



# THE FAMILY LINES RAIL SYSTEM

500 Water Street · Jacksonville, Florida 32202 · Telephone (904) 359-3100

13136

RECORDATION NO. Filed 1425

JUN 11 1981-9 20 AM

INTERSTATE COMMERCE COMMISSION

LAW DEPARTMENT  
Writer's direct  
telephone line:

June 8, 1981

*TRUST - 14 1-152AD00*

Ms. Agatha L. Mergenovich  
Secretary  
Interstate Commerce Commission  
Washington, D. C. 20423

No. [blacked out]  
Date JUN 11 1981  
Fee \$ 50.00  
ICC Washington, D. C.

RECEIVED  
JUN 11 9 05 AM '81  
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Dear Madam Secretary:

There is transmitted to you herewith for filing and recordation pursuant to 49 U.S.C. Section 11303 duly executed counterparts of an Equipment Trust Agreement, Series 14, dated as of April 15, 1981 among Mercantile-Safe Deposit and Trust Company, Trustee, whose address is Two Hopkins Plaza, Baltimore, Maryland, 21203, Louisville and Nashville Railroad Company, whose address is 500 Water Street, Jacksonville, Florida 32202, and Seaboard Coast Line Railroad Company, whose address is 500 Water Street, Jacksonville, Florida 32202.

The equipment subject to this Equipment Trust Agreement is specified in the Supplement dated as of April 15, 1981 which is being filed currently with this Equipment Trust Agreement.

There has been no prior recordation of any document relating to this transaction. This transaction was authorized by the Interstate Commerce Commission in Finance Docket No. 29564.

This letter of transmittal is signed by an officer of Louisville and Nashville Railroad Company and Seaboard Coast Line Railroad Company who is authorized for the purposes hereof.

Enclosed is a draft in the amount of \$50 payable to the Interstate Commerce Commission to cover the recordation fee for said Equipment Trust Agreement.

Upon recordation, please forward the recorded counterparts of said Equipment Trust Agreement to:

*New Number*

*Wm. Fontaine*

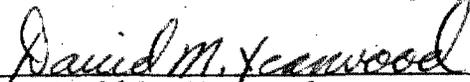
*Countly*

Mr. Roger D. Turner  
Cravath, Swaine & Moore  
One Chase Manhattan Plaza  
New York, New York 10005

Respectfully yours,

Louisville and Nashville Railroad Company  
Seaboard Coast Line Railroad Company

By



David M. Yearwood  
General Attorney

No #5

13136

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INTERSTATE COMMERCE COMMISSION

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LOUISVILLE AND NASHVILLE RAILROAD COMPANY  
EQUIPMENT TRUSTS,

Series 14

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EQUIPMENT TRUST AGREEMENT

Dated as of April 15, 1981

Among

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,

Trustee,

LOUISVILLE AND NASHVILLE RAILROAD COMPANY,

and

SEABOARD COAST LINE RAILROAD COMPANY

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THIS EQUIPMENT TRUST AGREEMENT, dated as of April 15, 1981, among MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, Trustee ("Trustee"), LOUISVILLE AND NASHVILLE RAILROAD COMPANY, a Kentucky corporation ("Company"), and SEABOARD COAST LINE RAILROAD COMPANY, a Virginia corporation ("SCL");

WITNESSETH: THAT

WHEREAS, the Company has contracted or will contract for the construction or acquisition of certain railroad equipment to be described in supplements to this Agreement as provided herein and for the transfer thereof to the Trustee; and //

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

WHEREAS, Louisville and Nashville Railroad Company Equipment Trust Certificates are to be issued and sold in Series as provided herein in an aggregate principal amount not exceeding the aggregate principal amount authorized from time to time under the Series Supplements (as hereinafter defined), and the net proceeds (as hereinafter defined) of the sale of each such Series together with such other cash, if any, as may be required to be deposited by the Company in respect of such Series as hereinafter provided is to constitute a separate fund equal to the aggregate principal amount of the Trust Certificates of such Series so issued and sold to be known as "Louisville and Nashville Railroad Company Equipment Trust, Series 14-\_\_" (with a further Series designation corresponding to the Series designation of such Series of Trust Certificates), to be applied by the Trustee from time to time in partial payment of the cost of the Trust Equipment relating to such Series of Trust Certificates, the remainder of the cost thereof to be paid out of advance rentals to be paid by the Company as provided herein; and

WHEREAS, it is desired to provide security to the holders of the Trust Certificates of each Series, separate from the security for every other Series of Trust Certifi-

cates, for the payment of the principal thereof and dividends thereon, and to evidence the rights of the holders of the Trust Certificates of such Series, all as provided herein and in the Series Supplement relating to such Series to be executed and delivered pursuant hereto; and

WHEREAS in addition to the guaranty of the Trust Certificates by the Company, SCL is entering into this Agreement and will endorse its joint and several guaranty on the Trust Certificates as an inducement to the purchase of the Trust Certificates by the purchasers thereof;

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

#### ARTICLE I.

##### Definitions

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

Agreement or this Agreement shall mean this Agreement and, in respect of any Series of Trust Certificates, shall mean this Agreement as supplemented or amended by the Series Supplement and any other supplement relating to such Series entered into in accordance with the terms hereof.

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

Casualty Occurrence shall have the meaning specified in Section 5.7 hereof.

Company shall mean Louisville and Nashville Railroad Company.

Company Obligations of any Series shall mean the Company's guaranty endorsed on the Trust Certificates of such Series and its other obligations relating to such Series under this Agreement and the applicable Series Supplement.

Cost, when used with respect to Trust Equipment, shall mean the actual cost thereof, and shall include only such items as may properly be included in such cost under the Interstate Commerce Commission's Uniform System of Accounts for Railroad Companies, as in effect at the time in question, or the accounting rules of such other Federal governmental authority as may have jurisdiction over the accounts of the Company, or to the extent not determined thereby or in case there be no such accounting rules of the Interstate Commerce Commission or other Federal authority in effect at such time, sound accounting practice.

Deposited Cash shall mean, when used with respect to any Series of Trust Certificates, the aggregate of (a) cash on deposit with the Trustee received by it pursuant to subparagraph (5) of Section 2.2 hereof or subparagraph (2) of Section 2.3 hereof in respect of such Series, (b) any advance rentals on deposit with the Trustee received by it pursuant to subparagraph (6) of Section 2.2 hereof or subparagraph (2) of Section 2.3 hereof in respect of such Series, (c) any sums restored to such Deposited Cash from rentals pursuant to Section 5.4(B)(1)(b) hereof and on deposit with the Trustee and (d) when required or indicated by the context, any Investment Securities purchased by the use of such Deposited Cash pursuant to the provisions of Section 8.8 hereof and held by the Trustee.

Equipment which is or is to become Trust Equipment relating to any Series shall mean standard-gauge railroad equipment (excluding passenger or work equipment but including cabooses and rebuilt equipment built to new specifications) first put into service not earlier than the applicable In-Service Date, as specified in the Series Supplement relating to such Series.

Fair Value shall, with respect to any Equipment which is or is to become Trust Equipment relating to any Series, have the meaning specified in the Series Supplement relating to such Series. The Trustee shall be entitled to rely on an Officer's Certificate as to the Fair Value of any unit of Equipment.

The word holder, when used with respect to Trust Certificates, shall include the plural as well as the singular number and, unless otherwise indicated by the context, shall mean the registered owner of a Trust Certificate.

In-Service Date, when used with respect to any Equipment which is or is to become Trust Equipment relating to any Series, shall mean the earliest date on which such Equipment may have been put into service, as specified in the Series Supplement relating to such Series.

Interim Certificates shall mean the Trust Certificates of any Series issued as security for loans to the Company from Merrill Lynch Money Markets Inc. pursuant to a reverse repurchase credit agreement, and any other Series of Trust Certificates designated as "Interim Certificates" in the Series Supplement authorizing such Series.

Interim Deposited Cash shall mean, when used with respect to any Series of Takeout Certificates, the Deposited Cash relating to such Series received by the Trustee pursuant to subparagraph (2) of Section 2.3 hereof and any sums restored to such Deposited Cash from rentals pursuant to Section 5.4(B)(1)(b) hereof and on deposit with the Trustee and, when required or indicated by the context, any Investment Securities purchased by the use of such Deposited Cash pursuant to the provisions of Section 8.8 hereof and held by the Trustee.

Investment Securities shall mean, with respect to any Series, the permitted investments which may be made by the Trustee from the Deposited Cash or Replacement Funds relating to such Series and, unless otherwise provided in the Series Supplement relating to such Series, such investments shall include only (a) 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 of America is pledged to provide for the payment of the interest thereon and principal thereof, (b) open market commercial paper of any bank, bank holding company, trust company or finance company incorporated and doing business under the laws of the United States of America or one of the states thereof given a rating of "A-1" by Standard & Poor's Corporation or "P-1" by the Commercial Paper Division of Moody's Investors Service, Inc., or an equivalent rating by a successor thereto or a similar rating service substituted therefor, (c) certificates of deposit or bankers'

acceptances of or time deposits in banks or trust companies incorporated or doing business under the laws of the United States of America or one of the states thereof having a capital and surplus aggregating at least \$50,000,000 and having outstanding securities, or having a parent with outstanding securities, rated "A" or better by one of the above-mentioned rating services and (d) repurchase agreements secured by any of the foregoing.

