

UNITED STATES RAILWAY LEASING CO.

A SUBSIDIARY OF EVANS PRODUCTS COMPANY

RECEIVED

TRANSPORTATION SYSTEMS & INDUSTRIAL GROUP

2200 EAST DEVON AVENUE, DES PLAINES, ILLINOIS 60018 (312) 297-3200

RECORDATION NO. 0029 - A-B-C-A-E-F-G-H-I-J
Filed & Recorded

MAY 23 11 05 AM '77

MAY 23 1977-11 05 AM

May 20, 1977

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7-143 A040

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 0029 Filed & Recorded

MAY 23 1977-11 05 AM

150

Office of the Secretary
Interstate Commerce Commission
Washington, D. C.

INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C.

RE: Equipment Trust Agreement dated as of
April 1, 1977

Gentlemen:

Pursuant to Section 20c of the Interstate Commerce Act and the rules and regulations promulgated thereunder, we hand you herewith for filing thirteen (13) executed counterparts of the above referenced Equipment Trust Agreement and thirteen (13) executed counterparts each of ten (10) separate Assignments of Lease and Agreement, each dated as of May 18, 1977, all as more fully described below:

Vendor-Lessee: United States Railway Leasing Company
2200 East Devon Avenue
Des Plaines, Illinois 60018

Vendee-Lessor: Continental Illinois National Bank
and Trust Company of Chicago, as Trustee
231 South LaSalle Street
Chicago, Illinois 60693

Guarantor: United States Railway Equipment Co.
2200 East Devon Avenue
Des Plaines, Illinois 60018

Guarantor: Evans Transportation Company
2200 East Devon Avenue
Des Plaines, Illinois 60018

The parties to the ten (10) separate Assignments of Lease and Agreement are:

Assignor: United States Railway Leasing Company
2200 East Devon Avenue
Des Plaines, Illinois 60018

Countersigned by E. F. Kappler



Office of the Secretary
Interstate Commerce Commission
Washington, D.C.
May 20, 1977
Page Two

Assignee: Continental Illinois National Bank
and Trust Company of Chicago, as Trustee
231 South LaSalle Street
Chicago, Illinois 60693

A description, including lettering and car reporting numbers of the equipment covered by the Equipment Trust Agreement and of the leases covered by the Assignments of Lease and Agreement, is set forth in Schedule A attached hereto.

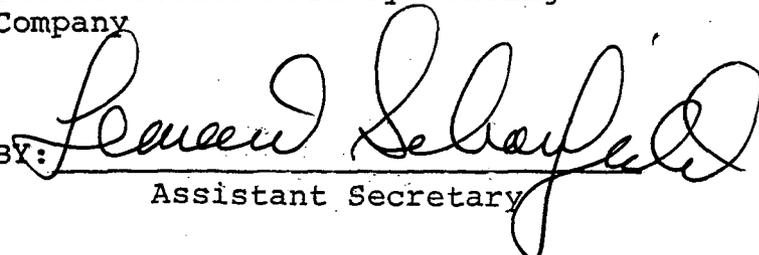
Enclosed is Rosenthal and Schanfield Check No. 21164 in the amount of \$180.00 in full payment of all filing and recording fees. Since the above mentioned documents are being delivered to you by hand, we would appreciate it if you would return to the person delivering the same duly stamped copies of the documents not required to be kept by you. If this is not possible, please return the same by mail to:

I. Walter Deitch
ROSENTHAL AND SCHANFIELD
55 East Monroe Street, Suite 4620
Chicago, Illinois 60603

Very truly yours,

United States Railway Leasing
Company

BY:


Assistant Secretary

nev
Enc.

DESCRIPTION OF LEASES AND EQUIPMENT

Type of Car*	No. of Cars	Car Reporting Markes (Both Inclusive)	Lessee	Date of Lease	Lease Term (Yrs.)	ICC Rec. No.
3600 cu. ft. capacity, 100-ton, 4-pocket, open top hopper cars	99	P&S 1000 to 1098	Pittsburgh & Shawmut Railroad Company	9-24-76	10	8588
3600 cu. ft. capacity, 100-ton 4-pocket, open top hopper cars	100	P&S 900 to 999	Pittsburgh & Shawmut Railroad Company	9-24-76	10	8543
New 50'6" inside length, 70-ton Single Sheathed Box Cars, equipped with 10' sliding doors	100	LNAC 3011 to 3110	Louisville, New Albany and Corydon Railroad Company	6-15-76	15	8477
52'5", 70-ton Side Slider LU Box Cars	25	USLX 50277 to 50301	Plum Creek Lumber Company	3-16-76	10	8424
New 70-ton 50'6" Single Sheathed Box Cars with 10' sliding doors	50	TP&W 70001 to 70050	Toledo, Peoria & Western Railroad Company	5-13-76	15	8408
New 50'6" inside length, 70-ton Box Cars, having a 10' sliding door	50	LW 1001 to 1050	Louisville and Wadley Railway Company	7-16-77	15	8484
New 52'5", 70-ton Side Slider Box Cars	5	USLX 50302 to 50306	St. Regis Paper Company	8-4-76	5	8524
50'6", 70-ton Capacity XM-Box Cars	50	CAGY 20,000 to 20,049	Columbus and Greenville Railway Company	8-11-76	15	8502
52'5", 70-ton Side Slider LU Box Cars	10	USLX 50150 to 50159	Idaho Forest Industries, Inc.	7-12-76	15	8546
51'5", 70-ton Side Slider LU Box Cars	10	USLX 50325 to 50334	Willamina Lumber Company	9-2-76	15	8533

* The aggregate cost of all Equipment excluding manufacturing profit is \$14,393,709. The manufacturer of all Equipment was ETC.

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SCHEDULE A

Interstate Commerce Commission
Washington, D.C. 20423

5/23/77

OFFICE OF THE SECRETARY

I. Walter Deitch, Esq.
Rosenthal And Schanfield
55 East Monroe Street, Suite 4620
Chicago, Illinois 60603

Dear Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on 5/23/77 at 11:05am,
and assigned recordation number(s) 8829

8829-A
8829-B
8829-C
8829-D
8829-E
8829-F
8829-G
8829-H
8829-I
8829-J

Sincerely yours,



Robert L. Oswald
Secretary

Enclosure(s)

RECORDATION NO. **8823** filed & Recorded

MAY 23 1977 - 11 05 AM

INTERSTATE COMMERCE COMMISSION

UNITED STATES RAILWAY LEASING COMPANY
EQUIPMENT TRUST

Series 13

EQUIPMENT TRUST AGREEMENT

by and among

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,
Trustee,

UNITED STATES RAILWAY LEASING COMPANY,
UNITED STATES RAILWAY EQUIPMENT CO.

and

EVANS TRANSPORTATION COMPANY

Dated as of April 1, 1977

EQUIPMENT TRUST AGREEMENT dated as of April 1, 1977, by and among CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association (hereinafter called the Trustee), UNITED STATES RAILWAY LEASING COMPANY, an Illinois corporation (hereinafter called the Company), UNITED STATES RAILWAY EQUIPMENT Co., an Illinois corporation (hereinafter called Equipment Co.) and EVANS TRANSPORTATION COMPANY, an Illinois corporation (hereinafter called ETC).

WHEREAS the Company has agreed to cause to be sold, transferred and delivered to the Trustee 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 Company hereunder; and

WHEREAS United States Railway Leasing Company 9 $\frac{1}{4}$ % Equipment Trust Certificates, Series 13 (hereinafter called the Trust Certificates), are to be issued and sold from time to time in an aggregate principal amount not exceeding \$12,000,000, and the proceeds of such sale are to be deposited in trust with the Trustee and are to constitute a fund to be known as UNITED STATES RAILWAY LEASING COMPANY EQUIPMENT TRUST, Series 13, to be applied by the Trustee from time to time in payment of the cost of the Trust Equipment, the remainder of the cost thereof, if any, to be paid out of advance rentals to be paid by the Company as provided herein; and

WHEREAS the Company has agreed to give and assign to the Trustee, as security for the obligations of the Company hereunder, a security interest in all rents, moneys and proceeds due or to become due under all Leases with respect to the Trust Equipment; and

WHEREAS in addition to the guaranty of the Trust Certificates by the Company hereinafter referred to, ETC, which is the owner of all the outstanding stock of Equipment Co., and Equipment Co., which is the owner of all the outstanding stock of the Company, are entering into this Agreement and endorsing their guaranty on the Trust Certificates as an inducement to the purchase of the Trust Certificates by the purchasers thereof; and

WHEREAS the text of the Trust Certificates and the guaranty to be endorsed on the Trust Certificates by the Company, Equipment Co. and ETC are to be substantially in the following forms, respectively:

[FORM OF TRUST CERTIFICATES]

NOTE: This Trust Certificate has not been registered under the Securities Act of 1933 and must be held indefinitely unless a subsequent disposition hereof is exempt from the registration requirements of said Act.

\$.....

No.

UNITED STATES RAILWAY LEASING COMPANY

9¼% EQUIPMENT TRUST CERTIFICATES,

Series 13

Total Authorized Issue \$12,000,000

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO
Trustee

Continental Illinois National Bank and Trust Company of Chicago, Trustee (hereinafter called the Trustee), under an Equipment Trust Agreement (hereinafter called the Agreement) dated as of April 1, 1977, by and among the Trustee, United States Railway Leasing Company, an Illinois corporation (hereinafter called the Company), United States Railway Equipment Co., an Illinois corporation (hereinafter called Equipment Co.) and Evans Transportation Company, an Illinois corporation (hereinafter called ETC) certifies that

or registered

assigns is entitled to an interest of

Dollars in United States Railway Leasing Company Equipment Trust, Series 13, due and payable on or before May 1, 19 , in consecutive annual instalments as hereinafter provided, and to interest on the amount of unpaid principal from time to time due and owing pursuant

to this Certificate, due and payable quarterannually on February 1, May 1, August 1 and November 1 in each year commencing August 1, 1977 at the rate of $9\frac{1}{4}\%$ per annum from the date hereof until such principal amount becomes due and payable, with interest on any overdue principal and interest, to the extent legally enforceable, at the rate of $10\frac{1}{4}\%$ per annum. Payments of principal and interest shall be made by the Trustee to the registered holder hereof at the Corporate Trust Office of the Trustee at Corporate Trust Department, 231 South LaSalle Street, Chicago, Illinois 60693, (hereinafter called the Corporate Trust Office), in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts. Each of such payments shall be made only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions of the Agreement or under the provisions of the Assignments (as defined in the Agreement) between the Company and the Trustee. The principal amount of this Trust Certificate is due and payable in consecutive annual instalments on May 1 of each of the years and in the amounts set forth in the following table:

Year Due

Principal Amount Due

Except to the extent Casualty Occurrence payments are applied as provided in the Agreement to the prepayment of instalments, prepayments of instalments of the principal amount of this Trust Certificate may not be made. Interest shall be computed hereunder on the basis of a 360-day year of twelve 30-day months.

This Certificate is one of an authorized issue of Trust Certificates, in an aggregate principal amount not exceeding \$12,000,000 and issued or to be issued under the Agreement, under which certain railroad equipment leased to the Company (or cash or obligations defined in the Agreement as "Investments" in lieu thereof, as provided in the Agreement) and the above mentioned Assignments are held by the Trustee in trust for the equal and ratable benefit of the holders of the outstanding Trust Certificates issued thereunder. Reference is made to the Agreement (a copy of which is on file with the Trustee at its said office) for a more complete statement of the terms and provisions thereof, including the rights, obligations and limitations of liabilities of the parties thereto, to all of which the registered holder hereby, by accepting this Certificate, assents. The Certificates are issuable in any denomination equal to or greater than \$25,000 or, with the consent of the Company, in any denomination less than \$25,000.

The transfer of this Certificate is transferable in whole or in part by the registered holder hereof in person or by duly authorized attorney on the books of the Trustee upon surrender to the Trustee at the Corporate Trust Office of this Certificate accompanied by a written instrument of transfer, duly executed by the registered holder in person or by such attorney, in form satisfactory to the Trustee, and thereupon a new Trust Certificate or Certificates for the then unpaid aggregate principal amount hereof will be issued to the transferee in exchange herefor and, if less than the then entire unpaid principal amount hereof is transferred, a balance piece therefor will be issued to the transferor. Prior to due presentment for registration of transfer, the Trustee, the Company, Equipment Co. and ETC 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 the happening of an Event of Default (as defined in the Agreement) all instalments of principal (and interest accrued thereon) represented by this Certificate may become or be declared due and payable in the manner and with the effect provided in the Agreement.

