of the Trust Certificates shall be paid the principal sum thereof, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, when and as the same shall become due and payable, in accordance with the provisions thereof and of this Agreement and, if not so paid, with interest thereon at the dividend rate to the extent legally enforceable), and shall be paid dividends thereon in like money at the rate specified in the Trust Certificates, at the times and place and otherwise as expressed in the Trust Certificates and in the dividend warrants (and, if not so paid, with interest thereon at the dividend rate to the extent legally enforceable); and the Railroad further covenants and agrees to endorse upon each of the Trust Certificates, at or before the issuance and delivery thereof by the Trustee, its guaranty of the prompt payment of the principal thereof and of the dividends thereon, in substantially the forms hereinbefore set forth. Said guaranty so endorsed shall be signed in the name and on behalf of the Railroad by the facsimile signature of its President or one of its Vice Presidents. In case any officer of the Railroad whose signature shall appear on said guaranty shall cease to be such officer before the Trust Certificates shall have been issued and delivered by the Trustee, or shall not have been acting in such capacity on the date of the Trust Certificates, such guaranty shall nevertheless be as effective and binding upon the Railroad as though the person who signed said guaranty had not ceased to be such officer.

SECTION 6.3. The Railroad covenants and agrees that it will pay and discharge, or cause to be paid and discharged, or make adequate provisions

for the satisfaction or discharge of, any debt, tax, charge, assessment, obligation or claim which if unpaid might become a lien, security interest or charge upon or against any of the Trust Equipment, except upon the leasehold interest of the Railroad therein; but this provision shall not require the payment of any such debt, tax, charge, assessment, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, unless such contest will in the judgment of the Trustee materially endanger the rights or interests of the Trustee or of the holders of the Trust Certificates.

SECTION 6.4. The Railroad covenants and agrees to pay the expenses incident to the preparation and execution of the Trust Certificates and dividend warrants to be issued hereunder, or connected with the preparation, execution, recording and filing hereof and of any instruments executed under the provisions hereof with respect to the Trust Equipment. The Railroad with all convenient speed will cause this Agreement and all supplements hereto and all statements of new numbers of any of the Trust Equipment to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. The Railroad will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record any and all further instruments required by law or reasonably requested by the Trustee for the purposes of proper protection of the title of the Trustee and the rights of the holders of the Trust Certificates and of fully carrying out and effectuating this Agreement and the intent hereof; and the Railroad will promptly furnish to the Trustee certificates or other evidences of filing and recording pursuant to the last preceding sentence, and of any other such filing, registration and recording, and an Opinion or Opinions of Counsel with respect thereto.

SECTION 6.5. The Railroad 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 for the purpose of fully carrying out and effectuating this Agreement and the intent hereof.

SECTION 6.6. The Railroad covenants that it will make payment of the rentals on account of the Trust Equipment as provided in this Agreement

notwithstanding that any of the Trust Certificates and/or dividend warrants shall have been acquired by the Railroad or shall not have been presented for payment.

ARTICLE VII.

THE TRUSTEE.

SECTION 7.1. The Trustee hereby accepts the trusts imposed upon it by this Agreement, and covenants and agrees to perform the same as herein expressed.

SECTION 7.2. The Trustee covenants and agrees to apply and distribute the rentals received by it under Section 4.4(B) 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 Section 4.4(B).

SECTION 7.3. The Trustee shall cause to be kept at its Principal Office, books for the registration and transfer of the Trust Certificates; and upon presentation for such purpose the Trustee will register or cause to be registered as hereinbefore provided, under such reasonable regulations as it may prescribe, any of the Trust Certificates, but not the dividend warrants, if any, appertaining thereto.