Officer shall mean any of the following officers of the Company: Chairman of the Board, President, Executive Vice President, Senior Vice President, Vice President, Vice President and Secretary, Vice President and Treasurer, Vice President and Comptroller, Assistant Vice President, Assistant Comptroller, Assistant Secretary or Assistant Treasurer.

Officer's Certificate shall mean a certificate signed by an Officer and, if delivered to the Trustee in connection with a Request, dated not more than 10 days prior to the date on which the action specified in such Request is to be taken by the Trustee.

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

Overdue Interest Rate shall mean, with respect to any Series of Trust Certificates, the rate of interest on any overdue principal of and dividends on the Trust Certificates of such Series to the extent legally enforceable, as specified in the Series Supplement relating to such Series.

Principal Office shall mean the agency of the Trustee in the Borough of Manhattan, City and State of New York, such agency initially being Morgan Guaranty Trust Company of New York.

Replacement Funds shall have the meaning specified in Section 5.7 hereof.

Request shall mean a written request by the Company for the action therein specified, signed on behalf of the Company by an Officer of the Company.

SCL shall mean Seaboard Coast Line Railroad Company.

Serial Certificates shall mean equipment trust certificates with serial maturities which are issued hereunder pursuant to a Series Supplement.

Series Supplement shall mean a supplement to this Agreement authorizing the issuance of a Series of Trust Certificates in accordance with the provisions of Section 2.2 or 2.3 hereof.

Series of Trust Certificates, Trust Certificates of a Series or Series shall mean all the Trust Certificates authorized and issued hereunder as part of the same series under a Series Supplement.

Sinking Fund Certificates shall mean equipment trust certificates subject to redemption through a sinking fund which are issued hereunder pursuant to a Series Supplement.

Takeout Certificates shall have the meaning specified in Section 2.3 hereof.

Trust Certificates shall mean both the Serial Certificates and the Sinking Fund Certificates issued hereunder pursuant to Series Supplements, and dividends shall mean dividends appertaining to Trust Certificates.

Trust Equipment shall mean all equipment at the time subject to the terms of this Agreement and, when used with respect to any Series of Trust Certificates, shall mean the Trust Equipment conveyed to the Trustee as trustee for the holders of the Trust Certificates of such Series as security for such Trust Certificates and the Company Obligations of such Series.

Trustee shall mean Mercantile-Safe Deposit and Trust Company, and any successor as trustee hereunder, and, when used with respect to any Series, shall mean the Trustee, as trustee for the holders of the Trust Certificates of such Series.

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

## ARTICLE II.

### Trust Certificates and Issuance Thereof

SECTION 2.1. Subject to the terms and conditions of this Agreement, the Company and SCL may from time to time authorize the issuance of one or more Series of Trust Certificates by their execution and delivery of a Series Supplement pursuant to Section 2.2 or 2.3 hereof. The Trust Certificates of each Series shall, in addition to the title "Louisville and Nashville Railroad Company Equipment Trust Certificates, Series 14-\_\_", bear a letter designation to distinguish them from the Trust Certificates of every other Series. Trust Certificates of any Series may be authorized to be issued in the form of Serial Certificates or Sinking Fund Certificates, or both. Each Series of Trust Certificates will be separately secured by the Trust Equipment, Deposited Cash and Company Obligations relating to such Series as herein provided.

Upon Request, the Trustee shall join with the Company and SCL in the execution and delivery of a Series Supplement authorizing any Series of Trust Certificates pursuant to Section 2.2 or 2.3 hereof unless such Series Supplement would adversely affect the rights, duties or immunities of the Trustee hereunder, in which case the Trustee may in its discretion, but shall not be obligated to, join in the execution and delivery thereof. If, after the execution and delivery of any Series Supplement and prior to the issuance of any Trust Certificates of the Series authorized thereby, the Company shall deliver to the Trustee an Officer's Certificate stating that no such Trust Certificates are to be issued, the Trustee shall, upon Request, join with the Company and SCL in the execution of an instrument cancelling and releasing such Series Supplement.

SECTION 2.2. Except as provided in Sections 2.3, 2.7, 2.8 and 3.2 hereof, the Trustee shall execute and deliver the Trust Certificates of any Series only upon receipt by the Trustee of:

(1) an executed counterpart of the Series Supplement for such Series of Trust Certificates, which shall specify:

(a) the Series designation of the Trust Certificates of such Series and of the separate

trust to be created hereunder in respect of such Series;

(b) the authorized principal amount of the Trust Certificates of such Series and the authorized denomination or denominations of such Trust Certificates;

(c) the date or dates of maturity and, if there shall be more than one date of maturity, the principal amount of the Trust Certificates of such Series maturing on each such date;

(d) the dividend rate or rates of the Trust Certificates of such Series, or the manner of determining such rate or rates, and the dividend payment dates of such Trust Certificates; and the Overdue Interest Rate for the Trust Certificates of such Series;

(e) the date of the Trust Certificates of such Series issued prior to the first dividend payment date thereof;

(f) the forms of the Trust Certificates of such Series and the joint and several guaranty to be endorsed thereon by the Company and SCL as provided in Section 7.2 hereof;

(g) whether the Trust Certificates of such Series shall constitute Serial Certificates or Sinking Fund Certificates or both and the respective principal amounts of each and, in the case of Sinking Fund Certificates, the sinking fund redemption dates and the amount and date of each sinking fund payment required in respect of such Series for the retirement of such Sinking Fund Certificates;

(h) the In-Service Date and the definition of Fair Value with respect to the Equipment which is or is to become Trust Equipment relating to such Series;

(i) a description of the Equipment to be conveyed to the Trustee and leased by the Company pursuant to Article V hereof as security for the

Trust Certificates and Company Obligations of such Series, which description shall include the quantity and a general description of each type of unit included in such Equipment, the AAR mechanical designation for such units and the road numbers assigned thereto (and such Series Supplement shall confirm the covenants set forth in the first and second paragraphs of Section 4.1 hereof with respect to such Equipment); and

(j) such other provisions as the Company may deem desirable with respect to such Series which shall not be inconsistent with the provisions of this Agreement and shall not modify or affect in any way any of the provisions hereof as they relate to any other Series of Trust Certificates;

(2) an Officer's Certificate, dated the date of the Request referred to in subparagraph (3) of this Section, stating that the Company is not in default in the performance of any of the provisions contained herein;

(3) a Request directing the Trustee to execute and deliver such Trust Certificates, designating the purchaser or purchasers to whom such Trust Certificates are to be delivered and stating the purchase price of such Trust Certificates;

(4) an Opinion of Counsel to the effect that the Series Supplement authorizing the Trust Certificates of such Series has been duly authorized, executed and delivered by the Company and SCL and duly filed and recorded in accordance with Section 7.4 hereof and that this Agreement, as supplemented by such Series Supplement, is a legal and valid instrument binding upon the Company and SCL and enforceable in accordance with its terms (subject, as to the enforcement of remedies, to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally from time to time in effect);

(5) an amount in cash equal to the net proceeds (excluding premium and accrued dividends, if any) of the sale of the Trust Certificates of such Series; and

(6) an amount in cash equal to any advance rental payable by the Company in respect of the Trust Certificates of such Series to the Trustee under Section 5.4(A)(1) hereof.

SECTION 2.3. In addition to any Trust Certificates authorized to be issued pursuant to Section 2.2 hereof, the Company may from time to time, subject to the terms and conditions of this Agreement, authorize the issuance of one or more Series of Trust Certificates to refund all or any part of any one or more Series of Interim Certificates then outstanding (Trust Certificates issued for such purpose being hereinafter sometimes called "Takeout Certificates"). The Trustee shall execute and deliver the Takeout Certificates of any Series only upon receipt by the Trustee of:

(1) an executed counterpart of the Series Supplement for such Series of Takeout Certificates, which shall:

(a) specify the items described in subparagraphs (a) through (h) of subparagraph (1) of Section 2.2 hereof and such other provisions as the Company and SCL may deem desirable with respect to such Series which shall not be inconsistent with the provisions of this Agreement and shall not modify or affect in any way any of the provisions hereof as they relate to any other Series of Trust Certificates; and

(b) describe the Interim Certificates to be refunded pursuant to Section 4.7 hereof from the Interim Deposited Cash relating to such Series of Takeout Certificates; and

(2) the items described in subparagraphs (2) through (6) of Section 2.2 hereof with respect to such Series of Takeout Certificates.

Trust Certificates may be authorized and issued pursuant to Sections 2.2 and 2.3 as part of a single Series, provided that the conditions set forth in each such Section shall be satisfied with respect to that portion of the principal amount of the Trust Certificates of such Series sought to be authorized under such Section.

SECTION 2.4. Each Trust Certificate of any Series

shall represent an interest, in the principal amount therein specified, in the trust created in respect of such Series hereunder pursuant to the Series Supplement relating to such Series.

Except as provided in Sections 2.7, 2.8 and 3.2 hereof, the aggregate principal amount of Trust Certificates which shall be executed and delivered by the Trustee hereunder shall not exceed the aggregate principal amount authorized from time to time under the Series Supplements.