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

affixed or hereon imprinted and to be attested by one of its Trust Officers by his signature.

Dated as of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, Trustee

by _____

Attest: Vice President

Trust Officer

(Seal)

GUARANTY

United States Railway Leasing Company, United States Railway Equipment Co. and Evans Transportation Company, each for a valuable consideration, hereby jointly and severally unconditionally guarantee to the registered holder of the within Certificate the prompt payment when due of the principal of said Certificate, and of the interest thereon specified in said Certificate, with interest on any overdue principal and interest, to the extent legally enforceable, at the rate of 10 1/4 % per annum, all in accordance with the terms of said Certificate and the Equipment Trust Agreement referred to therein.

UNITED STATES RAILWAY LEASING COMPANY,

by _____

Vice President

UNITED STATES RAILWAY EQUIPMENT Co.,

by _____

Vice President

EVANS TRANSPORTATION COMPANY,

by _____

Vice President

NOTATION OF CASUALTY OCCURRENCE PAYMENTS*

By reason of Casualty Occurrence payments having heretofore been applied to prepay instalments in the inverse order of maturity, the within Certificate in the principal amount of \$ _____ was, as of _____, 19 _____, payable in _____ equal consecutive annual instalments of \$ _____ in each of the years 19 _____ through 19 _____, and payable by a final instalment of \$ _____ in the year 19 _____.

.....
Authorized Officer

* To be included only on Certificates issued upon exchange or transfer.

WHEREAS it is desired to secure to the holders of the Trust Certificates the payment of the principal thereof, as hereinafter more particularly provided with interest thereon, as hereinafter provided, payable quarterannually in each year, and to evidence the rights of the holders of the Trust Certificates in substantially the form hereinbefore set forth:

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

ARTICLE ONE

DEFINITIONS

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

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

Assignments shall mean the assignments by the Company to the Trustee of the Existing Leases and of Replacement Leases required by Section 4.09 hereof, substantially in the form of Schedule B hereto.

Company shall mean United States Railway Leasing Company and any successor or successors to it complying with the provisions of Section 6.05.

Corporate Trust Office shall mean the principal office of the Trustee in the State of Illinois, City of Chicago, at which the corporate trust business of the Trustee shall, at the time in question, be administered, which office is, on the date of execution of this Agreement, located at 231 South La Salle Street.

Cost, when used with respect to Equipment not built by the Company or any Affiliate of the Company, shall mean the actual cost there-

of as evidenced by an invoice of the manufacturer of such Equipment and in respect of Equipment built by the Company or any Affiliate of the Company, shall mean so-called "car builder's cost", including direct cost of labor and material and overhead, but excluding any manufacturing profit as set forth in an Officer's Certificate furnished to the Trustee and each holder of Trust Certificates.

Default shall mean any event which would constitute an Event of Default if any requirement in connection therewith or giving of notice or the lapse of time, or the happening of any further condition, event or act has been satisfied.

Deposited Cash shall mean the aggregate of (a) the proceeds from the sale of the Trust Certificates deposited with the Trustee pursuant to Section 2.01 hereof and, when required or indicated by the context, any Investments purchased by the use of such proceeds pursuant to the provisions of Section 8.04, subject, however to the provisions of the last paragraph of Section 8.04, and (b) any sums restored to Deposited Cash from rentals pursuant to Section 4.04(B)(1)(b) and on deposit with the Trustee.

Equipment shall mean the standard-gauge railroad equipment (other than passenger or work equipment), first put into use on or after January 1, 1976, except that, for the purposes of Sections 4.06 and 4.08, where railroad equipment is being conveyed to the Trustee (A) in replacement of Trust Equipment (i) sold or contracted to be sold by the Company or (ii) which has become worn out, lost, destroyed or unsuitable for the use of carrying lading or (B) against the payment by the Trustee to the Company of cash deposited pursuant to Sections 4.06 or 4.08 in respect of Trust Equipment (i) so sold or contracted to be sold or (ii) which has become worn out, lost, destroyed or unsuitable for the use of carrying lading, Equipment means such standard-gauge railroad equipment (other than passenger or work equipment) irrespective of when first put into use.

Equipment Co. shall mean United States Railway Equipment Co. and any successor or successors to it complying with the provisions of Section 6.05.

ETC shall mean Evans Transportation Company and any successor or successors to it complying with the provisions of Section 6.05.

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

Existing Leases shall mean the leases of the Company referred to in Schedule A hereto.

Investments shall mean (i) certificates of deposit of commercial banks incorporated under the laws of the United States of America or any State thereof having a capital and surplus aggregating not less than \$50,000,000, (ii) open market commercial paper rated "Prime-1" or better by the NCO/Moody's Commercial Paper Division of Moody's Investors Service or rated "A-1" or "A-2" or better by Standard & Poor's Corporation (or a comparable rating by any successor to their business) and (iii) bonds, notes or other direct obligations of the United States of America or obligations for which the full faith and credit of the United States are pledged to provide for the payment of the interest and principal, in each case maturing within one year after the date of investment therein.

The word *holder*, when used with respect to Trust Certificates, shall include the plural as well as the singular number and shall mean the person in whose name such Trust Certificate is registered.

Leases shall mean Existing Leases and Replacement Leases.

Officer's Certificate shall mean a certificate signed by the President or a Vice President of the Company.

Opinion of Counsel shall mean an opinion in writing signed by legal counsel satisfactory to the Trustee and who may be counsel for the Company or an employee of the Company. The acceptance by the Trustee of, together with its action on, an Opinion of Counsel shall be sufficient evidence that such counsel is satisfactory to the Trustee.

Owner shall mean the manufacturer, Company, Equipment Co., ETC or other person transferring title to any of the Equipment to the Trustee.

Purchase Agreement shall mean the Purchase Agreement dated as of April 1, 1977 among the Company, Equipment Co., ETC and the Purchasers.

Purchasers shall mean the Purchasers named in Annex I to the Purchase Agreement.

Replacement Leases shall mean Leases from time to time assigned by the Company pursuant to Assignments in connection with

the termination or expiration of any Existing Lease or Replacement Lease, all as required by Section 4.09 hereof.

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

Trust Certificates shall mean United States Railway Leasing Company 9 $\frac{1}{4}$ % Equipment Trust Certificates, Series 13, issued hereunder.

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

Trustee shall mean Continental Illinois National Bank and Trust Company of Chicago and, subject to the provisions of Article Eight, any successor as trustee hereunder.

The words *herein, hereof, hereby, hereto, hereunder* and words of similar import refer to this Agreement as a whole and not to any particular Article, Section, paragraph or subdivision hereof.

ARTICLE TWO

TRUST CERTIFICATES AND ISSUANCE THEREOF

SECTION 2.01. *Issuance of Trust Certificates.* An amount equal to the proceeds of the sale of any of the Trust Certificates, but not less than the aggregate principal amount thereof, shall, forthwith upon the issuance thereof, be deposited in cash with the Trustee by or on behalf of the Company. The amount of such proceeds shall be specified in an Officer's Certificate delivered to the Trustee concurrently with such deposit.

Thereupon, without waiting for the recording or filing of this Agreement or of any other instrument respecting the Trust Equipment, the Trustee shall from time to time issue and deliver Trust Certificates in such aggregate principal amount and bearing such final maturity dates as the Company shall direct by Request.

Subject to the provisions of Section 2.06 of this Agreement, the aggregate principal amount of Trust Certificates which shall be executed and delivered by the Trustee under this Section shall not exceed the sum of \$12,000,000, and the aggregate principal amount represented by all the Trust Certificates shall be payable as hereinafter set forth.

SECTION 2.02. *Interests Represented by Trust Certificates; Interest; Maturity.* Each of the Trust Certificates shall represent an interest in the amount therein specified in the trust created hereunder. The aggregate principal amount of the Trust Certificates will be payable in consecutive equal annual instalments on May 1 in each of the years 1978 through 1992. Except to the extent Casualty Occurrence payments are applied to the prepayment of instalments as provided herein, prepayments of the instalments of the principal amount of the Trust Certificates may not be made. Payments of principal of individual Trust Certificates may be made on one or more instalment dates as specified therein. The Trust Certificates will bear interest on the unpaid principal amounts thereof, payable quarterly on February 1, May 1, August 1 and November 1 of each year, commencing August 1, 1977 at the rate of $9\frac{1}{4}\%$ per annum, with interest payable in each case on any overdue principal and interest, to the extent legally enforceable, at the rate of $10\frac{1}{4}\%$ per annum. The Trust Certificates are issuable in any denomination equal to or greater than \$25,000 or, with the consent of the Company, in any denomination less than \$25,000. Interest on the Trust Certificates will be computed on the basis of a 360-day year of twelve 30-day months.

The principal of and interest on the Trust Certificates shall be payable at the Corporate Trust Office in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts, but only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions hereof. Notwithstanding the provisions of the preceding sentence of this paragraph, in the case of payments of principal and interest to be made on a Trust Certificate not then to be paid in full, upon request and deposit of an agreement of the holder of such Trust Certificate (the responsibility of such holder to be satisfactory to the Company) obligating such holder, prior to any transfer or other disposition thereof, to surrender the same to the Trustee for notation thereon of the instalments of principal amount represented thereby theretofore paid in whole or in part, the Trustee will mail its check on the date each such payment is due to such registered holder at his address shown on the registry books maintained by the Trustee; *provided, however*, that this paragraph shall not apply to any of the original purchasers of the Trust Certificates who, at the time payments of principal or interest are to be made, are holders of Trust

Certificates, and the Company may direct the Trustee by Request to make payments of principal and interest to the original purchasers of Trust Certificates or to any other purchaser approved by the Company by check or wire transfer of immediately available funds (to the extent the Company makes such funds available to the Trustee) at their "home office" address which address shall be supplied to the Trustee by the Company.

SECTION 2.03. *Forms of Trust Certificates and Guaranty.* The Trust Certificates and the guaranty to be endorsed on the Trust Certificates by the Company, Equipment Co. and ETC as provided in Section 6.01 shall be in substantially the forms hereinbefore set forth.

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

SECTION 2.05. *Characteristics of Trust Certificates.*

(a) The Trust Certificates shall be registered, as to both principal and interest, in the name of the holder or its nominee; shall be transferable in whole or in part and exchangeable for Trust Certificates of other denominations of equal aggregate outstanding principal amount and of the same maturities, upon presentation and surrender thereof for registration of transfer or exchange at the Corporate Trust Office, accompanied, in the case of transfer, 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; shall, in connection with the initial issuance of Trust Certificates, be dated as of the date of issue and shall, in connection with Trust Certificates issued in exchange for

or upon registration of transfer of another Trust Certificate or Certificates, be dated as of the date to which interest has been paid or shall, if no interest has been paid thereon, be dated as of the date of initial issuance; and shall entitle the registered holder to interest from the date thereof. The Trustee shall, if any prepayment shall theretofore have been made pursuant to Section 4.08, endorse on each Trust Certificate issued upon registration of transfer or exchange a notation thereon as to the fact that the instalments of principal thereon will be payable in annual instalments.

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

(c) The Trustee shall cause to be kept at the Corporate Trust Office books for the registration and registration of transfer of the Trust Certificates and, upon presentation of the Trust Certificates for such purpose, the Trustee shall register any transfer as hereinabove provided, and under such reasonable regulations as it may prescribe.

(d) For any registration, registration of transfer or exchange, the Trustee shall require payment by the person requesting same of a sum sufficient to reimburse it for any governmental charge connected therewith.

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

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

SECTION 2.06. *Replacement of Lost Trust Certificates.* In case any Trust Certificate shall become mutilated or defaced or be lost, destroyed or stolen, then on the terms herein set forth, and not otherwise, the Trustee shall execute and deliver a new Trust Certificate of like tenor and date, and bearing such identifying number or designation as the Trustee may determine, in exchange and substitution for, and upon cancelation of, the mutilated or defaced Trust Certificate, or in lieu of and in substitution for the same if lost, destroyed or stolen. The Company, Equipment Co. and ETC shall execute their guaranty on any Trust Certificate so delivered. The applicant for a new Trust Certificate pursuant to this Section shall furnish to the Trustee and to the Company, Equipment Co. and ETC evidence to their satisfaction of the loss, destruction or theft of such Trust Certificate alleged to have been lost, destroyed or stolen and of the ownership and authenticity of such mutilated, defaced, lost, destroyed or stolen Certificate, and also shall furnish a letter of indemnity in the case of any Purchaser or, if other than a Purchaser such security or indemnity as may be required by the Trustee and by the Company, Equipment Co. and ETC in their discretion, and shall pay all expenses and charges of such substitution or exchange. All Trust Certificates are held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement of mutilated, defaced, lost, destroyed or stolen Trust Certificates and shall preclude any and all other rights and remedies, any law or statute now existing or hereafter enacted to the contrary notwithstanding.