SECTION 7.4. The Trustee shall not be required to undertake any act or duty in the way of insuring, taking care of or taking possession of the Trust Equipment or to undertake any other act or duty under this Agreement until fully indemnified by the Railroad or by one or more of the holders of the Trust Certificates against all liability and expenses. The Trustee shall not be responsible for the filing or recording or refiling or rerecording of this Agreement or of any supplement hereto or of any statement of new numbers of the Trust Equipment. The Trustee may issue and deliver Trust Certificates in advance of such filing or recording. In accepting delivery of and making payment for the Trust Equipment hereunder, or in accepting any cash payable hereunder in respect of Trust Equipment, the Trustee may rely upon and shall be fully protected by the documents to be furnished to it under Section 3.4, 4.7 or 4.9 hereof, as the case may be, and shall not be required

to make any further investigation of or inquiry concerning the matters covered thereby.

SECTION 7.5. The Trustee shall be under no obligation to take any action for the execution or enforcement of the trust hereby created unless requested thereunto in writing by the holders of not less than 25% in principal amount of the then outstanding Trust Certificates and unless indemnified to its satisfaction against expense and liability with respect thereto, and unless also furnished with proof satisfactory to it as to the ownership of the Trust Certificates in respect of which any such request may be made; but this provision, in the absence of such request, shall not affect any discretion herein given to the Trustee to determine whether it shall take action in respect of any default hereunder or what action it shall take.

SECTION 7.6. No holder of any Trust Certificate or dividend warrant shall have any right to institute any suit, action or proceeding for the execution and enforcement of the trust hereby created unless, after the aforesaid request in writing by the holders of not less than 25% in principal amount of the then outstanding Trust Certificates shall have been made to the Trustee, and after indemnity satisfactory to it shall have been provided, and after 90 days shall have elapsed after receipt by the Trustee of such request, it shall decline, fail or neglect to institute any proceedings pursuant thereto. Neither the provisions of this Section 7.6 nor the provisions of Section 7.5 hereof shall affect or limit in any way the obligations of the Railroad under its guaranty hereinabove provided or the rights of the holders of Trust Certificates or dividend warrants to institute suit for the enforcement of payments due under said guaranty in respect of the Trust Certificates or dividend warrants.

SECTION 7.7. The Trustee may for all purposes conclusively assume that the Railroad is not in default under the terms hereof until notified in writing to the contrary by the holders of at least 10% in principal amount of the then outstanding Trust Certificates, which notice shall distinctly specify the event of default desired to be brought to the attention of the Trustee. As to any fact or matter the manner of determining which is not specifically prescribed herein, the Trustee may for all purposes rely upon an Officer's Certificate as to such fact or matter. The Trustee shall not incur any

liability to anyone in relying conclusively, and in acting upon any notice, consent, order, certificate, warrant or other paper or instrument believed by it to be genuine or authentic and to be signed by the proper party or parties.

SECTION 7.8. Any money at any time paid to or held by the Trustee hereunder until paid out by the Trustee as herein provided may be carried by the Trustee on deposit with itself.

At any time and from time to time, if at the time there shall be no default under the terms of this Agreement or of any supplement hereto, the Trustee, on Request, shall invest and reinvest Deposited Cash and Replacement Funds held by it in Government Securities, at such prices, including any premium and accrued interest, as are set forth in such Request, such Government Securities to be held by the Trustee in trust for the benefit of the holders of the Trust Certificates and dividend warrants. The Trustee may make any and all such investments through its own Bond Department unless otherwise directed by the Railroad.

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

The Trustee shall restore to Deposited Cash or Replacement Funds, as the case may be, out of rentals received by it for that purpose under the provisions of Section 4.4 (B) (1) hereof, an amount equal to any expenses incurred in connection with any purchase or sale of Government Securities and also an amount equal to any loss of principal incident to the sale or redemption of any Government Securities for a sum less than the amount paid therefor, including accrued interest. The Railroad, if not in default under the terms hereof or any supplement hereto, shall be entitled to receive any profit which may be realized from any sale or redemption of Government Securities or any portion thereof.