The Trust Certificates of each Series shall bear interest, payable on demand, at the applicable Overdue Interest Rate on any unpaid principal and on any unpaid dividends to the extent that it shall be legally enforceable.

Principal, dividends and interest will be payable at the Principal 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 payable only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions of this Agreement; provided, however, that payment of dividends may be made at the option of the Trustee by check mailed to the address of the person so entitled thereto as such address shall appear on the records of the Trustee.

SECTION 2.5. The Trust Certificates and the joint and several guaranty to be endorsed thereon by the Company and SCL as hereinafter in Section 7.2 hereof provided shall be in substantially the forms set forth in the Series Supplement authorizing such Series.

SECTION 2.6. 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 attested by the manual signature of one of its authorized officers, and no Trust Certificate shall be entitled to any right or benefit under this Agreement or shall be valid or obligatory for any purpose until so signed and attested. 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 such Trust Certificates shall have been issued and delivered by the Trustee, such

Trust Certificates shall be deemed adopted by the Trustee and be issued and delivered as though such person had not ceased to be such officer of the Trustee.

SECTION 2.7. The Trust Certificates of each Series shall be registered, as to both principal and dividends, in the name of the holder; shall be transferable upon presentation and surrender thereof for transfer at the Principal Office, accompanied by appropriate instruments of assignment and transfer, duly executed by the registered holder of the surrendered Trust Certificate or Certificates or by duly authorized attorney, in form satisfactory to the Trustee. The Trust Certificates of each Series issued prior to the first dividend payment date thereof shall be dated as of the date specified in the Series Supplement relating to such Series. Trust Certificates of each Series issued on or subsequent to the first dividend payment date thereof shall be dated as of the dividend payment date next preceding the date of issue, unless issued on a dividend payment date, in which event they shall be dated as of the date of issue, or unless issued in exchange for another Trust Certificate or Certificates of the same Series bearing unpaid dividends from an earlier date, in which case they shall be dated as of such earlier date, and in any case shall entitle the registered holder to dividends from the date thereof.

Trust Certificates of each Series shall be exchangeable for a like aggregate principal amount of Trust Certificates of the same Series, in authorized denominations of the same maturity. The Trust Certificates to be exchanged shall be surrendered at the Principal Office.

Prior to due presentment for registration of transfer of any Trust Certificate, the parties hereto and any agent of the Trustee may deem and treat the registered holder as the absolute owner of such Trust Certificate for all purposes and shall not be affected by any notice to the contrary.

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

Each Trust Certificate delivered pursuant to any provision of this Agreement in exchange or substitution

for, or upon the transfer of, the whole or any part of one or more other Trust Certificates of the same Series shall carry all the rights to dividends accrued and unpaid, and to accrue, which were carried by the whole or such part of such one or more other Trust Certificates, and, notwithstanding anything contained in this Agreement or in any Series Supplement, such Trust Certificate shall be so dated that neither gain nor loss in dividends shall result from such exchange, substitution or transfer.

The Trustee shall not be required (i) to issue, register, transfer or exchange Trust Certificates pursuant to this Section 2.7 for a period of 15 days next preceding any dividend payment date, or (ii) to issue, transfer or exchange any Sinking Fund Certificate during a period beginning at the opening of business 15 days before any selection of Sinking Fund Certificates to be redeemed and ending at the close of business on the day of the mailing of the relevant notice of redemption, or (iii) to transfer or exchange any Sinking Fund Certificate called or being called for redemption in whole or in part.

SECTION 2.8. In case any Trust Certificate of any Series shall become mutilated or defaced or be lost, stolen or destroyed, then on the terms herein set forth, and not otherwise, the Trustee, upon Request, shall execute and deliver a new Trust Certificate of the same Series, and the Company and SCL shall execute their joint and several guaranty thereon, of like maturity, tenor and date, and bearing the same serial number as the one mutilated, defaced, lost, stolen or destroyed, in exchange and substitution for, and upon cancelation of, the mutilated or defaced Trust Certificate or in lieu of or in substitution for the same if lost, stolen or destroyed, and shall make payment of any matured and unpaid dividends appertaining to the same. The applicant shall furnish to the Trustee and to the Company evidence to their satisfaction of the mutilation, defacement, loss, theft or destruction of the instrument or instruments alleged to have been lost, stolen or destroyed, and of the ownership and authenticity thereof, and also such security and indemnity as may be required by the Trustee and by the Company in their discretion; and shall pay all expenses and charges of such substitution or exchange. All Trust Certificates of any Series shall be issued, held and owned upon the express condition that, unless otherwise expressly provided in the Series Supplement relating to such Series, the foregoing provisions are exclusive in respect of the replacement

of mutilated, defaced, lost, stolen or destroyed Trust Certificates and shall preclude any and all other rights and remedies, any law or statute now existing or hereafter enacted to the contrary notwithstanding.

### ARTICLE III.

#### Redemption of Sinking Fund Certificates

SECTION 3.1. The Sinking Fund Certificates of any Series shall be subject to redemption through the application of the rental payable to the Trustee in respect of such Series pursuant to Section 5.4(B)(4) and, to the extent specifically provided therein, Section 5.4(B)(3), on such dates (each such date being herein called a "redemption date") as may be specified in the Series Supplement relating to such Series, at a redemption price of 100% of the principal amount thereof, together with accrued and unpaid dividends to the date fixed for redemption.

SECTION 3.2. On or before each redemption date relating to the Sinking Fund Certificates of any Series, the Trustee shall select for redemption, in such manner as in its discretion it shall deem appropriate and fair (provided, however, that portions of Sinking Fund Certificates of any Series shall be selected only in multiples of the smallest authorized denomination of such Sinking Fund Certificates), a principal amount of Sinking Fund Certificates of such Series so as to exhaust the amount of rental to be paid in respect of such Series by the Company to it in cash pursuant to Section 5.4(B)(4) on or before such redemption date, subject to the provisions of the paragraph immediately following Section 5.4(B)(5).

The Trustee shall mail by first class mail, postage prepaid, a notice of redemption not less than 30 nor more than 60 days prior to each redemption date to the holders of Sinking Fund Certificates so to be redeemed in whole or in part, at their last addresses as they appear upon the registry books. Failure to mail such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Sinking Fund Certificates. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder received such notice.

The notice of redemption shall specify the date for redemption and shall state that payment of the principal amount of the Sinking Fund Certificates or portions thereof to be redeemed (together with all accrued and unpaid dividends thereon) will be made (provided the Company has deposited the necessary cash for such redemption) at the Principal Office, upon presentation and surrender of such Sinking Fund Certificates, that accrued dividends to the date fixed for redemption will be paid as specified in said notice, and that from and after said date dividends thereon or on the portions thereof to be redeemed will cease to accrue. The notice of redemption shall also state the aggregate principal amount of Sinking Fund Certificates of the Series to be redeemed and the serial numbers thereof; and in case there shall have been selected as aforesaid less than the entire principal amount of any Sinking Fund Certificate, the notice shall identify the serial number of such Sinking Fund Certificate and the principal amount thereof called for redemption, and shall state that on and after the redemption date, upon surrender of such Sinking Fund Certificate, the holder will receive the redemption price in respect of the principal amount thereof called for redemption and, without charge, a new Sinking Fund Certificate for the principal amount thereof remaining unredeemed. The serial numbers of any Sinking Fund Certificates to be redeemed, required to be included in any such notice, may be stated in any one or more of the following ways: individually; in groups from one number to another number, both inclusive, except such as shall have been previously called for redemption or otherwise retired; or in such other manner as the Trustee shall deem appropriate.

SECTION 3.3. The Company on or before the redemption date specified in the notice of redemption having deposited with the Trustee an amount in cash sufficient to redeem all the Sinking Fund Certificates or portions thereof called for redemption, the Sinking Fund Certificates or portions thereof called for redemption shall become due and payable on such redemption date at the Principal Office, and from and after such redemption date dividends on such Sinking Fund Certificates or portions thereof shall cease to accrue and such Sinking Fund Certificates or portions thereof shall no longer be deemed to be outstanding hereunder and shall cease to be entitled to the benefits of this Agreement, except to receive payment from the moneys reserved therefor in the hands of the Trustee. The Trustee shall hold the redemption moneys in trust for

the holders of the Sinking Fund Certificates or portions thereof called for redemption and shall pay the same to such holders respectively upon presentation and surrender of such Sinking Fund certificates.

Except as provided in Section 3.2, all Sinking Fund Certificates redeemed and paid under this Article III shall be canceled by the Trustee and no Trust Certificates shall be issued hereunder in place thereof.

#### ARTICLE IV.

##### Acquisition of Trust Equipment by Trustee; Deposited Cash

SECTION 4.1. The Company, as speedily as may be after the execution and delivery of each Series Supplement pursuant to Section 2.2 hereof, shall cause to be acquired or constructed and sold, assigned, transferred and set over unto the Trustee, as trustee for the holders of the Trust Certificates of the Series authorized by such Series Supplement, the Equipment described in such Series Supplement.