ARTICLE THREE

ACQUISITION OF TRUST EQUIPMENT BY TRUSTEE; DEPOSITED CASH

SECTION 3.01. *Acquisition of Equipment by Trustee.* The Company, as speedily as may be, shall cause to be sold to the Trustee, as trustee for the holders of the Trust Certificates, all of the Equipment described in Schedule A hereto, all of which the Company represents and warrants was new Equipment when first put into service and that none of the Equipment was put into service prior to January 1, 1976.

In the event that the Company shall deem it necessary or desirable to procure for the use of the Company, and to include in the trust hereby created other new Equipment in lieu of any units of the Equipment

specifically described in Schedule A hereto prior to the acceptance of such Equipment by the Trustee, or in the event that any unit of the Equipment described in Schedule A hereto shall suffer a Casualty Occurrence, as defined in Section 4.08, before being accepted by the Trustee pursuant to this Section and Section 3.04, the Company may cause to be sold to the Trustee such other Equipment (first put into service on or after January 1, 1976), to be substituted under the trust, subject to the provisions of the second paragraph of Section 4.06.

SECTION 3.02. *Payment of Deposited Cash.* From time to time, when and as any Equipment shall have been accepted by the Trustee pursuant to Sections 3.01 and 3.04(a), the Trustee shall (subject to the provisions of Sections 3.03 and 3.04) pay, upon Request, to the Owner of the accepted Equipment out of Deposited Cash then held by the Trustee an amount not exceeding 85% of the aggregate Cost of such Equipment, as such Cost is specified in the Officer's Certificate furnished to the Trustee pursuant to Section 3.04(b).

SECTION 3.03. *Payment of Deficiency.* The Company covenants that, contemporaneously with any payment by the Trustee pursuant to Section 3.02, if the Owner of the accepted Equipment shall not be the Company, it will either (a) pay to the Trustee the advance rental provided in Section 4.04 (A), and thereupon the Trustee shall, upon Request, pay to the Owner of the accepted Equipment, by the use of such advance rental, the portion of the aggregate Cost of such Equipment not paid out of Deposited Cash as provided for in Section 3.02 or (b) deliver to the Trustee an executed counterpart of a receipt from such Owner evidencing the direct payment by the Company to such Owner of that portion of the Cost of such Equipment equal to the amount of advance rental required to be paid to the Trustee pursuant to clause (a) of this sentence in respect of such Equipment. The intention of this Section is that the Company shall ultimately pay or absorb not less than 15% of the aggregate Cost of all the Equipment accepted by the Trustee as Trust Equipment pursuant to this Article Three, and the Trustee and the Company shall at any time, if the occasion arises, adjust their accounts and payments to the end that the Trustee shall pay with Deposited Cash not more than 85% of such aggregate Cost and the Company shall pay or absorb the remainder, to be not less than 15% of such Cost.

SECTION 3.04. *Supporting Papers.* The Trustee shall not pay out any Deposited Cash for the purchase of any unit of Equipment unless and until it shall have received, in form and substance satisfactory to it:

(a) a bill of sale covering such unit of Equipment from the Owner to the Trustee, which bill of sale shall specify such unit of Equipment described therein by number or numbers and shall contain a warranty or guaranty to the Trustee that at the time of sale such Owner had legal title to the unit of Equipment described therein and good and lawful right to sell such unit of Equipment and that the title to such unit of Equipment described therein is free from all claims, liens, security interests and other encumbrances (except as permitted by Section 6.02 and except for this Agreement, the Existing Leases and any Replacement Lease permitted by Section 4.09 hereof) and the receipt of such bill of sale by the Trustee shall constitute acceptance by the Trustee hereunder of such unit of Equipment as Trust Equipment;

(b) an Officer's Certificate, which shall state (i) that such unit of Equipment is Equipment as herein defined and was not put into service prior to the date specified therein, (ii) that the Cost of such unit of Equipment is an amount therein specified or is not less than an amount therein specified, and (iii) that such unit of Equipment has been delivered to and accepted by the Company and has been marked in accordance with the provisions of Section 4.07 hereof;

(c) an invoice from the Owner of such unit of Equipment having endorsed thereon a certification by the Company as to the correctness of the price stated therein;

(d) an Opinion of Counsel for the Owner to the effect that such bill of sale is valid and effective, either alone or in connection with any other instrument referred to in and accompanying such opinion, to vest in the Trustee title to such unit of Equipment free from all claims, liens, security interests and other encumbrances (except as permitted by Section 6.02 and except for this Agreement, the Existing Leases and any Replacement Lease permitted by Section 4.09);

(e) an opinion of Messrs. Rosenthal and Schanfield, counsel for the Company, or an opinion of other counsel satisfactory to the Trustee, to the effect that (i) this Agreement, the Assignments and

the Existing Leases or Replacement Leases, as the case may be, have been duly authorized, executed and delivered by the Company and constitute, insofar as the Company is concerned, legal, valid and binding obligations enforceable in accordance with their respective terms, except as such terms may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally, (ii) the Trustee is vested with a valid and perfected first security interest in all rents, moneys and proceeds due or to become due under the Existing Leases or Replacement Leases with respect to the Trust Equipment, (iii) this Agreement, the Assignments and the Existing Leases or Replacement Leases, as the case may be, have been duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act; (iv) no other filing or recordation or deposit is necessary (or will be necessary in the future, except as stated in such opinion) for the protection of the rights of the Trustee in and to such unit of Equipment or this Agreement in any state of the United States of America or the District of Columbia, (v) no authorization or approval from any governmental agency or public or quasi-public body or authority of the United States of America, or any State thereof, or the District of Columbia, or of any department or subdivision of any such State is necessary for the due execution and delivery by the Company of this Agreement, the Assignments and the Existing Leases or the Replacement Leases, as the case may be, and (vi) the execution and delivery of this Agreement, the Assignments and the Existing Leases or the Replacement Leases, as the case may be, by the Company and the compliance by the Company with the terms thereof will not result in any breach of any applicable law or of any terms, conditions or provisions of, or constitute a default under, or result in the creation, lien, charge, security interest or other encumbrances upon any property or assets of the Company pursuant to (x) the corporate charter or by-laws or (y) any indenture, agreement or other instrument to which the Company is a party or by which it may be bound.

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

If the aggregate Cost, as specified in the certificates theretofore delivered to the Trustee pursuant to this Section, of the Trust Equipment accepted by the Trustee pursuant to this Article Three shall be less than $10\frac{1}{8}\%$ of the aggregate principal amount of Trust Certificates issued pursuant to Section 2.01, the Company will cause to be assigned and transferred to the Trustee additional Equipment (first put into service on or after January 1, 1976) in such amount and of such Cost that the aggregate Cost of the Trust Equipment will be at least equal to $10\frac{1}{8}\%$ of the aggregate principal amount of said Trust Certificates, and will concurrently deliver to the Trustee the documents specified in paragraphs (a) through (e) of this Section with respect to such additional Equipment.

ARTICLE FOUR

LEASE OF TRUST EQUIPMENT TO THE COMPANY

SECTION 4.01. *Lease of Trust Equipment.* The Trustee does hereby let and lease to the Company, for a period of 15 years from and after April 1, 1977 to and including May 1, 1992, all the Trust Equipment.

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

SECTION 4.03. *Additional and Substituted Equipment Subject Hereto.* In the event that the Company shall, as provided in Sections 3.01, 3.04 or 4.06, elect to sell to the Trustee other Equipment in addition to or in substitution for any of the Equipment herein specifically described or subjected hereto, such other Equipment shall be included as part of the Trust Equipment by supplement hereto to be executed by the Trustee and the Company and to be recorded with the Interstate Commerce Commission pursuant to the requirements of Section 20c of the Interstate Commerce Act. Such Equipment shall be subject to all the terms and conditions hereof in all respects as though it had originally been part of the Equipment herein specifically described.

SECTION 4.04. *Rental Payments.* The Company hereby accepts the lease of all the Trust Equipment; and the Company covenants and agrees to pay to the Trustee at the Corporate Trust Office (or, in the case of taxes, to the proper taxing authority), in such coin or currency of the United States of America as at the time of payment shall be

legal tender for the payment of public and private debts, rental hereunder (in addition to the advance rental required to be paid by it under Section 3.03 hereof) 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 acceptance of and lease to the Company of any unit of the Trust Equipment) :

(A) The Company shall pay to the Trustee, as hereinafter provided, as advance rental hereunder, sums which in the aggregate shall be equal to the difference between the aggregate Cost of the Trust Equipment (other than Trust Equipment subjected hereto pursuant to Section 4.06) and the portion of such Cost to be provided out of Deposited Cash as provided for in Section 3.02 but only to the extent that such sums are required to be paid by the Company pursuant to Section 3.03 hereof.

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

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

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

(3) (a) the amounts of the interest payable on the Trust Certificates, when and as the same shall become payable, and (b) interest at the rate of $10\frac{1}{4}\%$ per annum from the due date, upon the amount of any instalments of rental payable under this and the following subparagraph which shall not be paid when due, to the extent legally enforceable; and

(4) the instalments of principal of all the Trust Certificates aggregating \$800,000 annually (except as such sum may be reduced due to prepayments made pursuant to the terms of clause (ii) of the last sentence of the first paragraph of Section 4.08), when and as the same shall become payable, whether upon the date of maturity thereof or by declaration or otherwise.

Nothing contained herein or in the Trust Certificates shall be deemed to impose on the Trustee or on the Company (except as provided in Section 4.04(B)(2)) any obligation to pay to the registered holder of any Trust Certificate any tax, assessment or governmental charge required by any present or future law of the United States of America, or of any state, county, municipality or other taxing authority thereof, to be paid in behalf of, or withheld from the amount payable to, the holder of any Trust Certificate.

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

SECTION 4.05. *Termination of Lease.* After all payments due or to become due from the Company hereunder shall have been completed and fully made to the Trustee and the Company shall have performed all of its obligations hereunder (1) such payments shall be deemed to represent payment of the full purchase price for the Company's purchase at such time of the Trust Equipment from the Trustee, (2) any moneys remaining in the hands of the Trustee after providing for all outstanding Trust Certificates and after paying the expenses of the Trustee, including its reasonable compensation, shall be paid to the Company, (3) title to all the Trust Equipment shall vest in the Company and (4) the Trustee shall execute for record in public offices, at the expense of the Company, such instrument or instruments in writing as reasonably shall be requested by the Company in order to make clear upon public records the Company's title to all the Trust Equipment under the laws of any jurisdiction; *provided, however,* that until that

time title to the Trust Equipment shall not pass to or vest in the Company, but title to and ownership of all the Trust Equipment shall be and remain in the Trustee, notwithstanding the delivery of the Trust Equipment to and the possession and use thereof by the Company pursuant to the terms of this Agreement.

SECTION 4.06. *Substitution and Replacement of Trust Equipment.* Upon Request, the Trustee shall, at any time and from time to time, execute and deliver a bill of sale assigning and transferring to the transferee named by the Company all the right, title and interest of the Trustee in and to any or all of the units of Trust Equipment; *provided, however,* that no Default has occurred and is continuing and that (a) there shall be paid to the Trustee cash in an amount not less than the value, as of the date of such Request, of the units of Trust Equipment to be assigned or transferred by the Trustee or (b) there shall be conveyed to the Trustee at the time of assignment or transfer of any units of Trust Equipment, other units of Equipment of a value not less than the value, as of the date of such Request, of the units of Trust Equipment to be assigned or transferred and having estimated useful lives beyond May 1, 1992.