SECTION 7.9. The Trustee shall not be liable to anyone for any delay in the delivery of any of the Trust Equipment, or for any default on the part of the manufacturers thereof or of the Railroad, 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 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 the advice of counsel (who may be counsel to the Railroad), and shall be answerable for only its own negligence and wilful defaults and not for the default or misconduct of any attorney, agent or servant appointed by it with reasonable care. The Trustee shall not be responsible in any way for the recitals herein contained or for the execution or validity of this Agreement or the Trust Certificates (except for its own execution thereof), or for the guaranty by the Railroad, or for any mistake of fact or law.

The Trustee shall be entitled to receive payment of all its reasonable 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 Railroad.

The Trustee in its individual capacity may own, hold and dispose of Trust Certificates and dividend warrants 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 and dividend warrants.

SECTION 7.10. If at any time the Trustee or any successor to it in the trust hereby created shall desire to divest itself of title to the Trust Equipment, and to terminate its duties and obligations and rights hereunder and under the Trust Certificates, it shall so notify the Railroad in writing, and the Railroad shall thereupon designate in writing to the Trustee a bank or trust company, qualified as below specified, to serve until a successor is appointed by the holders of Trust Certificates as hereinafter provided, to which may be assigned the entire right, title and interest of the Trustee or such successor in the Trust Equipment, and in which may be vested the

rights, powers, duties and obligations of the Trustee hereunder and under the Trust Certificates. Upon the transfer and delivery of all moneys and Trust Equipment held by the retiring trustee, and the execution by the retiring trustee of such instruments of transfer as may be reasonably requested by the successor trustee, and upon acceptance by the successor trustee of the assignment and of the trust, the retiring trustee shall be relieved and discharged of all the title, rights, powers, duties and obligations of the trust hereunder and under the Trust Certificates, and the same shall become vested in such successor trustee, and every provision hereof applicable to the retiring trustee shall apply to such successor trustee with like effect as if such successor trustee had been originally named herein in the place and stead of the retiring trustee. In the event that the Railroad shall fail to designate such a successor trustee by instrument in writing delivered to the retiring trustee within two weeks from the time of receiving such notice in writing from the retiring trustee, the retiring trustee may thereupon designate such successor trustee. The foregoing provisions are, however, subject to the right of the holders of the majority in principal amount of the then outstanding Trust Certificates by an instrument in writing to appoint any successor trustee, if such appointment is made within one year from the date of the giving of such notice to the Railroad. The Railroad shall execute all writings recognizing the transfer of title as aforesaid and all instruments of further assurance or otherwise as reasonably may be requested by the successor trustee in the premises, and will do and perform any and all acts necessary to establish and maintain the title and rights of the successor trustee in and to the Trust Equipment. Every successor trustee shall be a bank or a trust company doing business in the Borough of Manhattan, City and State of New York, or in the City of Chicago, Illinois, having a capital and surplus aggregating at least $25,000,000, if there be such bank or trust company willing and able to accept the trust upon reasonable and customary terms and duly qualified to act as such trustee.

SECTION 7.11. Any corporation resulting from any merger or consolidation to which the Trustee or any successor to it shall be a party, or any corporation in any manner succeeding to all or substantially all the business of the Trustee or any successor trustee, provided such corporation shall meet the requirements of the last sentence of Section 7.10 hereof, shall be the

successor trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE VIII.

MISCELLANEOUS.

SECTION 8.1. Any request or other instrument provided by this Agreement to be signed or executed by holders of Trust Certificates may be in any number of concurrent instruments or similar tenor, and may be executed by such holders in person or by an agent or attorney appointed by an instrument in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent or attorney, or of the holding by any person of Trust Certificates, shall be sufficient for any purpose hereof and shall be conclusive in favor of the Trustee with regard to any action taken by the Trustee under such request or other instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such request or of any other instrument in writing may be proved by the affidavit of a witness to such execution, or by the certificate of any notary public or of any other officer authorized to take acknowledgments of deeds to be recorded in the state where the acknowledgment is taken, certifying that the person signing such request or other instrument acknowledged to him the execution thereof.