To that end the Company hereby assigns, or as speedily as may be after entering into the contract or contracts for the acquisition or construction of such Equipment agrees to assign, to the Trustee, as trustee for the holders of the Trust Certificates of such Series, all its rights, title and interest under said contract or contracts. Such Equipment shall be delivered to the Company, which is hereby designated by the Trustee as its agent to receive such delivery, and an Officer's Certificate as to such delivery shall be conclusive evidence of such delivery.

There may be incorporated in such Equipment a limited number of used components which will be remanufactured by the builder and will be the equivalent in performance and service of new current components.

In the event that it may be deemed necessary or desirable to procure for the transportation services of the Company and to include in any trust created hereunder pursuant to a Series Supplement in respect of any Series of Trust Certificates other Equipment in lieu of any of the Equipment specifically described in such Series Supplement, the Company may cause such other Equipment to be acquired or

constructed and to be sold, assigned, transferred and set over unto the Trustee, to be substituted under such trust, and to that end the Company, upon entering into a contract or contracts for the acquisition or construction of such other Equipment, shall assign to the Trustee, as trustee for the holders of the Trust Certificates of such Series, all its rights, title and interest under said contract or contracts.

The foregoing provisions of this Section 4.1 shall also apply with respect to any Series of Trust Certificates issued pursuant to Section 2.3 hereof if and to the extent that Deposited Cash (other than Interim Deposited Cash) shall have been received by the Trustee pursuant to Section 4.7(b) in connection with the refunding of Interim Certificates.

SECTION 4.2. From time to time, when and as any of the Trust Equipment relating to any Series of Trust Certificates shall have been delivered to the Trustee or its agent, the Trustee upon Request shall (subject, however, to the provisions of Section 4.3 hereof) pay to the seller or manufacturer or sellers or manufacturers of such delivered Trust Equipment out of the Deposited Cash (other than Interim Deposited Cash) relating to such Series an amount which, together with all payments previously made out of such Deposited Cash upon deliveries of Trust Equipment relating to such Series, will equal not more than 80% of the aggregate Cost of such Trust Equipment then or theretofore delivered to the Trustee.

SECTION 4.3. The Company covenants that, contemporaneously with any payment by the Trustee pursuant to Section 4.2 hereof in respect of the Trust Equipment relating to any Series of Trust Certificates, it will pay to the Trustee the advance rental provided in Section 5.4(A)(2) hereof in respect of such Trust Equipment, and thereupon the Trustee upon Request shall pay to the seller or manufacturer or sellers or manufacturers of the delivered Trust Equipment relating to such Series, by the use of such advance rental, the portion of the Cost of the delivered Trust Equipment relating to such Series not paid out of the Deposited Cash relating to such Series, as provided for in Section 4.2 hereof; the intention being that the Company shall ultimately pay not less than 20% of the final Cost of all the Trust Equipment relating to each Series, and the Trustee and the Company shall at any time if occasion arises adjust their accounts and payments to the end that the Trustee shall pay with the Deposited Cash (other than

Interim Deposited Cash) relating to each Series not more than 80% of such final Cost and the Company shall pay as advance rental the remainder, to be not less than 20% of such final Cost.

SECTION 4.4. The Trustee shall not pay out any Deposited Cash (other than Interim Deposited Cash, the application of which shall be governed by Section 4.7 hereof) relating to any Series of Trust Certificates against the delivery of any of the Trust Equipment relating to such Series unless and until it shall have received:

(a) an Officer's Certificate stating that the Trust Equipment described and specified therein by number or numbers has been delivered to, and approved and accepted by, the Company as agent for the Trustee and has been plated or marked in accordance with the provisions of Section 5.6 hereof;

(b) an invoice or invoices from the seller or manufacturer or sellers or manufacturers and an Officer's Certificate which shall state that such Trust Equipment is Equipment as herein defined and that the Cost of such Trust Equipment is an amount therein specified or is not less than an amount therein specified;

(c) a bill or bills of sale of such Trust Equipment from the seller or manufacturer or sellers or manufacturers thereof to the Trustee, as trustee for the holders of the Trust Certificates of such Series, which bill or bills of sale shall contain a warranty or guaranty to the Trustee that the title to the Trust Equipment described therein is free from all liens and encumbrances;

(d) an Opinion of Counsel that such bill or bills of sale are valid and effective, either alone or in connection with any other instrument referred to in such opinion, to vest in the Trustee title to such Trust Equipment free from all liens and encumbrances; and

(e) an Opinion of Counsel that this Agreement and the Series Supplement relating to such Series have been duly filed and recorded in accordance with Section 7.4 hereof and, in the case of any Trust Equipment relating to such Series not specifically described in such Series

Supplement, an Opinion of Counsel that a proper supplement thereto in respect of such Trust Equipment has been duly executed by the Trustee, the Company and SCL and duly filed and recorded in accordance with Section 7.4 hereof.

Any Officer's Certificate pursuant to this Section 4.4 may state that the Cost of the Trust Equipment therein referred to is tentatively determined, subject to final adjustment to be evidenced in a final Officer's Certificate to be delivered to the Trustee.

If the aggregate final Cost of the Trust Equipment relating to any Series of Trust Certificates shall be less than 125% of the aggregate principal amount of the Trust Certificates of such Series issued hereunder, the Company will (unless otherwise specifically provided in the Series Supplement relating to such Series), by supplement hereto, cause to be acquired or constructed and sold, assigned, transferred and set over to the Trustee, as trustee for the holders of the Trust Certificates of such Series, subject to all the terms of this Agreement, additional Equipment in such amount and of such Cost that the aggregate final Cost of the Trust Equipment relating to such Series will be at least 125% of the aggregate principal amount of the Trust Certificates of such Series issued hereunder.

SECTION 4.5. Interest, if any, allowed by the Trustee upon any moneys received by it under the provisions hereof and any interest (in excess of accrued interest paid from such Deposited Cash at the time of purchase) or other profit upon any investment of the Deposited Cash relating to any Series as permitted by Section 8.8 hereof shall belong to the Company and be paid to it by the Trustee, as long as the Company shall not be known to the Trustee to be in default hereunder with respect to such Series.

SECTION 4.6. Upon Request, the Trustee shall release, to or upon the order of the Company, all or any part of the Trust Equipment relating to any Series of Interim Certificates upon receipt of an Officer's Certificate describing the units of Trust Equipment relating to such Series to be released and stating (a) the aggregate Fair Value (which for the purposes of this Section shall not exceed the actual fair market value) of all the Trust Equipment relating to such Series and (b) the Fair Value

of the units of such Trust Equipment then to be released pursuant to this Section; provided, however, that the sum of 80% of the Fair Value of the units of Trust Equipment relating to such Series remaining after such release plus the amount of Deposited Cash (including Investment Securities, valued at cost for purposes of this Section) relating to such Series then on deposit with the Trustee plus the amount of Deposited Cash (including Investment Securities, valued at cost for purposes of this Section) relating to such Series then on deposit with the Trustee shall be at least equal to the aggregate principal amount of Interim Certificates of such Series to be outstanding immediately after such release and after giving effect to the cancellation of any Interim Certificates of such Series (other than any thereof theretofore redeemed pursuant to Article III hereof or credited against any rental payment pursuant to the provisions of the paragraph immediately following Section 5.4(B)(5) hereof or surrendered to the Trustee pursuant to Section 4.7 hereof) surrendered to the Trustee by the Company in connection with such Request.

SECTION 4.7. The Company, as speedily as may be after the execution and delivery of each Series Supplement pursuant to Section 2.3 hereof, shall cause to be surrendered to the Trustee the Interim Certificates to be refunded with the Interim Deposited Cash relating to the Series of Takeout Certificates authorized by such Series Supplement. From time to time, when and as any of such Interim Certificates shall have been surrendered to the Trustee, the Trustee upon Request shall (subject, however, to the provisions of this Section) pay to the Company or upon its order out of the Interim Deposited Cash relating to such Series an amount equal to the principal amount of the Interim Certificates so surrendered. The Trustee shall not pay out any Interim Deposited Cash relating to any Series of Takeout Certificates unless and until it shall have received:

(a) on Officer's Certificate (1) describing those units of Trust Equipment relating to the Interim Certificates then to be surrendered to the Trustee pursuant to this Section which are to secure such Series of Takeout Certificates and (2) stating, separately for each Series of Interim Certificates then to be surrendered in whole or in part pursuant to this Section, (A) the aggregate Fair Value (which for the purposes of this paragraph shall not exceed the actual fair market value) of all

the Trust Equipment relating to such Series of Interim Certificates and (B) the Fair Value of the units of Trust Equipment relating to such Series of Interim Certificates; provided, however, that, after giving effect to such payment of Interim Deposited Cash and the release contemplated by the last paragraph of this Section in connection with such payment, the following condition shall be met with respect to such Series of Takeout Certificates and each Series of Interim Certificates then to be surrendered in part pursuant to this Section: the sum of 80% of the Fair Value of the units of Trust Equipment relating to each such Series plus the amount of Deposited Cash relating to such Series shall be at least equal to the principal amount of such Series to be outstanding immediately after such payment and release;

(b) that portion of the Deposited Cash (including Investment Securities, valued at cost for purposes of this subparagraph, in which the Trustee could invest Deposited Cash relating to such Series of Takeout Certificates) relating to each Series of Interim Certificates then to be surrendered pursuant to this Section which shall be equal to the product of (1) the aggregate amount of Deposited Cash then on deposit with the Trustee relating to such Series of Interim Certificates, multiplied by (2) the percentage of the aggregate principal amount of the outstanding Interim Certificates of such Series then to be so surrendered; and

(c) Interim Certificates (other than any thereof theretofore redeemed pursuant to Article III hereof or credited against any rental payment pursuant to the provisions of the paragraph immediately following Section 5.4(B)(5) hereof or surrendered to the Trustee pursuant to Section 4.6 hereof) in an aggregate principal amount equal to the amount of Interim Deposited Cash then to be released by the Trustee.