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

- (1) an Officer's Certificate stating (i) the value, as of the date of said Request, of the Trust Equipment so to be assigned or transferred by the Trustee and the date such Trust Equipment was first put into service (or that such Trust Equipment was first put into service not later than a specified date), (ii) the value of such substituted Equipment as of such date and the date such substituted Equipment was first put into service (or that such substituted Equipment was first put into service not earlier than a specified date), (iii) that each such unit so to be substituted is Equipment as herein defined, (iv) that each such unit so to be substituted has an estimated useful life beyond May 1, 1992, (v) that each such unit so to be substituted has been marked as provided in Section 4.07 hereof, and (vi) that no Default hereunder has occurred or is continuing;

(2) an invoice or invoices and a bill or bills of sale in respect of such substituted Equipment as provided for in subparagraphs (a) and (c) of the first paragraph of Section 3.04 (acceptance of such bill or bills of sale by the Trustee to constitute acceptance by the Trustee hereunder of such Equipment); and

(3) an Opinion of Counsel to the effect that (i) such bill or bills of sale are valid and effective, either alone or together with any other instruments referred to in and accompanying such opinion, to vest in the Trustee title to such substituted Equipment free from all claims, liens, security interests and other encumbrances (except as permitted by Section 6.02 and except for this Agreement, the Existing Leases, any Replacement Lease permitted by Section 4.09 and the Assignments), (ii) that a proper supplement hereto in respect of each substituted unit of Equipment has been duly authorized, executed and delivered by the parties thereto and is legal, valid, binding and enforceable in accordance with its terms, except as such terms may be limited by bankruptcy, insolvency or similar laws affecting the enforceability of creditors' rights generally, and (iii) otherwise to the effect set forth in Section 3.04(e) hereof.

At the time of delivery of any Request pursuant to the first paragraph of this Section, the Company shall, if cash is to be paid to the Trustee in respect of the Trust Equipment to be assigned or transferred by the Trustee, deliver to the Trustee papers corresponding to those set forth in the second paragraph of this Section, with such appropriate modifications as may be approved by the Trustee.

Cash deposited with the Trustee pursuant to this Section or Section 4.08 shall, from time to time, be paid over by the Trustee to the Company upon Request, against conveyance to the Trustee of units of Equipment having a value, as of the date of said Request, not less than the amount of cash so paid and having estimated useful lives beyond May 1, 1992, and upon delivery to the Trustee of papers corresponding to those set forth in the second paragraph of this Section, with such appropriate modifications as may be approved by the Trustee.

For all purposes of this Section, where value is required to be determined in an Officer's Certificate or in connection with a Request,

value (and the manner of such determination set forth in each Officer's Certificate furnished in respect thereof including a statement of actual fair value) shall be determined as follows:

(1) the value of any unit of Trust Equipment assigned or transferred by the Trustee as provided in this Section shall be deemed to be the greater of (a) the actual fair value thereof or (b) the Cost thereof as theretofore certified to the Trustee less $\frac{1}{15}$ of such Cost for each full period of one year elapsed between (i) the later of January 1, 1976, and the date such unit was first put into use, as certified to the Trustee, and (ii) the date of the Request furnished pursuant to this Section; and

(2) the value of any unit of Equipment conveyed to the Trustee as provided in this Section shall be deemed to be the lesser of (a) the actual fair value thereof or (b) the original Cost of such unit less $\frac{1}{15}$ of such Cost for each full period of one year elapsed between (i) the date such unit was first put into use, as certified to the Trustee, and (ii) the date of the Request furnished pursuant to this Section.

SECTION 4.07. *Marking of Trust Equipment.* The Company agrees that it will immediately at its own cost and expense prepare and deliver to its lessees of the Trust Equipment the appropriate form of stencil for marking purposes and will forthwith exercise its rights and powers under all leases to direct such lessees thereunder to mark plainly, distinctly, permanently and conspicuously on each side of each unit of the Trust Equipment, in letters not less than three quarters of an inch in height the following legend:

"TITLE TO THIS CAR SUBJECT TO DOCUMENTS RECORDED
UNDER SECTION 20c OF INTERSTATE COMMERCE ACT".

Such marks shall be such as to be readily visible. The Company will also promptly so mark each unit of the Trust Equipment not subject to a lease.

In case, prior to the termination of any Lease provided for in this Article Four, any of such marks shall at any time be removed, defaced or destroyed, the Company shall cause the same to be restored or replaced. The Company shall not change, or permit to be changed, the numbers of any of the Trust Equipment at any time covered hereby

(or any numbers which may have been substituted as herein provided) except in accordance with a statement of new numbers to be substituted therefor which previously shall have been filed with the Trustee and which shall be filed and recorded by the Company in like manner as this Agreement.

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

SECTION 4.08. *Maintenance of Trust Equipment; Casualty Occurrences.* The Company agrees that it will maintain or cause to be maintained and keep all the Trust Equipment in good order and proper repair at no cost or expense to the Trustee, unless and until it becomes worn out, unsuitable for the use of carrying lading, lost, destroyed or damaged beyond economical repair (herein called a Casualty Occurrence). Whenever any unit of the Trust Equipment shall suffer a Casualty Occurrence the Company shall, within 30 days after it shall have been informed of such Casualty Occurrence, deliver to the Trustee an Officer's Certificate describing such Trust Equipment and stating the value to the Company thereof as of the date such Trust Equipment suffered such Casualty Occurrence. When the total value of all units of the Trust Equipment having suffered a Casualty Occurrence (exclusive of units having suffered a Casualty Occurrence in respect of which a payment shall have been made to the Trustee pursuant to this Section) shall exceed \$50,000, the Company, within 30 days of such event, shall deposit with the Trustee an amount in cash equal to the value of such units as of the date of the Casualty Occurrence in respect of each thereof. The rights and remedies of the Trustee to enforce or to recover any of the rental payments shall not be affected by reason of such Casualty Occurrence. For all purposes of this paragraph, value shall be determined in the manner provided in subparagraph (1) of the last paragraph of Section 4.06. Cash deposited with the Trustee pursuant to this

Section shall be held and, provided no Default has occurred and is continuing, applied at the election of the Company (as evidenced by a Request) either (i) as provided in the fourth paragraph of Section 4.06 or (ii) to prepay instalments of principal *pro rata* on each Trust Certificate in the inverse order of the respective maturities thereof.

In the event the Company elects to apply moneys deposited pursuant to this Section to the prepayment of instalments of principal in the inverse order of the respective maturity of each Trust Certificate, such prepayment shall be made on the interest payment date next succeeding the Request therefor and shall be allocated by the Trustee among the registered holders of all the Trust Certificates the maturities of which are to be prepaid, as near as may be, in proportion to the respective unpaid principal amount of such maturities represented by such Trust Certificates.

The Company agrees to furnish to the Trustee, on or before April 1 in each year commencing with 1978, an Officer's Certificate dated as of the preceding December 31, (1) stating the amount, description and numbers of all Trust Equipment that may have suffered a Casualty Occurrence since the date of the last preceding statement (or the date of this Agreement in the case of the first statement), (2) identifying the units of Trust Equipment then being leased by the Company as permitted by Section 4.09 (including the name of the lessee, the term of the lease and the date of the agreement pursuant to which such Trust Equipment is leased) and specifying which units of Equipment are not then being leased by the Company and (3) certifying that the Company is not in default under any provision of this Agreement or specifying all such defaults and the action being taken by the Company to remedy the same.

SECTION 4.09. *Possession of Trust Equipment; Security Interest in Leases.* Except as provided in this Section and the Assignments, the Company will not assign or transfer its rights hereunder, or transfer or lease the Trust Equipment or any part thereof, without the written consent of the Trustee first had and obtained; and the Company shall not, without such written consent, except as herein provided, part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment. An assignment or transfer to a solvent corporation which shall acquire all or substantially all of the property of the Company and which, by execution of an appropriate

instrument satisfactory to the Trustee, shall assume and agree to perform each and all of the obligations and covenants of the Company hereunder and under the guaranty endorsed on the Trust Certificates shall not be deemed a breach of this covenant.

A. So long as no Default or Event of Default shall have occurred and be continuing, the Company shall be entitled to the possession of the Trust Equipment, to exercise all rights of the lessor under any Lease and collect all rentals and other sums due and payable thereunder, and also to maintain, modify, alter, amend, terminate or enter into any Lease of all or any part of the Trust Equipment and to permit its use by, a lessee or user in the United States of America (or any state thereof or the District of Columbia) or in the Dominion of Canada or any Province or Territory thereof; *provided, however*, that any Lease whether existing on the date hereof or hereafter entered into shall forthwith be assigned to the Trustee as security for the obligations of the Company, ETC and Equipment Co. hereunder, pursuant to Assignments; and *provided, further*, that the Company shall not enter into any Leases or car contracts relating to the use of Trust Equipment with any lessee or user incorporated, or having its principal place of business in the Dominion of Canada or any province or territory thereof (herein called Canadian Lessees) if the aggregate value of Trust Equipment subject to leases and car contracts with Canadian Lessees would exceed 10% of the aggregate value of all the Trust Equipment. For the purposes hereof, value shall be determined as provided in subparagraph (1) of the last paragraph in Section 4.06. Upon entering into any lease or car contract with a Canadian Lessee, the Company will promptly furnish to the Trustee an Officer's Certificate to such effect which shall also include a statement of the value of Trust Equipment subject thereto. The Company agrees to use all reasonable efforts to keep all of the Equipment continuously under lease and upon the expiration or termination of a Lease to re-let the Equipment covered by the expired or terminated Lease and to execute an Assignment as provided above; *provided, however*, that the Company shall use its best efforts to have the lessee under any Replacement Lease pursuant to which the Company is obligated to pay for or perform maintenance and pay taxes subordinate its rights to quiet possession to the rights of the Trustee hereunder. The Company covenants and agrees to give the Trustee written notice of any agreement to terminate or cancel any Lease within 15 business days after the execution and delivery of any such agreement.

B. The Company will not without prior consent of the Trustee, who shall act only upon the direction of the holders of not less than 51% in principal amount of the outstanding Trust Certificates:

(1) by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Leases or any part thereof, provided that the provisions of this Section 4.09B(1) shall not affect the Company's rights to enforce the obligations of lessees under Leases or to exercise the remedies of lessor under the Leases; or

(2) assign, transfer or hypothecate (other than to the Trustee hereunder) any rent payment then due or to accrue in the future under the Leases in respect of the Equipment; or

(3) sell, mortgage, transfer, assign or hypothecate (other than to the Trustee hereunder) its interest in the Equipment or any part thereof or in any amount to be received by it from the use or disposition of the Equipment.

C. The Company will duly and punctually perform and observe each and all of its covenants, duties, warranties, obligations and undertakings arising under and in connection with the Leases and the Equipment leased thereunder. If the Company shall fail to perform and discharge such covenants, duties, obligations and undertakings, the Trustee or any holder of a Trust Certificate may, but shall not be obligated to (i) make advances to perform the same, and (ii) to perform any and all acts required by the Company's covenants, warranties and undertakings contained in the Leases and to take all such action as in the Trustee's or such holder's opinion may be necessary or appropriate therefor. No such advance, performance or other act shall be deemed to relieve the Company from any Event of Default hereunder. The Company agrees to repay all sums advanced by the Trustee to remedy such default upon demand, together with interest at the rate of 10 $\frac{1}{4}$ % per annum after demand. All such sums, together with interest as aforesaid, shall become additional indebtedness hereby secured, but no such advance shall be deemed to relieve the Company from any default hereunder.

SECTION 4.10. *Compliance with Law and Rules; Additions; Indemnity.* The Company covenants and agrees to indemnify the Trustee

against any charge or claim made against the Trustee, and against any expense, loss or liability (including but not limited to counsel fees and expenses, patent liabilities, penalties and interest) which the Trustee may incur in any manner by reason of issuing the Trust Certificates or of entering into or performing this Agreement or any of the instruments referred to herein or contemplated hereby or which may arise in any manner out of the ownership of any unit of the Trust Equipment while subject to this Agreement, and to cause to be indemnified and held harmless the Trustee against any charge claim, expense, loss or liability on account of any accident in connection with the operation, use, condition, possession or storage of such unit of the Trust Equipment resulting in damage to property or injury or death to any person, and particularly against any and all claims, liabilities or losses arising out of the use of any patented invention in and about the Trust Equipment. The indemnities contained in this paragraph shall survive payment of all other obligations under this Agreement or the termination of this Agreement.

The Company agrees to comply in all respects with the laws of the United States of America and of all the states and other jurisdictions in which the Trust Equipment, or any unit thereof, may be operated, with the Interchange Rules of the Association of American Railroads, and with all lawful acts, rules, regulations and orders of any commissions, boards and other legislative, executive, administrative or judicial bodies or officers having power to regulate or supervise any of the Trust Equipment, including without limitation all lawful acts, rules, regulations and orders of any body having competent jurisdiction relating to automatic coupler devices or attachments, air brakes or other appliances. In the event that such laws or rules require the alteration of any such unit of the Trust Equipment, the Company will cause such unit to be conformed therewith and will cause the same to be maintained in proper condition or operation under such laws and rules; *provided, however*, that the Company may in good faith contest the validity of any such law, act, rule, regulation or order, or the application thereof to the Trust Equipment or any part thereof, in any reasonable manner which will not in the judgment of the Trustee materially endanger the rights or interests of the Trustee or of the holders of the Trust Certificates. The Company shall not be relieved from any of its obligations hereunder by reason of the assertion or

enforcement of any such claims or the commencement or prosecution of any litigation in respect thereof.