(b) The amounts and serial numbers of Trust Certificates with dividend warrants not registered as to principal held by any person executing any such request or other instrument as a holder of Trust Certificates, and the date of his holding the same, may be proved by a certificate executed by any trust company, bank or other depositary, wheresoever situated, whose certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with or exhibited to such depositary the Trust Certificates numbered and described in such certificate. The Trustee may presume the continuance of any such holding unless and until it shall receive proof satisfactory to it to the contrary.

(c) The ownership of fully registered Trust Certificates and Trust Certificates with dividend warrants registered as to principal shall be determined by the registry books to be kept as provided in Section 7.3 hereof.

SECTION 8.2. Nothing expressed or implied herein is intended or shall be construed to confer upon or to give to any person, firm or corporation, other than the parties hereto and the holders of the Trust Certificates and dividend warrants, 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 and dividend warrants.

SECTION 8.3. 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 8.4. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given (a) if to the Railroad, if personally delivered or mailed by registered mail, to it at 400 West Madison Street, Chicago, Illinois 60606, attention of Treasurer, or at such other address as may hereafter be furnished to the Trustee in writing by the Railroad and (b) if to the Trustee, if personally delivered to it at 126 South State Street—8th floor, Chicago, Illinois, or if mailed by registered mail to it at Post Office Box A, Chicago, Illinois 60690, in either event to the attention of Corporate Trust Administration, or at such other address as may hereafter be furnished to the Railroad in writing by the Trustee. An affidavit by any person representing or acting on behalf of the Railroad or the Trustee, as to such delivery or mailing, having, in the case of mailing, the registry receipt attached, shall be conclusive evidence of the giving of such demand, notice or communication.

SECTION 8.5. This Agreement has been simultaneously executed in several counterparts each of which shall be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

SECTION 8.6. This Agreement shall be deemed to have been executed on the date of the acknowledgment thereof by the officer of the Trustee who signed it on behalf of the Trustee.

SECTION 8.7. The provisions of this Agreement, and all the rights and obligations of the parties hereunder, shall be governed by the laws of the State of Illinois. Any provision of this Agreement prohibited by any applicable law of any jurisdiction (which is not overridden by applicable federal law) shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Agreeement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the Railroad.

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

THE FIRST NATIONAL BANK OF CHICAGO,
Trustee,

By _____
Vice President.

ATTEST:

_____
Trust Officer.

[Corporate Seal]

CHICAGO AND NORTH WESTERN
TRANSPORTATION COMPANY,

By _____
Vice President.

ATTEST:

_____
Assistant Secretary.

[Corporate Seal]

STATE OF ILLINOIS
COUNTY OF COOK } ss.

On this 11th day of May, 1977, before me personally appeared, A. R. Menard, to me personally known, who, being by me duly sworn, says that he is a Vice President of THE FIRST NATIONAL BANK OF CHICAGO, 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.

Notary Public.

My Commission expires Sept. 17, 1979

[NOTARIAL SEAL]

STATE OF ILLINOIS
COUNTY OF COOK } ss.

On this 11th day of May, 1977, before me personally appeared, J. M. Butler, to me personally known, who, being by me duly sworn, says that he is a Vice President of CHICAGO AND NORTH WESTERN TRANSPORTATION 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 the Executive Committee 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

My Commission expires May 21, 1978.

[NOTARIAL SEAL]

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

EQUIPMENT TRUST NO. 1 OF 1977

Dated as of May 1, 1977

SCHEDULE A

Item 1: Description of Equipment

No. of Units	Description	C&NW Road Numbers	Est. Unit Cost	Est. Total Cost
194	70-Ton, 50'6" Box Cars (Berwick Forge and Fabricating Co., a division of Whittaker Corp., P. O. Box 188, Berwick, Pa. 18603)	155600-155793	$29,116	$5,648,504

Item 2: Installments of principal payable on May 1 in each year beginning May 1, 1978 and ending May 1, 1992, both inclusive.

Item 3: SUBJECT TO A SECURITY INTEREST UNDER A SECURITY AGREEMENT FILED UNDER THE INTERSTATE COMMERCE ACT, SECTION 20c.