The Trustee shall be deemed to have received the amount referred to in subparagraph (b) above in connection with any withdrawal of Interim Deposited Cash upon satisfaction of all the other conditions set forth above with respect to such withdrawal.

Upon compliance with the foregoing conditions

with respect to any payment of Interim Deposited Cash, the units of Trust Equipment described in the Officer's Certificate delivered pursuant to paragraph (a) above and the portion of the Deposited Cash described in paragraph (b) above in connection with such payment shall, without any further act, be released from the trust or trusts created hereunder relating to the Interim Certificates surrendered pursuant to this Section in connection with such payment, and such Trust Equipment and such portion of such Deposited Cash shall thereupon become subject to the trust created hereunder for the benefit of the holders of the Takeout Certificates relating to the Interim Deposited Cash from which such payment shall be made.

#### ARTICLE V.

##### Lease of Trust Equipment to the Company

SECTION 5.1. The Trustee does hereby separately let and lease to the Company the Trust Equipment relating to each Series of Trust Certificates until the final maturity of the Trust Certificates of such Series or until such Trust Equipment shall have been released by the Trustee pursuant to Section 4.6 or 4.7 hereof. The execution and delivery of each Series Supplement shall constitute a confirmation by the Company of the separate lease hereunder of the Trust Equipment relating to the Series of Trust Certificates authorized thereby.

SECTION 5.2. In the event that the Company shall, as provided in Sections 4.1 and 4.4 or Section 5.7 hereof, cause to be acquired or constructed and transferred to the Trustee other Equipment in addition to or in substitution for any of the Equipment specifically described in any Series Supplement, such other Equipment shall be included as part of the Trust Equipment relating to such Series by supplement to such Series Supplement and shall be subject to all the terms and conditions hereof in all respects as though it had been part of the Trust Equipment specifically described in such Series Supplement.

SECTION 5.3. As and when any Equipment shall from time to time be transferred and delivered to the Company as agent for the Trustee, the same shall, ipso facto, and without further instrument of lease or transfer, pass under and become subject to all the terms and provi-

sions hereof.

SECTION 5.4. The Company hereby accepts the lease of all the Trust Equipment and agrees to accept delivery and possession hereunder of the Trust Equipment as hereinabove provided; and the Company agrees to pay to the Trustee at its office in the City of Baltimore, State of Maryland or to its assigns at the office of such assigns in the City of Baltimore, State of Maryland or in the Borough of Manhattan, City and State of New York (or in the case of taxes, to the proper taxing authority), in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, rent hereunder which shall be sufficient to pay and discharge the following items, when and as the same shall become due and payable (whether or not any of such items shall become due and payable prior to the delivery and lease to the Company of any of the Trust Equipment relating to any Series of Trust Certificates):

(A) The Company shall pay to the Trustee, as hereinafter provided, as advance rental hereunder in respect of each Series of Trust Certificates, sums which in the aggregate shall be equal to the difference between the aggregate Cost of the Trust Equipment relating to such Series (other than Trust Equipment subjected hereto pursuant to Section 5.7 hereof) and the portion of such Cost to be provided out of the net proceeds (excluding premium and accrued dividends, if any) of the sale of Trust Certificates constituting part of the Deposited Cash (other than Interim Deposited Cash) relating to such Series, the intention being that, when all Trust Equipment relating to such Series shall have been delivered to the Company as agent for the Trustee, the Company shall have paid or shall pay to the Trustee, as advance rental hereunder in respect of such Series of Trust Certificates, a sum equal to the amount by which the aggregate Cost of such Trust Equipment exceeds such net proceeds. The Company agrees to pay such advance rentals as follows:

(1) at the time of issue of the Trust Certificates of each Series a sum which, when added to the net proceeds (excluding premium and accrued dividends, if any) of the sale of such Trust

Certificates deposited with the Trustee, will make the total sum deposited equal to the principal amount of such Trust Certificates so issued; and

(2) upon delivery of the Trust Equipment relating to such Series, a sum equal to the portion of the Cost of such delivered Trust Equipment not paid out of the Deposited Cash relating to such Series as provided for in Section 4.2 hereof, but not less than 20% of such Cost.

(B) In addition to such advance rental the Company shall pay to the Trustee, as hereinafter provided, as additional rental for the Trust Equipment relating to each Series of Trust Certificates, and whether or not at the time any of such Trust Equipment shall have been delivered to the Company, the following:

(1)(a) the necessary and reasonable expenses of the trust created hereunder in respect of such Series pursuant to the related Series Supplement, including compensation and expenses provided for herein; and (b) an amount equal to any expenses incurred or loss of principal (including interest accrued thereupon at time of purchase) in connection with any purchase, sale or redemption by the Trustee of Investment Securities from the Deposited Cash or Replacement Funds relating to such Series;

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

(3) (a) the amounts of the dividends payable on the Trust Certificates of such Series, when and as the same shall become payable; and (b) interest at the applicable Overdue Interest Rate from the due date upon the amount of any installments of rental payable under this subparagraph (3) and the following subparagraphs (4) and (5) in respect of such Series which shall not be paid when due, to the extent legally enforceable;

(4) as a sinking fund for the Sinking Fund Certificates, if any, of such Series, on or before each sinking fund redemption date, an amount equal to the applicable sinking fund payment required in respect of such Series, all as specified in the Series Supplement relating to such Series; and

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

Notwithstanding the provisions of subparagraph (4) above, the Company may credit, at its option, in lieu of making all or any part of any cash rental payment in respect of the Sinking Fund Certificates of any Series as provided in said subparagraph (4), pursuant to a Request delivered on or before the 60th day next preceding the sinking fund redemption date on which such rental payment is due, against such rental payment any Sinking Fund Certificates of such Series specified (as to serial numbers and principal amounts thereof) in such Request (not theretofore credited or redeemed or surrendered pursuant to Section 4.6 or 4.7 hereof). The Company shall, on or prior to the 30th day next preceding the sinking fund redemption date on which such rental payment is due, deliver to the Trustee for cancellation (if not theretofore delivered to the Trustee) all such Sinking Fund Certificates so specified. The amount of the rental payment toward which any Sinking Fund Certificate is to be credited shall be reduced by an amount equal to 100% of the principal amount of such Sinking Fund Certificate, plus dividends thereon accrued to the sinking fund redemption date on which such rental payment is due.

Nothing herein or in the Trust Certificates contained shall be deemed to impose on the Trustee or on the Company any obligation to pay to the holder of any Trust Certificate any tax, assessment or governmental charge required by any present or future law of the United States of America or of any state, county, municipality or other taxing authority thereof to be paid in behalf of, or withheld from the amount payable to, the holder of any Trust Certificate. The Company shall not be required to pay any tax, assessment or governmental charge so long as it shall in good faith and by appropriate legal proceedings

contest the validity thereof, unless in the judgment of the Trustee the rights or interests of the Trustee or of the holders of the Trust Certificates of any Series may be materially endangered thereby.

SECTION 5.5. Subject to the provisions of the last paragraph of Section 4.7 hereof, at the termination of the lease provided herein of the Trust Equipment relating to any Series of Trust Certificates and after all payments due or to become due from the Company hereunder in respect of such Series shall have been completed and fully made to the Trustee, (1) any such payments in respect of such Series shall be applied and treated as purchase money and as the full purchase price of the Trust Equipment relating to such Series, (2) any moneys relating to such Series remaining in the hands of the Trustee after providing for the payment of the principal of and dividends on all outstanding Trust Certificates of such Series 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 relating to such Series 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 relating to such Series under the laws of any jurisdiction; provided, however, that until that time title to the Trust Equipment relating to such Series shall not pass to or vest in the Company, but title to and ownership of all such Trust Equipment shall be and remain in the Trustee as security for the Trust Certificates and Company Obligations of such Series, notwithstanding the delivery of such Trust Equipment to and the possession and use thereof by the Company.

Any moneys in the hands of the Trustee for the payment of the principal amount of or dividends on any Trust Certificates remaining unclaimed for six years after the date of maturity of such Trust Certificates or the date such dividends were due and payable, as the case may be, shall be repaid by the Trustee to the Company upon Request and thereafter any rights of such holders of Trust Certificates in respect of which such moneys shall have been held by the Trustee shall be enforceable only against the Company.