Any and all additions to any unit of the Trust Equipment and any and all parts installed on or replacements made thereto by the Company shall be considered accessions to such unit (except such as can be removed without damage to and without impairing the originally intended function or use of such unit and without cost or expense to the Trustee) and the same shall immediately be vested in the Trustee.

SECTION 4.11. *Taxes.* All payments to be made by the Company hereunder will be free of expense to the Trustee for collection or other charges and will be free of expense to the Trustee with respect to the amount of any local, state, provincial or federal Canadian or United States or Mexican taxes (other than net income, gross receipts, excess profits and similar taxes imposed on the Trustee in connection with the execution of its duties under this Agreement), assessments or license fees (and any charges, fines or penalties in connection therewith) (hereinafter called "impositions") hereafter levied or imposed upon or in connection with or measured by this Agreement or any of the instruments or agreements referred to herein or contemplated hereby or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which impositions the Company agrees to cause to be paid on demand in addition to the payments to be made by it provided for herein. The Company will also cause to be paid promptly all impositions which may be imposed upon any unit of the Trust Equipment or for the use or operation thereof or upon the earnings arising therefrom or upon the Trustee solely by reason of the Trustee's interest therein, and any and all impositions upon or on account of the trust created by this Agreement, or the instruments or agreements referred to herein or contemplated hereby, and will cause to be kept at all times all and every part of such unit free and clear of all impositions which might in any way affect the interest of the Trustee or result in a lien upon or encumbrance upon such unit and will supply the Trustee with a receipt or other evidence of such payment satisfactory to the Trustee; *provided, however,* that the Company shall be under no obligation to pay any impositions so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the non-payment thereof does not, in the opinion of the Trustee, adversely affect the property or rights of the Trustee hereunder. If

any impositions shall have been charged or levied against the Trustee directly and paid by the Trustee, the Company shall reimburse the Trustee, on presentation of invoice therefor; *provided, however*, that the Company shall not be obligated to reimburse the Trustee for any impositions so paid unless the Trustee shall have been in the opinion of its counsel legally liable with respect thereto, or unless the Company shall have approved the payment thereof.

In the event any reports with respect to impositions are required to be made on the basis of individual units of the Trust Equipment the Company will either make or cause to be made such reports in such manner as to show the interest of the Trustee in such units or will notify the Trustee of such requirement and will make or cause to be made such reports in such manner as shall be satisfactory to the Trustee.

In the event that, during the continuance of this Agreement, the Company becomes liable for the payment or reimbursement of any impositions, pursuant to this Section 4.11, such liability shall continue, notwithstanding the expiration of the term of this Agreement, until all such impositions are paid or reimbursed by the Company.

ARTICLE FIVE

EVENTS OF DEFAULT AND REMEDIES

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

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

(b) the Company shall enter into any lease or car contract prohibited by the proviso to the second paragraph of Section 4.09 or make or suffer any unauthorized assignment or transfer of its rights hereunder or shall make any unauthorized transfer or lease (including, for the purpose of this clause, contracts for the use thereof) of any of the Trust Equipment, or, except as herein authorized, shall part with the possession of any of the Trust Equipment, and shall fail or refuse either to cause such assignment or transfer or lease to be canceled by agreement of all parties

having any interest therein and recover possession of such Trust Equipment within 30 days after the Trustee shall have demanded in writing such cancelation and recovery of possession, or within said 30 days to deposit with the Trustee a sum in cash equal to the value, as of the date of such unauthorized action (determined in the manner provided in subparagraph (1) of the last paragraph of Section 4.06), of such Trust Equipment (any sum so deposited to be returned to the Company upon the cancellation of such assignment, transfer or lease and the recovery of possession by the Company of such Trust Equipment), or

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

(d) the Company, ETC or Equipment Co. shall, for more than 30 days after the Trustee or the holder of any Trust Certificate shall have demanded in writing performance thereof, fail or refuse to comply with any term or covenant contained in the Purchase Agreement on its part to be kept and performed, or to make provisions satisfactory to the Trustee and the holders of the Trust Certificates for such compliance, or

(e) any representation or warranty made by the Company, ETC or Equipment Co. to the Trustee or to the Purchasers in writing herein or in any Assignment, or in any statement or certificate furnished by the Company, ETC or Equipment Co. to the Trustee or to any Purchaser pursuant to any terms of this Agreement, the Purchase Agreement or in connection with the issuance and sale of the Trust Certificates shall prove to be untrue in any material respect; or

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

(g) a decree or order shall have been entered by a court of competent jurisdiction adjudging the Company, Equipment Co. or ETC a bankrupt or insolvent or approving as properly filed a petition seeking reorganization or arrangement of the Company, Equipment Co. or ETC under the Bankruptcy Act, or any other

federal or state law relating to bankruptcy or insolvency, or appointing a receiver or decreeing or ordering the winding up or liquidation of the affairs of the Company, Equipment Co. or ETC, (unless such decree or order shall have been discharged, stayed or otherwise rendered ineffective [but then only so long as such stay shall continue in force or such ineffectiveness shall continue]) and all the obligations of the Company, Equipment Co. or ETC hereunder, as the case may be, under the guaranty endorsed on the Trust Certificates and under any instrument made in connection with the purchase of the Trust Certificates by the Purchasers thereof, shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for the Company, Equipment Co. or ETC or for its property in connection with such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier, or

(h) the Company, Equipment Co. or ETC shall institute proceedings to be adjudicated a bankrupt or insolvent or shall consent to the institution of bankruptcy or insolvency proceedings against it or shall file a petition or answer or consent seeking reorganization or relief under the Bankruptcy Act or any other federal or state law relating to bankruptcy or insolvency or shall consent to the filing of any such petition or shall consent to the appointment of a receiver or shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due, or action shall be taken by the Company, Equipment Co. or ETC in furtherance of any of the aforesaid purposes,

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 a majority in unpaid principal amount of the then outstanding Trust Certificates shall, by notice in writing delivered to the Company, declare to be due and payable forthwith the entire amount of the rentals (including any unpaid advance rental, but not including rentals required for the payment of interest accruing after the date

of such declaration) payable by the Company as set forth in Section 4.04 and not theretofore paid. Thereupon the entire amount of such rentals shall forthwith become and shall be due and payable immediately without further demand, together with interest at the rate of $10\frac{1}{4}\%$ per annum, to the extent legally enforceable, or any portion thereof overdue.

In case one or more Events of Default shall happen, the Trustee in its discretion also may, and upon the written request of the holders of a majority in unpaid principal amount of the then outstanding Trust Certificates shall, by notice in writing delivered to the Company, declare the unpaid principal of all the Trust Certificates then outstanding to be due and payable, and thereupon the same shall become and be immediately due and payable.

In case the Company shall fail to pay any instalment of rental payable pursuant to Section 4.04(B)(3) or (B)(4) when and as the same shall have become due and payable hereunder, and such default shall have continued for a period of ten days, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the rentals so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Company or other obligor upon the Trust Certificates and collect in the manner provided by law out of the property of the Company or other obligor upon the Trust Certificates wherever situated the moneys adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Company, Equipment Co. or ETC under the Bankruptcy Act or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Company, Equipment Co. or ETC, or in case of any other judicial proceedings relative to the Company, Equipment Co. or ETC, or to the creditors or property of the Company, Equipment Co. or ETC, the Trustee, irrespective of whether the rental payments hereunder or the unpaid principal amount of the Trust Certificates shall then be due and payable as herein or therein expressed whether by declaration or other-

wise and irrespective of whether the Trustee shall have made any demand or declaration pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the entire amount of the rentals (including any unpaid advance rental, but not including rentals required for the payment of interest accruing after the date of such payment of all amounts due), and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee, its agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its gross negligence or wilful misconduct) and of the holders of the Trust Certificates allowed in such proceedings and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the holders of the Trust Certificates and of the Trustee on their behalf; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the holders of the Trust Certificates to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to the holders of the Trust Certificates, to pay to the Trustee such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its gross negligence or wilful misconduct.

All rights of action and right to assert claims under this Agreement, or under any of the Trust Certificates, may be enforced by the Trustee without the possession of any of the Trust Certificates or the production thereof on any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the holders of the Trust Certificates. In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provisions of this Agreement to which the Trustee shall be a party) the Trustee shall be held to represent all the holders of the Trust Certificates, and it shall not be necessary to make any holders of the Trust Certificates parties to such proceedings.

SECTION 5.02. *Remedies.* In case of the happening of any Event of Default, the Trustee may by its agents enter upon the premises of the Company and of any Affiliate or of any lessee (or other person having acquired the use of the Trust Equipment) where any of the Trust Equipment may be and take possession of all or any part of the Trust Equipment and withdraw the same from said premises (subject to any rights of the Pittsburgh & Shawmut Railroad Company under either of its Existing Leases or the rights of any other lessee under any Replacement Lease referred to in Section 4.09), 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 mileage or other charges of any kind earned by the Trust Equipment or any part thereof, and may lease or otherwise contract for the use of the Trust Equipment or any part thereof; or the Trustee may with or without retaking possession (but only after declaring due and payable the entire amount of rentals payable by the Company and the unpaid principal of all the then outstanding Trust Certificates, as provided in Section 5.01) sell the Trust Equipment or any part thereof, free from any and all claims of the Company at law or in equity, in one lot and as an entirety or in separate lots, 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 then outstanding Trust Certificates, all subject to any mandatory requirements of law applicable thereto. Upon any such sale, the Trustee itself may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Trustee may specify, or as may be required by law, and without gathering at the place of sale the Trust Equipment to be sold, and in general in such manner as the Trustee may determine, but so that the Company may and shall have a reasonable opportunity to bid at any such sale. After the Trustee has fully exercised its remedies hereunder, the Company shall cease to have any rights or remedies in respect of the Trust Equipment hereunder, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Company, and no payments theretofore made by the Company for the rent or use of the Trust Equipment or any of it shall give to the Company any legal or equitable interest or title in or to the Trust Equipment or any of it or any cause

or right of action at law or in equity in respect of the Trust Equipment against the Trustee or the holders of interests hereunder. No such taking of possession, withdrawal, lease or sale of the Trust Equipment by the Trustee shall be a bar to the recovery by the Trustee from the Company of rentals then or thereafter due and payable, or of principal and interest in respect of the Trust Certificates, and the Company shall be and remain liable for the same until such sums 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 obligations of the Company under this Agreement.

SECTION 5.03. *Application of Proceeds.* If the Trustee shall exercise any of the powers conferred upon it by Sections 5.01 and 5.02, all payments made by the Company to the Trustee, and the proceeds of any judgment collected from the Company 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 or a part thereof, or interest thereon) shall be applied by the Trustee to the payment, in the following order of priority, (a) of all proper charges, expenses or advances made or incurred by the Trustee in accordance with the provisions of this Agreement and (b) of the interest then due, with interest on overdue interest at the rate of $10\frac{1}{4}\%$ per annum, to the extent legally enforceable, and of the principal of all the outstanding Trust Certificates, with interest thereon at the rate of $10\frac{1}{4}\%$ per annum, to the extent legally enforceable, from the date of default, whether or not such Trust Certificates shall have been matured by their terms, all such payments to be in full if such proceeds shall be sufficient, and if not sufficient, then *pro rata* without preference between principal and interest.

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

to pay the amount of such deficit to the Trustee upon demand; and if the Company shall fail to pay such deficit the Trustee may bring suit therefor and shall be entitled to recover judgment therefor against the Company. If after applying as aforesaid the sums of money realized by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Company.

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

If at any time after the principal of all the Trust Certificates shall have been declared and become due and payable or if at any time after the entire amount of rentals shall have been declared and become due and payable, all as provided in Section 5.01, but before May 1, 1992, all arrears or rent (with interest at the rate of 10 $\frac{1}{4}$ % per annum upon any overdue instalments, to the extent legally enforceable), the expenses and reasonable compensation of the Trustee, together with all expenses of the trust occasioned by the Company's default, and all other sums which shall have become due and payable by the Company hereunder shall be paid by the Company before any sale or lease by the Trustee of any of the Trust Equipment, and every other default shall be made good or secured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall be made therefor, then, and in every such case, the Trustee, if so requested in writing by the holders of a majority in unpaid principal amount of the Trust Certificates then outstanding, shall by written notice to the Company waive the default by reason of which there shall have been such declaration or declarations and the consequences of such default, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 5.05. *Obligations of Company Not Affected by Remedies.* No retaking of possession of the Trust Equipment by the Trustee,

or any withdrawal, lease or sale thereof, nor any action or failure or omission to act against the Company or in respect of the Trust Equipment, on the part of the Trustee or on the part of the holder of any Trust Certificate, nor any delay or indulgence granted to the Company by the Trustee or by any such holder, shall affect the obligations of the Company hereunder or the obligation of the Company, Equipment Co. or ETC under the guaranty endorsed on the Trust Certificates.

The Company, Equipment Co. and ETC hereby waive presentation and demand in respect of any of the Trust Certificates and waive notice of presentation, of demand and of any default in the payment of the principal of and interest on the Trust Certificates.

SECTION 5.06. *Company to Deliver Trust Equipment to Trustee.* In case the Trustee shall rightfully demand possession of any of the Trust Equipment in pursuance of this Agreement, the Company will, at its own expense, forthwith and in the usual manner and at usual speed, cause such Trust Equipment to be drawn to such point or points as shall reasonably be designated by the Trustee and will there deliver or cause to be delivered the same to the Trustee; or, at the option of the Trustee, the Trustee may keep such Trust Equipment, at the expense of the Company, on any lines of railroad or premises approved by the Trustee until the Trustee shall have leased, sold or otherwise disposed of the same. The performance of the foregoing covenant is of the essence of this Agreement and upon application to any court having jurisdiction in the premises, the Trustee shall be entitled to a decree against the Company requiring the specific performance thereof.

SECTION 5.07. *Trustee to Give Notice of Default.* The Trustee shall give to the registered holders of the Trust Certificates notice of each Event of Default hereunder known to the Trustee, within 30 days after it so learns of the same, unless remedied or cured before the giving of such notice.

SECTION 5.08. *Control by Holders of Trust Certificates.* The registered holders of a majority in aggregate unpaid principal amount of the then outstanding Trust Certificates, by an instrument or instruments in writing executed and delivered to the Trustee, shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; *provided, however,* that the Trustee

shall have the right to decline to follow any such direction (i) if the Trustee shall be advised by counsel that the action so directed may not lawfully be taken or (ii) if the Trustee shall be advised by counsel that the action so directed may involve it in personal liability and the Trustee shall not have been indemnified pursuant to the second paragraph of Section 8.03 hereof. The Trustee may take any other action deemed proper by the Trustee which is not inconsistent with any such direction given hereunder.

SECTION 5.09. *Remedies Cumulative; Subject to Mandatory Requirements of Law.* The remedies in this Agreement provided in favor of the Trustee and the holders of the Trust Certificates, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity; and such remedies so provided in this Agreement shall be subject in all respects to any mandatory requirements of law at the time applicable thereto, to the extent such requirements may not be waived on the part of the Company.

ARTICLE SIX

ADDITIONAL COVENANTS AND AGREEMENTS BY THE COMPANY, EQUIPMENT CO. AND ETC

SECTION 6.01. *Guaranty of Company, Equipment Co. and ETC.* The Company, Equipment Co. and ETC jointly and severally unconditionally covenant, agree and guarantee that the holder of each of the Trust Certificates shall receive the principal amount thereof, in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts, when and as the same shall become due and payable, in accordance with the provisions thereof or of this Agreement (and, if not so paid, with interest thereon until paid at the rate of 10 $\frac{1}{4}$ % per annum, to the extent legally enforceable), and shall receive interest thereon in like money at the rate specified therein, at the times and place and otherwise as expressed in the Trust Certificates (and, if not so paid, with interest thereon until paid at the rate of 10 $\frac{1}{4}$ % per annum, to the extent legally enforceable); and the Company, Equipment Co. and ETC each agrees to endorse upon each of the Trust Certificates, at or before the issuance and delivery thereof by the Trustee, their joint and several guaranty of the prompt payment of the principal thereof and of the interest thereon, in substantially the form hereinbefore set forth.

Said guaranty so endorsed shall be signed in the name and on behalf of the Company, Equipment Co. and ETC, each by the manual or facsimile signature of its President, a Vice President or the Controller. In case any officer of the Company, Equipment Co. or ETC whose signature shall appear on said guaranty shall cease to be such officer before the Trust Certificates shall have been issued and delivered by the Trustee, or shall not have been acting in such capacity on the date of the Trust Certificates, such guaranty shall nevertheless be as effective and binding upon the Company, Equipment Co. and ETC as though the person who signed said guaranty had not ceased to be or had then been such officer.

Equipment Co. and ETC further jointly and severally unconditionally guarantee to the Trustee and the holders of the Trust Certificates the due and punctual performance of all undertakings and obligations of the Company under this Agreement (whether or not specifically named as obligors therein) and unconditionally guarantee to the Trustee and the holders of the Trust Certificates that all sums payable by the Company under this Agreement will be promptly paid when due in accordance with the provisions of this Agreement and, in case of default by the Company in any such obligations or payment, Equipment Co. and ETC agree punctually to perform or pay the same, irrespective of any enforcement against the Company of any of the rights of the Trustee and the holders of the Trust Certificates under this Agreement. Equipment Co. and ETC hereby agree that their obligations hereunder and Equipment Co., ETC and the Company hereby agree that their obligations under the aforesaid guaranty on the Trust Certificates shall be unconditional (and shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever), irrespective of the genuineness, validity, regularity or enforceability of this Agreement, the Purchase Agreement, the Leases or the Assignments, or the power or authority or the lack of power or authority of the Company, Equipment Co. or ETC to execute and deliver any of said instruments or to perform any of their respective obligations thereunder or the existence or continuance of the Company as a legal entity or any conduct of the Trustee or any holder of Trust Certificates or any other circumstance which might otherwise constitute a legal or equitable discharge of a guarantor. No waiver by the Trustee or the holders of any of the Trust Certificates of any of their rights hereunder or under the Trust Certificates and no action by the Trustee or the holders of any of the Trust Certificates to enforce any of their

rights or failure to take, or delay in taking, any such action shall affect the obligations of Equipment Co. and ETC hereunder or under said guaranty of the Trust Certificates. Equipment Co., ETC and the Company each for itself hereby waives any failure or lack of diligence in collection or protection, failure in presentment or demand for payment, protest, notice of protest, notice of default and of non-payment. In order to hold Equipment Co. or ETC liable hereunder and in order to hold Equipment Co., ETC and the Company liable under the Guaranty, there shall be no obligation on the part of the Trustee and the holders of the Trust Certificates at any time to resort for payment to the Company or to any other person or corporation, their properties or assets or to any security, property or the rights or remedies whatsoever and the Trustee and the holders of the Trust Certificates shall have the right to enforce the said Guaranty obligations hereunder irrespective of whether or not proceedings or steps are pending, seeking resort to or realization upon or from any of the foregoing. Each and every Event of Default hereunder shall give rise to a separate cause of action hereunder.

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

SECTION 6.03. *Recording.* The Company will, promptly after the execution and delivery of this Agreement and the Assignments (and each Existing Lease and each Replacement Lease entered into or authorized pursuant to Section 4.09) and each supplement or amendment hereto or thereto, respectively, cause the same to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, and with respect to any Lease with a Canadian Railway to be deposited, as permitted by Canadian law, with the Registrar General of Canada and cause any required notice of such deposit to be published. The Company will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record and will refile, reregister and rerecord any and all further instruments required by law or reasonably requested by the Trustee for the purposes of other 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.

Promptly after the execution and delivery of this Agreement and of each supplement or amendment hereto or thereto, the Company will furnish to the Trustee an Opinion of Counsel stating that, in the opinion of such counsel, such document or any financing statement relating to such document has been properly deposited, filed, registered and recorded and re-deposited, refiled, reregistered and rerecorded, if necessary, so as effectively to protect the title of the Trustee to the Trust Equipment and its rights and the rights of the holders of the Trust Certificates hereunder and thereunder and reciting the details of such action.

SECTION 6.04. *Further Assurances.* The Company, Equipment Co. and ETC each covenants and agrees from time to time to do all such acts and execute all such instruments of further assurance as it shall be reasonably requested by the Trustee to do or execute for the purpose of fully carrying out and effectuating this Agreement and the intent hereof.

SECTION 6.05. *Merger or Consolidation.* Subject to the matters permitted in the next following paragraph of this Section 6.05, the Company, ETC and Equipment Co. will at all times cause to be done all things necessary to maintain, preserve and renew their corporate existence and the corporate existence of all of ETC's subsidiaries and their respective rights and franchises.

The Company, Equipment Co. and ETC each covenants and agrees that in the event it should merge or consolidate with another corporation, the survivor of such merger or consolidation shall be a solvent corporation organized under the laws of the United States of America or a state thereof or the District of Columbia and such survivor (if not the Company or Equipment Co. or ETC, as the case may be) shall assume in writing all the obligations and liabilities of the Company, Equipment Co. or ETC, as the case may be, hereunder and as guarantor of the Trust Certificates.

ARTICLE SEVEN

CONCERNING THE HOLDERS OF TRUST CERTIFICATES; AMENDMENTS

SECTION 7.01. *Evidence of Action Taken by Holders of Trust Certificates.* Whenever in this Agreement it is provided that the holders of a specified percentage in aggregate unpaid principal amount of the Trust Certificates may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by any instrument or any number of instruments of similar tenor executed by holders of Trust Certificates in person or by agent or proxy appointed in writing.

SECTION 7.02. *Proof of Execution of Instruments and of Holding of Trust Certificates.* Proof of the execution of any instrument by a holder of Trust Certificates or his agent or proxy and proof of the holding by any person of any of the Trust Certificates shall be sufficient if made in the following manner:

The fact and date of the execution by any such person of any instrument may be proved by the certificate of any notary public or other officer of any jurisdiction within the United States of America authorized to take acknowledgments of deeds to be recorded in such jurisdiction that the person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other such officer. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute proof of the authority of the person executing the same.

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

SECTION 7.03. *Trust Certificates Owned by Company.* In determining whether the holders of the requisite unpaid principal amount of the Trust Certificates have concurred in any direction, request or consent under this Agreement, Trust Certificates which are owned by the Company or by any other obligor on the Trust Certificates or by an Affiliate of the Company or any such other obligor shall be disregarded, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, request or consent, only Trust Certificates which the Trustee knows are so owned shall be disregarded.

SECTION 7.04. *Right of Revocation of Action Taken.* At any time prior (but not after) the evidencing to the Trustee, as provided in Section 7.01, of the taking of any action by the holders of the percentage in aggregate unpaid principal amount of the Trust Certificates specified in this Agreement in connection with such action, any holder of a Trust Certificate the serial number of which is shown by the evidence to be included in the Trust Certificates the holders of which have consented to such action may, by filing written notice with the Trustee and upon proof of holding as provided in Section 7.02, revoke such action in so far as concerns such Trust Certificate. Except as aforesaid any such action taken by the holder of any Trust Certificate shall be conclusive and binding upon such holder and upon all future holders and owners of such Trust Certificate and of any Trust Certificate issued in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon such Trust Certificate. Any action taken by the holders of the percentage in aggregate unpaid principal amount of the Trust Certificate specified in this Agreement in connection with such action shall be conclusive and binding upon the Company, Equipment Co. and ETC, the Trustee and the holders of all the Trust Certificates subject to the provisions of Section 5.08.

SECTION 7.05. *Supplemental Indentures.* Without the consent of the holders of any of the Trust Certificates, the Trustee, at any time and from time to time, may, with the consent of the Company, enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or to

make any other provisions with respect to matters or questions arising under this Agreement or the Assignments which shall not be inconsistent with the provisions of this Agreement or the Assignments, *provided* such action shall not adversely affect the interests of the holders of the Trust Certificates hereunder or under the Assignments.

With the written consent of the holders of not less than 66 $\frac{2}{3}$ % in principal amount of the outstanding Trust Certificates, the Trustee may enter into an indenture or indentures supplement hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or the Assignments or of modifying in any manner the rights of the holders of the Trust Certificates under this Agreement or the Assignments; *provided, however*, that no such supplemental indenture shall, without the consent of the holder of each outstanding Trust Certificate affected thereby:

(a) change the stated maturity of the principal of or any instalment of interest on (or the rentals payable in respect thereof), or the coin or currency in which, any Trust Certificate or the interest thereon (or the rentals payable in respect thereof) is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of prepayment, on or after the prepayment date); or

(b) release any Equipment from this Agreement, which has been accepted and settled for under Article Three hereof, otherwise than as specifically contemplated by the provisions hereof; or

(c) reduce the percentage in principal amount of the outstanding Trust Certificates, the consent of whose holders is required for any such supplemental indenture or the consent of whose holders is required for any waiver or other action provided for in this Agreement; or

(d) modify any of the provisions of this Section 7.05.