SECTION 5.6. The Company agrees that, at or

before the delivery to the Company of each unit of the Trust Equipment, there shall be plainly, distinctly, permanently and conspicuously placed and fastened upon each side of such unit a metal plate bearing the following words, or such words may be otherwise plainly, distinctly, permanently and conspicuously marked on each side of such unit, in either case in letters not less than one-half inch in height:

OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE  
INTERSTATE COMMERCE COMMISSION.

Such plates or marks shall be such as to be readily visible and as to indicate plainly the Trustee's ownership of each unit of the Trust Equipment. In case, prior to the termination of the lease provided for herein of such Trust Equipment, any of such plates or marks shall at any time be removed, defaced, obliterated or destroyed, the Company shall immediately 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 shall previously have been filed with the Trustee by the Company and which shall be filed and recorded as provided in Section 7.4 hereof.

The Trust Equipment may be lettered "Louisville and Nashville Railroad" or "L&N" or may be lettered with the name or initials of any railroad company which is permitted to use the Trust Equipment as herein provided, or in some other appropriate manner, for convenience of identification of the leasehold interest of the Company therein. During the continuance of any lease provided for herein of Trust Equipment, the Company shall not allow the name of any person, association or corporation to be placed on any of such Trust Equipment as a designation which might be interpreted as a claim of ownership thereof by the Company or by any person, association or corporation other than the Trustee.

SECTION 5.7. The Company agrees that it will maintain and keep all the Trust Equipment relating to each Series in good order and proper repair at its own cost and expense, unless and until such Trust Equipment shall be withdrawn from use for substantial repairs (other than running repairs), worn out, unsuitable for use, not needed

or lost or destroyed (such occurrences being herein called "Casualty Occurrences"). The rights and remedies of the Trustee to enforce or to recover any of the rental payments shall not be affected by reason of any such Casualty Occurrence.

Whenever any of the Trust Equipment relating to any Series of Trust Certificates shall suffer a Casualty Occurrence, the Company shall deliver to the Trustee an Officer's Certificate describing such Series and such Trust Equipment and stating the Fair Value thereof. When the aggregate Fair Value of Trust Equipment relating to any Series so suffering a Casualty Occurrence for which no deposit of cash equal to Fair Value has been made exceeds 1% of the aggregate principal amount of the Trust Certificates of such Series originally issued pursuant to Section 2.2 or 2.3, as the case may be, hereof, the Company shall deposit with the Trustee an amount in cash equal to such Fair Value as of the date of such deposit. Cash deposited with the Trustee pursuant to this Section 5.7 shall be held and applied as provided hereinafter.

Any such units of the Trust Equipment for which settlement has been made by the Company pursuant to the next preceding paragraph shall, upon Request, be released by the Trustee, to or upon the order of the Company.

Any moneys paid to the Trustee pursuant to this Section 5.7 (all such moneys being herein called "Replacement Funds") in respect of Trust Equipment relating to any Series of Trust Certificates shall be received and held by the Trustee in trust hereunder for the benefit of the holders of the Trust Certificates of such Series pending delivery of additional Equipment. Upon the filing with it of a Request and an Officer's Certificate which shall specify the kind and number of units of additional Equipment to be purchased and the Cost thereof, Replacement Funds relating to any Series shall, upon receipt by the Trustee of documents comparable to those provided in Section 4.4 hereof, be applied to the purchase of such additional Equipment, which shall thereupon become Trust Equipment relating to such Series.

The Company agrees to furnish to the Trustee, whenever required by the Trustee, and at least once in

every calendar year following the calendar year in which the first delivery of any of the Trust Equipment occurs and during the continuance of any of the leases contained herein, an Officer's Certificate stating, separately with respect to each Series of Trust Certificates, (1) the amount, description and numbers of the Trust Equipment relating to such Series then covered hereby and showing the units of such Trust Equipment then in actual service, (2) the amount, description and numbers of all Trust Equipment relating to such Series that may have suffered a Casualty Occurrence since the date of the last preceding statement, and (3) that all the Trust Equipment relating to such Series repainted or repaired since the date of the last preceding statement is plated or marked as required by Section 5.6 hereof. The Trustee, by its agent, shall have the right once in each calendar year, but shall be under no duty, to inspect, at the expense of the Company, the Trust Equipment, and the Company covenants in that event to furnish to the Trustee all reasonable facilities for the making of such inspection.

SECTION 5.8. The Company, so long as it is not in default under this Agreement in respect of any Series of Trust Certificates, shall be entitled to the possession of the Trust Equipment relating to such Series from and after delivery thereof to the Company, and the use thereof upon the lines of railroad owned or operated by the Company (either alone or jointly with another) or by any Affiliate, or upon lines over which the Company or any Affiliate shall have trackage or other operating rights, and the Company shall also be entitled to permit the use of the Trust Equipment upon connecting and other railroads in the usual interchange of traffic and upon connecting railroads and other railroads over which through service may from time to time be afforded, but only upon and subject to all the terms and conditions of this Agreement.

The Company shall not, without first obtaining the written consent of the Trustee, assign or transfer its rights hereunder, or transfer or sublet the Trust Equipment or any part thereof, except to an Affiliate; and the Company shall not, without such written consent, except as provided in this Section 5.8, part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment; provided, however, that the Company shall be entitled to sublet all or any part of the Trust Equipment relating to any Series of

Trust Certificates, so long as it shall not be in default under the terms of this Agreement with respect to such Series, to another Class I railroad company under a sublease which expressly provides (i) that the rights of the sublessee in and to such Trust Equipment shall be subject to the rights of the Trustee in and to such Trust Equipment, including the rights of the Trustee upon the happening of an Event of Default hereunder with respect to such Series and (ii) that such Trust Equipment may be lettered or marked for the convenience of identification of the leasehold interest of the sublessee therein only in accordance with the provisions of Section 5.6 hereof.

An assignment or transfer to a railroad company or other purchaser which shall acquire all or substantially all the lines of railroad 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 Company Obligations of each Series, shall not be deemed a breach of this covenant, provided that any such assumption shall not release SCL from its obligations under its guaranty endorsed on the Trust Certificates. The Trustee shall have the right to declare the lease provided for herein of the Trust Equipment relating to any Series to be terminated in case of any unauthorized assignment or transfer of the rights of the Company hereunder relating to such Trust Equipment or in case of an unauthorized transfer or sublease of any of such Trust Equipment. The election of the Trustee to terminate any such lease shall have the same effect as the retaking of the Trust Equipment subject thereto by the Trustee as hereinafter provided.

SECTION 5.9. The Company agrees to indemnify the Trustee against any and all claims arising out of or connected with the ownership or use of any of the Trust Equipment relating to each Series of Trust Certificates, and particularly against any and all claims arising out of the use of any patented inventions in and about such Trust Equipment, and to comply in all respects with the laws of the United States of America and of all the states in which such Trust Equipment, or any thereof, may be operated, and with all lawful acts, rules, regulations and orders of the Department of Transportation, the Interstate Commerce Commission and of all other commissions, boards and other legislative, executive, administrative or judicial bodies or officers having power to regulate or supervise any of such Trust Equipment, including without limitation all lawful acts, rules, regulations and orders of any body having competent jurisdiction relating to automatic coupler devices or attach-

ments, air brakes or other appliances; provided, however, that the Company may in good faith contest the validity of any such law, act, rule, regulation or order, or the application thereof to all or any part of the Trust Equipment relating to any Series, 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 of such Series. 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.

## ARTICLE VI.

### Remedies in Event of Default

SECTION 6.1. The Company agrees, separately with respect to each Series of Trust Certificates, that in case

(a) the Company shall default in the payment of any part of the rental (including advance rental) payable under this Agreement in respect of such Series for more than 10 days after the same shall have become due and payable, or

(b) the Company shall make or suffer any unauthorized assignment or transfer of its rights hereunder relating to such Series or shall make any unauthorized transfer or sublease of any of the Trust Equipment relating to such Series, or except as herein authorized, shall part with the possession of any of the Trust Equipment relating to such Series, and shall fail or refuse either to cause such assignment or transfer or sublease to be cancelled by agreement of all parties having any interest therein and recover possession of such Trust Equipment within 30 days after the Trustee shall have demanded in writing such cancellation and recovery of possession, or within said 30 days to deposit with the Trustee a sum in cash equal to the then Fair Value of the Trust Equipment relating to such Series so assigned or transferred or subleased or the possession of which shall have been parted with otherwise than as herein authorized (any sum so deposited to be returned to the Company upon the cancellation of such

assignment, or transfer or sublease and the recovery of possession by the Company of such Trust Equipment),  
or

(c) the Company shall, for more than 90 days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants of this Agreement relating to such Series on its part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance, or

(d) the lease provided for herein of the Trust Equipment relating to such Series shall be terminated by operation of law, or

(e) a petition for reorganization under Title 11 of the United States Code (as now or hereafter constituted) shall be filed by or against the Company or SCL and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all of the Company Obligations of such Series or the guaranty endorsed on the Trust Certificates of such Series by SCL, as the case may be, shall not have been and continue to be duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or custodian or custodians appointed in such proceedings in such manner that such Company Obligations or such guaranty, as the case may be, shall have the same status as expenses of administration and obligations incurred by such trustee or trustees or custodian or custodians, within 60 days after such petition shall have been filed or otherwise in accordance with the provisions of 11 U.S.C. § 1168, or any successor provision, as the same may hereafter be amended, or