ARTICLE EIGHT

THE TRUSTEE

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

SECTION 8.02. *Duties and Responsibilities of the Trustee.* In case an Event of Default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by this Agreement, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. The Trustee shall not be deemed to have knowledge of any Default or Event of Default under this Agreement prior to the time it shall have obtained knowledge thereof at its Corporate Trust Office.

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

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

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

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement and the Assignments; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement and the Assignments;

(b) the Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; *provided, however,* that the foregoing provisions of this subparagraph (b) shall not excuse the Trustee from liability for its action or inaction which

was contrary to the express provisions of this Agreement or the Assignments;

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

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

(e) the Trustee may consult with counsel and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with such Opinion of Counsel;

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

(g) the Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement or the Assignments. None of the provisions contained in this Agreement or the Assignments shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against

such risk or liability is not reasonably assured to it. Whether or not therein expressly so provided, every provision of this Agreement or the Assignments relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 8.03. *Application of Rentals.* The Trustee covenants and agrees to apply the rentals received by it under Section 4.04(B) when and as the same shall be received, and to the extent that such rentals shall be sufficient therefor, for the purposes specified in Section 4.04(B).

The Trustee shall not be required to undertake any act or duty in the way of insuring, taking care of or taking possession of the Trust Equipment or to undertake any other act or duty under this Agreement until fully indemnified by the Company or by one or more holders of the Trust Certificate against all liability and expenses; and the Trustee shall not be responsible for the filing or recording or refiling or re-recording of this Agreement or the Assignments or of any supplement hereto or thereto or statement of new numbers or any other statement or document that may be permitted or required to be filed, recorded, refiled or rerecorded in any jurisdiction to protect or perfect any of the security interests contemplated hereby.

SECTION 8.04. *Funds May be Held by Trustee; Investments.* 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 non-interest bearing deposit with itself.

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

The Trustee shall, on Request, or the Trustee may, in the event funds are required for payment against acceptance of Trust Equipment pursuant to Section 3.02, or in the event funds are required for the prepayment of the Trust Certificates pursuant to Section 4.08,

sell such Investments, 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 Investments, including accrued interest.

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

Until such time as, to the knowledge of the Trustee, a Default shall have occurred and be continuing, the Company shall be entitled to receive any interest (in excess of accrued interest paid from Deposited Cash or Replacement Funds at the time of purchase) or other profit which may be realized from any sale or redemption of Investments.

SECTION 8.05. Trustee Not Liable for Delivery Delays or Defects in Equipment or Title. The Trustee shall not be liable to anyone for any delay in the delivery of any of the Trust Equipment, or for any default on the part of the manufacturers thereof or of the Company, or for any defect in any of the Trust Equipment or in the title thereto, nor shall anything herein be construed as a warranty on the part of the Trustee in respect thereof or as a representation on the part of the Trustee in respect of the value thereof or in respect of the title thereto.

The Trustee may perform its powers and duties hereunder by or through such attorney and agents as it shall appoint, and shall be answerable only for its own negligent acts, negligent failures to act and wilful misconduct and not for the default or misconduct of any attorney or agent 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, the Assignments, the Existing Leases, or any lease permitted by Section 4.09, or of the Trust Certificates (except for its own execution thereof) or for the guaranty by the Company, Equipment Co. or ETC.

The Trustee shall be entitled to receive payment of all of its expenses and disbursements hereunder, including reasonable counsel fees

and expenses, and to receive reasonable compensation for all services rendered by it in the execution of the trust hereby created, all of which shall be paid by the Company.

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

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

SECTION 8.06. Resignation and Removal; Appointment of Successor Trustee.

(a) The Trustee may resign and be discharged of the trust created by this Agreement by giving 30 days' written notice to the Company and to the registered holders of the Trust Certificates and such resignation shall take effect upon the expiration of 60 days after the delivery thereof to the Company and such holders or upon receipt by the Trustee of any instrument of acceptance executed by a successor trustee, whichever shall first occur, as herein provided in this Section.

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

(c) If at any time the Trustee shall resign or be removed or otherwise become incapable of acting or, if at any time a vacancy shall occur in the office of the Trustee for any other cause, a successor trustee may be appointed by the holders of a majority in aggregate unpaid principal amount of the then outstanding Trust Certificates by an instrument in writing delivered to the Company and the Trustee. Until a successor trustee shall be appointed by the holders of Trust Certificates as herein authorized, the Company by an instrument in writing executed by order of its board of directors shall appoint a trustee to fill such vacancy. A successor trustee so appointed by the Company shall immediately and without further act be superseded by a successor trustee appointed by the holders of Trust Certificates in the manner provided above if such appointment is made within one year after completion of the notice, in the manner provided in the next succeeding paragraph, of

the appointment of a successor trustee by the Company. Every successor trustee appointed pursuant to this Section shall be a national bank or a bank or trust company incorporated under the laws of the United States of America or the State of New York, the State of Illinois, or the State of California, having its principal office in the City of New York, the City of Chicago or the City and County of San Francisco, and having a capital and surplus of not less than \$50,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

(d) The Company shall give notice to the holders of all outstanding Trust Certificates of each resignation or removal of the then Trustee and of each appointment by the Company of a successor trustee pursuant to this Section by mailing written notice of such event by first-class mail, postage prepaid.

SECTION 8.07. *Acceptance of Appointment by Successor Trustee.* Any successor trustee appointed as provided in Section 8.06 shall execute, acknowledge and deliver to the Company and to its predecessor trustee an instrument accepting such appointment hereunder, and, subject to the provisions of Section 8.06(a) thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, on the Request of the Company or written request of the successor trustee, upon payment of its charges then unpaid, the trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon written request of any such successor trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 8.05.

SECTION 8.08. *Merger or Consolidation of Trustee.* Any corporation into which the Trustee may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a

party shall be the successor of the Trustee hereunder, provided such corporation shall be qualified under the provisions of Section 8.06, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 8.09. *Return of Certain Moneys to Company.* Notwithstanding any provision of this Agreement, any moneys paid to the Trustee which are applicable to the payment of the principal of, or interest on, any Trust Certificates which remain unclaimed for five years after the day when such moneys were due and payable shall then be repaid to the Company upon Request, and the holders of such Trust Certificates shall thereafter be entitled to look only to the Company for payment thereof and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however,* that before the repayment of such moneys to the Company as aforesaid, the Trustee may first publish a notice, in such form as may be deemed appropriate by the Trustee, in respect of the Trust Certificates so payable and not presented and in respect of the provisions hereof relating to the repayment to the Company of the moneys held for the payment thereof.

ARTICLE NINE

MISCELLANEOUS

SECTION 9.01. *Rights Confined to Parties and Holders.* Nothing expressed or implied herein is intended or shall be construed to confer upon or to give to any person, firm or corporation, other than the parties hereto and the holders of the Trust Certificates, any right, remedy or claim under or by reason of this Agreement or of any term, covenant or condition hereof, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and of the holders of the Trust Certificates.

SECTION 9.02. *No Recourse.* No recourse under any obligation, covenant or agreement of this Agreement, or of the guaranty endorsed on any Trust Certificate, shall be had against any incorporator, stockholder, officer or director, past, present or future, of the Company, Equipment Co. or ETC, as such, solely by reason of the fact that such person is an incorporator, stockholder, officer or director, whether by

virtue of any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, officers or directors being forever released as a condition of and as consideration for the execution of this Agreement.

SECTION 9.03. *Binding Upon Assigns.* Except as otherwise provided herein, the provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 9.04. *Notices.* All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail to (a) in the case of the Company, Equipment Co. or ETC, 2200 East Devon Avenue, Des Plaines, Illinois 60018, or such other address as may hereafter be furnished to the Trustee in writing by the Company, Equipment Co. or ETC and (b) in the case of the Trustee, 231 South LaSalle Street, Chicago, Ill. 60693, attention John C. Mull, Jr., Corporate Trust Department, or such other address as may hereafter be furnished to the Company, Equipment Co., ETC or the holders of the Trust Certificates in writing by the Trustee. An affidavit by any person representing or acting on behalf of the Company, Equipment Co., ETC, the Trustee or the holders of the Trust Certificates as to such mailing, having the registry receipt attached, shall be conclusive evidence of the giving of such demand, notice or communication.

SECTION 9.05. *Effect of Headings.* The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 9.06. *Date Executed.* This Agreement shall be deemed to have been executed on the date of the acknowledgment thereof by the officer of the Trustee who signed it on behalf of the Trustee.

SECTION 9.07. *Illinois Law Governs.* 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; *provided, however,* that the parties shall be entitled to all rights conferred by Sec-

tion 20c of the Interstate Commerce Act of the United States and such additional rights arising out of the filing, recording or depositing of this Agreement, and of any Assignment, or out of the marking of the Trust Equipment as shall be conferred by the laws of the several jurisdictions in which this Agreement and any Assignments shall be filed, recorded or deposited or in which any Trust Equipment may be located.

SECTION 9.08. *Separability.* Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Company hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

SECTION 9.09. *Irrevocability.* The parties hereto agree that the trust hereby created shall be irrevocable.

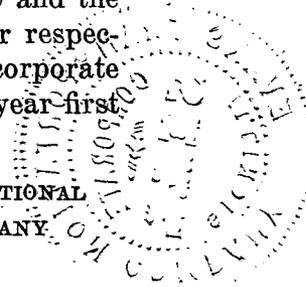
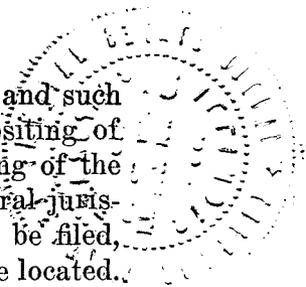
IN WITNESS WHEREOF, the Company, Equipment Co., ETC and the Trustee have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective corporate seals, duly attested, to be hereunto affixed as of the day and year first above written.

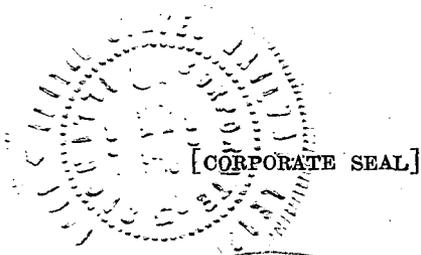
CONTINENTAL ILLINOIS NATIONAL
BANK AND TRUST COMPANY
OF CHICAGO,

by 
Vice President

[CORPORATE SEAL]
Attest:


Trust Officer





[CORPORATE SEAL]

UNITED STATES RAILWAY LEASING
COMPANY,

by *H. G. Blomquist*
Vice President

Attest:

Ronald C. Lang
Assistant Secretary

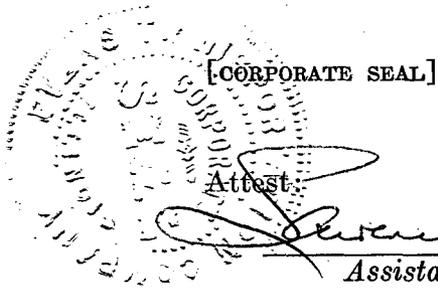
UNITED STATES RAILWAY EQUIP-
MENT Co.,

[CORPORATE SEAL]

by *H. G. Blomquist*
Vice President

Attest:

Ronald C. Lang
Assistant Secretary



[CORPORATE SEAL]

EVANS TRANSPORTATION COMPANY,

by *H. G. Blomquist*
Vice President

Attest:

Ronald C. Lang
Assistant Secretary

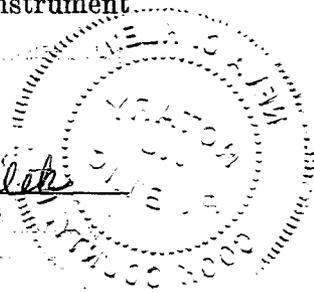


STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this 18th day of May, 1977, before me personally appeared M. J. Kruger, to me personally known, who, being by me duly sworn, says that he is a Vice President of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, that one of the seals affixed to the foregoing instrument is the corporate seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

Shirley Marsala
Notary Public



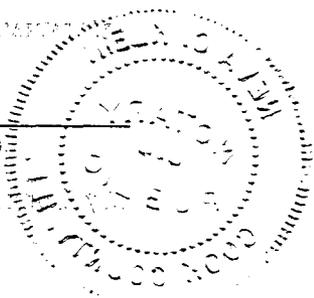
My Commission expires: My Commission Expires
December 31, 1978