(f) any proceedings other than as are referred to in (e) above shall be commenced by or against the Company or SCL for any relief which includes, or might result in, any modification of the Company Obligations of such Series or the guaranty endorsed on the Trust Certificates of such Series by SCL, as the case may be, under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or

extensions (other than a law which does not permit any readjustment of such Company Obligations or such guaranty, as the case may be) and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all of such Company Obligations or such guaranty, as the case may be, shall not have been and continue to be duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers or custodian or custodians appointed for the Company or SCL, as the case may be, or for its property in connection with any such proceedings or otherwise, in such manner that such Company Obligations or such guaranty, as the case may be, shall have the same status as expenses of administration and obligations incurred by such trustee or trustees or receiver or receivers or custodian or custodians within 60 days after such proceedings shall have commenced;

then, in any such case (herein sometimes called an "Event of Default" with respect to such Series of Trust Certificates) the Trustee in its discretion may, and upon the written request of the holders of not less than 25% in principal amount of the then outstanding Trust Certificates of such Series 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 dividends accruing after the date of such declaration) payable by the Company in respect of such Series as set forth in Section 5.4 hereof and not theretofore paid, whereupon the entire amount of such rentals shall forthwith become and shall be due and payable immediately without further demand, together with interest at the applicable Overdue Interest Rate to the extent legally enforceable on any portion thereof overdue; and the Trustee shall be entitled to recover judgment for the total amount so becoming payable by the Company, together with interest thereon at the applicable Overdue Interest Rate to the extent legally enforceable, and to collect such judgment out of any property of the Company wherever situated. Any and all moneys so collected by the Trustee shall be applied by it as hereinafter in Section 6.3 hereof provided. Any determination of whether there shall have occurred or whether there shall be continuing an Event of Default with respect to the Trust Certificates of any Series shall be

made independently and without regard to the determination whether there shall have occurred or whether there shall be continuing an Event of Default with respect to the Trust Certificates of any other Series.

In addition, in case one or more Events of Default with respect to any Series shall happen, the Trustee in its discretion may, and upon the written request of the holders of not less than 25% in principal amount of the then outstanding Trust Certificates of such Series shall, by notice in writing delivered to the Company, declare the principal of all the Trust Certificates of such Series 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 installment of rental payable pursuant to Section 5.4(B)(3), (B)(4), or (B)(5) hereof in respect of any Series of Trust Certificates when and as the same shall have become due and payable hereunder and such default shall have continued for a period of 30 days, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any motion or proceedings at law or in equity for the collection of the rentals so due and unpaid and the recovery of reasonable costs of collection, and may prosecute any such action or proceedings to judgment or final decree against the Company, SCL or any other obligor upon the Trust Certificates of such Series and collect in the manner provided by law out of the property, wherever situated, of the Company, SCL or any other obligor upon the Trust Certificates of such Series 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, SCL or any other obligor upon the Trust Certificates under Title 11 of the United States Code or any other Federal or state law relating to bankruptcy or insolvency, or in case a receiver or receivers in equity or reorganization or a trustee or trustees or custodian or custodians in bankruptcy or reorganization shall have been appointed for the Company or SCL or for such other obligor or for its property, or in the case of any other judicial proceedings relative to the winding up or liquidation of the affairs of the Company or SCL or of such other obligor, the Trustee, irrespective of whether the rental payments hereunder or the principal of the Trust Certificates shall then be due and payable as herein or

therein expressed whether by declaration or otherwise and irrespective of whether the Trustee shall have made any demand or declaration pursuant to the provisions of this Section 6.1, 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 dividends accruing after the date of such declaration, if any), 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 all proper charges, expenses or advances made or incurred by the Trustee in accordance with the provisions of this Agreement) 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, trustee or custodian 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 all proper charges, expenses or advances made or incurred by the Trustee in accordance with the provisions of this Agreement.

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

SECTION 6.2. In case of the happening of any Event of Default with respect to any Series of Trust Certificates, the Trustee may by its agents enter upon the railroads and premises of the Company and of any Affiliate or of any sublessee or user of the Trust Equipment relating to such Series and take possession of all or any part of such Trust Equipment and withdraw the same from said railroads and premises, and said sublessees and users, retaining all payments which up to that time may have been made on account of rental for such Trust Equipment and otherwise, and shall be entitled to collect, receive and retain all unpaid per diem, mileage or other charges of any kind earned by such Trust Equipment or any part thereof, and may lease such Trust Equipment or any part thereof, or with or without retaking possession thereof (but only after declaring due and payable the entire amount of rentals payable by the Company in respect of such Series as provided for in Section 6.1 hereof) may sell the same or any part thereof, free from any and all claims of the Company at law or in equity, in one lot and as an entirety or in separate lots, insofar as may be necessary to perform and fulfill the trust hereunder relating to such Series, 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 interest hereunder in the manner herein provided. Upon any such sale the Trustee itself may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Trustee may specify, or as may be required by law, and without gathering at the place of sale the Trust Equipment to be sold, and in general in such manner as the Trustee may determine, but so that the Company may and shall have a reasonable opportunity to bid at any such sale. Upon such taking possession or withdrawal or lease or sale of the Trust Equipment relating to any Series the Company shall cease to have any rights or remedies in respect of such Trust Equipment hereunder, but all such rights or 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 such Trust Equipment or any of it shall, in case of the happening of any such Event of Default with respect to such Series and such taking possession, withdrawal, lease or sale by the Trustee, give to the Company any legal or equitable interest or title in or to such Trust Equipment or any of it or any cause or right of action at law or in equity in respect of such Trust Equipment against the

Trustee or the holders of interest hereunder. No such taking possession, withdrawal, lease or sale of the Trust Equipment relating to any Series by the Trustee shall be a bar to the recovery by the Trustee from the Company of rentals then or thereafter due and payable in respect of such Series, and the Company shall be and remain liable for the same until such sums shall have been realized as, with the proceeds of the lease or sale of such Trust Equipment, shall be sufficient for the discharge and payment in full of all the items mentioned in Section 5.4 hereof (other than dividends or interest not then accrued) relating to such Series, whether or not they shall have been matured. The holders of a majority in principal amount of the then outstanding Trust Certificates of each Series shall have the right from time to time to direct which of the proceedings above provided for shall be taken for the enforcement of the remedies contained herein in respect of such Series.

SECTION 6.3. If in case of the happening of any Event of Default with respect to any Series of Trust Certificates, the Trustee shall exercise any of the powers conferred upon it by Sections 6.1 and 6.2 hereof in respect of such Series, all payments made by the Company to the Trustee in respect of such Series after such Event of Default, and the proceeds of any judgment collected from the Company by the Trustee in respect of such Series and the proceeds of every sale or lease by the Trustee hereunder of any of the Trust Equipment relating to such Series, 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 dividends) in respect of such Series 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 respect of such Series in accordance with provisions of this Agreement, and (b) of the dividends then due, and of the principal of all the outstanding Trust Certificates of such Series whether such Trust Certificates shall have been matured by their terms or not, with interest at the applicable Overdue Interest Rate on overdue dividends and on principal from the last preceding dividend payment date to the extent legally enforceable, all such payments to be in full if such proceeds shall be sufficient, and if not sufficient then pro rata without preference between principal and dividends.

After all such payments shall have been made in full with respect to any Series, the title to any of the Trust Equipment relating to such Series 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 in respect of any Series there shall remain any amount due to the Trustee under the provisions hereof in respect of such Series, the Company agrees to pay the amount of such deficit to the Trustee. If after applying as aforesaid the sums of money realized by the Trustee in respect of any Series there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Company.

SECTION 6.4. If at any time after the principal of all the Trust Certificates of any Series shall have been declared and become due and payable, or if at any time after the entire amount of rentals payable in respect of such Series shall have been declared and become due and payable, all as in Section 6.1 hereof provided, but before the final maturity of the Trust Certificates of such Series, all arrears of rent relating to such Series (with interest at the applicable Overdue Interest Rate upon any overdue installments, to the extent legally enforceable), the expenses and reasonable compensation of the Trustee relating to such Series, together with all expenses of the trust relating to such Series occasioned by the Company's default, and all other sums which shall have become due and payable by the Company hereunder (other than the principal of Trust Certificates of such Series and any other rental installments which shall not at the time have matured, other than by declaration, according to their terms) in respect of such Series shall be paid by the Company before any sale or lease by the Trustee of any of the Trust Equipment relating to such Series, and every other default in the observance or performance of any covenant or condition hereof relating to such Series shall be made good or cured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Trustee in its discretion may, and if so requested by the holders of a majority in principal amount of the Trust Certificates of such Series then outstanding and which shall not have matured (other than by declaration) according to their terms shall, by written notice to the Company waive the default relating to such Series by reason of which there shall have been such declaration or declarations and the consequences of such default, but no such waiver shall

extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 6.5. No retaking of possession of the Trust Equipment relating to any Series by the Trustee or any withdrawal, lease or sale thereof, no action or failure or omission to act against the Company or in respect of the Trust Equipment relating to such Series on the part of the Trustee or on the part of the holder of any Trust Certificate of such Series, and no delay or indulgence granted to the Company by the Trustee or by any such holder, shall affect the Company Obligations of such Series or the guaranty endorsed by SCL on the Trust Certificates of such Series. The Company and SCL 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 dividends upon the Trust Certificates. The Trustee may at any time upon notice in writing to the Company apply to any court of competent jurisdiction for instructions as to the application and distribution of the property held by it.