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this 18th day of May, 1977, before me personally appeared G. L. Solomonson, to me personally known, who, being by me duly sworn, says that he is a Vice President of UNITED STATES RAILWAY LEASING COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

Frank Klein
Notary Public



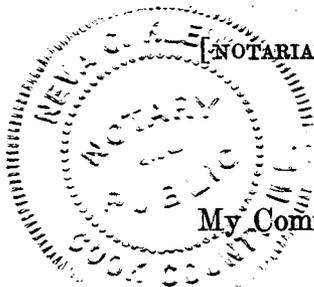
My Commission expires: My Commission Expires Sept. 22, 1978



STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this 18th day of May, 1977, before me personally appeared G. T. Solomonson, to me personally known, who, being by me duly sworn, says that he is a Vice President of UNITED STATES RAILWAY EQUIPMENT Co., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]



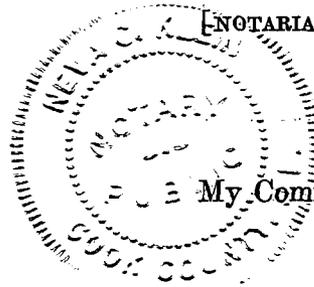
Wm Klein
Notary Public

My Commission expires: My Commission Expires Sept. 22, 1978

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

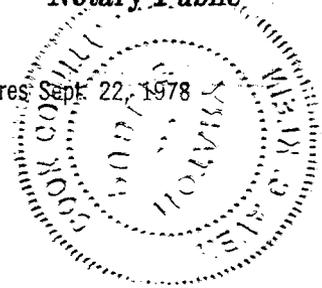
On this 18th day of May, 1977, before me personally appeared G. T. Solomonson, to me personally known, who, being by me duly sworn, says that he is a Vice President of EVANS TRANSPORTATION COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]



Wm Klein
Notary Public

My Commission expires: My Commission Expires Sept. 22, 1978



DESCRIPTION OF LEASES AND EQUIPMENT

<u>Type of Car*</u>	<u>No. of Cars</u>	<u>Car Reporting Marks (Both Inclusive)</u>	<u>Lessee</u>	<u>Date of Lease</u>	<u>Lease Term (Yrs.)</u>	<u>ICC Rec. No.</u>
3600 cu. ft. capacity, 100-ton, 4-pocket, open top hopper cars	99	P&S 1000 to 1098	Pittsburgh & Shawmut Railroad Company	9-24-76	10	8588
3600 cu. ft. capacity, 100-ton 4-pocket, open top hopper cars	100	P&S 900 to 999	Pittsburgh & Shawmut Railroad Company	9-24-76	10	8543
New 50'6" inside length, 70-ton Single Sheathed Box Cars, equipped with 10' sliding doors	100	LNAC 3011 to 3110	Louisville, New Albany and Corydon Railroad Company	6-15-76	15	8477
52'5", 70-ton Side Slider LU Box Cars	25	USLX 50277 to 50301	Plum Creek Lumber Company	3-16-76	10	8424
New 70-ton 50'6" Single Sheathed Box Cars with 10' sliding doors	50	TP&W 70001 to 70050	Toledo, Peoria & Western Railroad Company	5-13-76	15	8408
New 50'6" inside length, 70-ton Box Cars, having a 10' sliding door	50	LW 1001 to 1050	Louisville and Wadley Railway Company	7-16-77	15	8484
New 52'5", 70-ton Side Slider Box Cars	5	USLX 50302 to 50306	St. Regis Paper Company	8-4-76	5	8524
50'6", 70-ton Capacity XM-Box Cars	50	CAGY 20,000 to 20,049	Columbus and Greenville Railway Company	8-11-76	15	8502
52'5", 70-ton Side Slider LU Box Cars	10	USLX 50150 to 50159	Idaho Forest Industries, Inc.	7-12-76	15	8546
51'5", 70-ton Side Slider LU Box Cars	10	USLX 50325 to 50334	Willamina Lumber Company	9-2-76	15	8533

* The aggregate cost of all Equipment excluding manufacturing profit is \$14,393,709. The manufacturer of all Equipment was ETC.

76 *[Handwritten Signature]* 59

SCHEDULE A

SCHEDULE B

ASSIGNMENT OF LEASE AND AGREEMENT dated as of April 1, 1977, by and between UNITED STATES RAILWAY LEASING COMPANY, an Illinois corporation (hereinafter called the Company), and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee (hereinafter called the Trustee), under an Equipment Trust Agreement dated as of April 1, 1977 (hereinafter called the Equipment Trust Agreement), by and among the Trustee, the Company, United States Railway Equipment Co., an Illinois corporation (hereinafter called the Equipment Co.) and EVANS TRANSPORTATION COMPANY, an Illinois corporation (hereinafter called ETC).

WHEREAS, the Company and (hereinafter called the Lessee) have entered into a Lease Agreement dated , 19 (hereinafter called the Lease), providing for the leasing by the Company to the Lessee of the units of railroad equipment (hereinafter called Units) described in the Lease, which has been filed and recorded with the Interstate Commerce Commission and bears Recordation Number , and executed counterpart of the Lease being delivered to the Trustee concurrently herewith; and

WHEREAS, this Assignment of Lease and Agreement is being made pursuant to Section 4.09 of the Equipment Trust Agreement to secure the payment and performance by the Company, Equipment Co. and ETC of all obligations arising under the Equipment Trust Agreement, including, but not limited to, the obligations arising under the guarantee of payment of the Equipment Trust Certificates issued or to be issued under the Equipment Trust Agreement and performance by the Company of its obligations under said Agreement (all such obligations being hereinafter called the Liabilities);

NOW, THEREFORE, in consideration of the sum of \$10 duly paid by the Trustee to the Company and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. As security for the payment and performance of the Liabilities, the Company hereby assigns, transfers, and sets over unto the Trustee all the Company's right, title and interest as lessor under the Lease, together with all rights, powers, privileges, and other benefits of the Company as lessor under the Lease, including, without limitation, the

immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Company under or pursuant to the provisions of the Lease, the right to receive all proceeds from the sale of any of the Units payable to the Company pursuant to the Lessee's exercise of an option to purchase any such unit pursuant to the Lease, and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an event of default specified in the Lease, and to do any and all other things whatsoever which the Company, as lessor, is or may become entitled to do under the Lease; *provided, however*, that until an Event of Default under the Equipment Trust Agreement, or any event which with notice or lapse of time or both, could constitute such an Event of Default, shall occur, it is understood that the Company shall be entitled for the benefit of the Trustee to give all notices and to take all action upon the happening of an event of default specified in the Lease provided that the Trustee is first advised of such action proposed to be taken. In furtherance of the foregoing assignment, the Company hereby irrevocably authorizes and empowers the Trustee in its own name, or in the name of its nominee, or in the name of the Company or as its attorney, to ask, demand, sue for, collect and receive any and all sums to which the Company is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Company will cause notice of this Assignment forthwith to be given to the Lessee (together with a copy of this Assignment). Until such time as, to the actual knowledge of the Trustee (obtained at its Corporate Trust Office as that term is defined in the Equipment Trust Agreement), an Event of Default has occurred and is continuing, the Company shall be entitled to receive all rentals, profits and other sums payable to or receivable by the Company under or pursuant to the provisions of the Lease (hereinafter called Rentals), except that the Company shall be entitled to receive proceeds from the sale of any unit of Trust Equipment payable to it pursuant to the Lessee's exercise of an option to purchase any such unit only upon compliance with the first paragraph of Section 4.06 of the Equipment Trust Agreement.

Upon the occurrence of an Event of Default the Trustee shall immediately give notice to the Lessee, directing the Lessee to pay all Rentals directly to the Trustee. The Company shall, if it receives the

same, forthwith deposit the same with the Trustee, which payments shall be applied by the Trustee to the payment of all amounts then or thereafter due and payable under the Equipment Trust Agreement.

2. The assignment made hereby is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Trustee or any of the holders of the Equipment Trust Certificates to, or transfer, or pass, or in any way affect or modify the liability of the Company under the Lease, it being understood and agreed that notwithstanding such assignment or any subsequent assignment all obligations of the Company to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Company.

3. Upon the full discharge and satisfaction of the Liabilities, the assignment made hereby shall terminate, and all estate, right, title and interest of the Trustee in and to the Lease shall revert to the Company.

Upon transfer by the Trustee of title to any of the Units pursuant to Section 4.06 of the Equipment Trust Agreement, the Trustee shall execute and deliver to the Company a release or reassignment as to such Units.

4. The Company warrants and covenants that (a) the Company has full right, power and authority to enter into, create and deliver the Lease and this Assignment and the execution and delivery by the Company of the Lease and this Assignment have each been duly authorized, and the Lease and this Assignment are and will remain the legal, valid and binding obligations of the Company enforceable in accordance with their terms; (b) except as provided in Section 4.09 of the Equipment Trust Agreement with respect to a lease other than an Existing Lease, the Company has not executed any other assignment of the Lease or of its right to receive all payments under the Lease and the Lease will continue to be free and clear of any and all claims, liens, agreements, security interests or other encumbrances (except this Assignment and except to the extent the Company is contesting the validity of the same in good faith by appropriate proceedings); (c) notwithstanding this Assignment, the Company will conform and comply with each and all of the covenants and conditions in the Lease set forth to be complied with by it; (d) to the knowledge of the Company, it and the Lessee have performed all obligations on their respec-

tive parts to be performed under the Lease on or prior to the date hereof; (e) the execution and delivery of the Lease and this Assignment and compliance by the Company with the terms thereof and hereof will not result in any breach of any applicable law or of any of the terms, conditions or provisions of, or constitute a default under, or with notice or lapse of time, or both, constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrances upon any property or assets of the Company pursuant to the corporate charter or by-laws of the Company or any indenture, agreement or other instrument to which the Company is a party or by which it may be bound, and (f) no authorization or approval of any governmental agency or commission or public or quasi-public body or authority of the United States of America, any State thereof or the District of Columbia or of any department or subdivision of any such State is necessary for the due execution and delivery by the Company of the Lease and this Assignment or for the validity or enforceability thereof as against the Company.

Unless the Lease is an Existing Lease (as defined in the Equipment Trust Agreement), the Company will, concurrently with the execution and delivery of this Assignment, deliver to the Trustee the opinion of the Lessee's counsel stating with respect to the Lease the matters set forth in paragraph 20 of the leases specifically described in Schedule A of the Equipment Trust Agreement and the opinion of Messrs. Rosenthal and Schanfield, counsel for the Company, or an opinion of other counsel satisfactory to the Trustee, to the effect set forth in subparagraph (e) of Section 3.04 of the Equipment Trust Agreement relating to this Assignment and the Lease relating thereto.

5. The Company covenants and agrees with the Trustee that in any suit, proceeding or action brought by the Trustee under the Lease for any Rental, or to enforce any provisions of the Lease, the Company will save, indemnify and keep the Trustee harmless from and against (a) all expense, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever of the Lessee or its successors, arising out of a breach by the Company of any obligation under the Lease or arising out of any other indebtedness or liability at any time owing to the Lessee or its successors from the Company and (b) all liability, loss, expense or damage under or arising out of any provisions of the Lease. Any and all such obligations of the Company shall be and

remain enforceable against the Company and shall not be enforceable against the Trustee or any party or parties in whom any of the rights of the Company under the Lease shall vest by reason of the successive assignments or transfers.

6. The Trustee may assign all or any of its rights under the Lease, including the right to receive any payments due or to become due to it from the Lessee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Trustee hereunder.

7. Subject to Section 4.09 of the Equipment Trust Agreement, the Company shall have the right, without the prior written consent of the Trustee to enter into any agreement amending or terminating the Lease.

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

9. The Company will from time to time execute all such supplemental instruments and other documents as the Trustee may reasonably request in order to confirm or further assure the assignment made hereby and the provisions hereof.

IN WITNESS WHEREOF, the Company and the Trustee have caused this instrument to be signed in their respective names by their respective officers thereunto duly authorized, as of the date first above written.

UNITED STATES RAILWAY LEASING
COMPANY,

by _____

Vice President

Attest:

Assistant Secretary

[CORPORATE SEAL]

CONTINENTAL ILLINOIS NATIONAL
BANK AND TRUST COMPANY
OF CHICAGO

by _____
Vice President

Attest:

Trust Officer

[CORPORATE SEAL]