SECTION 6.6. In case the Trustee shall demand possession of the Trust Equipment relating to any Series of Trust Certificates pursuant to the provisions hereof, and shall reasonably designate a point or points upon the lines of railroad of the Company or of any Affiliate for the delivery of such Trust Equipment to it, the Company shall at its own expense forthwith and in the usual manner cause such Trust Equipment to be moved to such point or points on such railroad as shall be designated by the Trustee and shall there deliver or cause to be delivered the same to the Trustee, or the Trustee may at its option keep such Trust Equipment on any of the lines of railroad or premises of the Company or of any Affiliate until the Trustee shall have leased, sold or otherwise disposed of the same, and for such purpose the Company agrees to furnish without charge for rent or storage the necessary facilities at any convenient point or points selected by the Trustee. It is hereby expressly agreed that the performance of this covenant is of the essence of this Agreement and that, upon application to any court having jurisdiction in the premises, the Trustee shall be entitled to a decree against the Company requiring the specific performance thereof.

SECTION 6.7. The remedies in this Agreement provided in favor of the Trustee and the holders of the Trust Certificates of each Series, 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; provided, however, that the rights, powers and remedies in this Agreement provided are subject to applicable provisions of any bankruptcy or insolvency laws or laws affecting enforcement of creditors' rights.

#### ARTICLE VII.

##### Additional Covenants and Agreements by the Company and SCL

SECTION 7.1. The Company hereby agrees to make payment of the reasonable expenses and compensation of the Trustee, and of all taxes, assessments and governmental charges herein mentioned for which the Trustee, as such, may be liable and of the rentals and of the other amounts provided for herein.

SECTION 7.2. The Company and SCL jointly and severally covenant and guarantee that the holder of each of the Trust Certificates of each Series 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 and of this Agreement (and, if not so paid, with interest thereon at the applicable Overdue Interest Rate to the extent legally enforceable), and shall receive dividends thereon in like money at the rate specified therein from the date of such Trust Certificate to the maturity thereof, at the times and place and otherwise as expressed in the Trust Certificates of such Series (and, if not so paid, with interest thereon at the applicable Overdue Interest Rate to the extent legally enforceable); and the Company and SCL further agree to endorse upon each of the Trust Certificates of each Series without the seals of the Company and SCL, which are hereby expressly waived, 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 dividends thereon, in substantially the form set forth in the Series Supplement relating to such Series. Said guaranty so endorsed shall be signed in the name and on behalf of each of the Company and SCL by the manual or facsimile signature of its Chairman, President or one of its Vice Presidents. In case any officer of the Company or SCL whose signature, whether facsimile or not,

shall appear on said guaranty shall cease to be such officer before such Trust Certificates shall have been issued and delivered by the Trustee, or shall not have been acting in such capacity on the date of such Trust Certificates, such guaranty shall nevertheless be as effective and binding upon the Company and SCL as though the person who signed said guaranty had not ceased to be such officer or had been acting in such capacity on such date.

SCL further unconditionally guarantees to the Trustee and the holders of the Trust Certificates of each Series the due and punctual performance of all Company Obligations of such Series and unconditionally guarantees to the Trustee and to the holders of the Trust Certificates of each Series that all sums payable by the Company under this Agreement with respect to such Series will be paid promptly when due in accordance with the provisions of this Agreement and, in case of default by the Company in any such obligations or payment, SCL agrees punctually to perform or pay the same, irrespective of any enforcement against the Company or the Trust Equipment of any of the rights of the Trustee and the holders of the Trust Certificates of such Series under this Agreement. The Company and SCL hereby agree that their respective obligations hereunder and under the aforesaid guaranty on the Trust Certificates shall be unconditional, irrespective of the genuineness, validity, regularity or enforceability of this Agreement 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 the Company or SCL hereunder or under said guaranty of the Trust Certificates.

SECTION 7.3. The Company agrees that it will pay and discharge, or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge of, any debt, tax, charge, assessment, obligation or claim which if unpaid might become a lien or charge upon or against any of the Trust Equipment relating to any Series, except upon the leasehold interest of the Company therein; but this provision shall not require the payment of any such debt, tax, charge, assessment, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, unless such contest will in

the judgment of the Trustee materially endanger the rights or interests of the Trustee or the holders of the Trust Certificates of such Series.

SECTION 7.4. The Company agrees to pay the expenses incident to the preparation and execution of the Trust Certificates of each Series to be issued hereunder, or connected with the preparation, execution, recording and filing hereof and of any instruments executed under the provisions hereof with respect to the Trust Equipment. The Company with all convenient speed will cause this Agreement and each Series Supplement and all other supplements hereto or thereto to be duly filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303. The Company will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record any and all further instruments required by law or reasonably requested by the Trustee for the purposes of proper protection of the title of the Trustee and the rights of the holders of the Trust Certificates of each Series and of fully carrying out and effectuating this Agreement and the Series Supplements and the intent hereof and thereof; and the Company will promptly furnish to the Trustee certificates or other evidences of filing and recording pursuant to the last preceding sentence, and of any other such filing, registration and recording, and an Opinion or Opinions of Counsel with respect thereto.

SECTION 7.5. The Company 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 Series Supplements and the intent hereof and thereof.

SECTION 7.6. The Company agrees that it will make payment of the rentals on account of the Trust Equipment relating to each Series as provided in this Agreement notwithstanding that any of the Trust Certificates of such Series shall have been acquired by the Company or SCL or shall not have been presented for payment.

## ARTICLE VIII.

### The Trustee

SECTION 8.1. The Trustee hereby accepts the trusts imposed upon it by this Agreement and agrees to perform the same as herein expressed.

SECTION 8.2. The Trustee agrees to apply and distribute the rentals received by it under Section 5.4(B) hereof (other than sums restored to Deposited Cash pursuant to the last paragraph of Section 8.8 hereof from rentals received pursuant to Section 5.4(B)(1) hereof) when and as the same shall be received, and to the extent that such rentals shall be sufficient therefor, for the purposes specified in said Section 5.4(B).

SECTION 8.3. The Trustee shall cause to be kept at the Principal Office books for the registration and transfer of the Trust Certificates; and upon presentation for such purpose the Trustee will register or cause to be registered as hereinbefore provided, under such reasonable regulations as it may prescribe, any of the Trust Certificates.

SECTION 8.4. The Trustee shall not be required to undertake any act or duty in the way of insuring, taking care of or taking possession of the Trust Equipment relating to any Series or to undertake any other act or duty under this Agreement with respect to such Series until fully indemnified by the Company or by one or more of the holders of the Trust Certificates of such Series against all liabilities and expenses. The Trustee shall not be responsible for the filing or recording or refiling or rerecording of this Agreement or any Series Supplement or any other supplement hereto or thereto. In accepting delivery of and making payment for the Trust Equipment relating to any Series, or in accepting any cash payable hereunder in respect of such Trust Equipment, the Trustee may rely upon and shall be fully protected by the documents to be furnished to it under Section 4.4 or 5.7 hereof, as the case may be, and shall not be required to make any further investigation of or inquiry concerning the matters covered thereby.

SECTION 8.5. The Trustee shall be under no obligation to take any action for the execution or enforcement

of any trust created hereunder pursuant to a Series Supplement unless requested in writing by the holders of not less than 25% in principal amount of the then outstanding Trust Certificates of such Series and unless indemnified to its satisfaction against expense and liability with respect thereto, and unless also furnished with proof satisfactory to it as to the ownership of the Trust Certificates in respect of which any such request may be made; but this provision, in the absence of such request, shall not affect any discretion herein given to the Trustee to determine whether it shall take action in respect of any default hereunder or what action it shall take.

SECTION 8.6. No holder of any Trust Certificate of any Series shall have any right to institute any suit, action or proceeding for the execution and enforcement of the trust created hereunder pursuant to the Series Supplement relating to such Series unless, after the aforesaid request in writing by the holders of not less than 25% in principal amount of the then outstanding Trust Certificates of such Series shall have been made to the Trustee, and after indemnity satisfactory to it shall have been provided, and after 90 days shall have elapsed after receipt by the Trustee of such request, it shall decline, fail or neglect to institute any proceedings pursuant thereto. Neither the provisions of this Section 8.6 nor the provisions of Section 8.5 hereof shall affect or limit in any way the obligations of the Company under its guaranty hereinabove provided or the rights of the holders of Trust Certificates of any Series to institute suit for the enforcement of payments due under said guaranty in respect of the Trust Certificates of such Series.

SECTION 8.7. The Trustee may for all purposes conclusively assume that the Company is not in default under the terms hereof in respect of any Series of Trust Certificates until notified in writing to the contrary by the holders of at least 10% in principal amount of the then outstanding Trust Certificates of such Series, which notice shall distinctly specify the Event of Default with respect to such Series desired to be brought to the attention of the Trustee. As to any fact or matter the manner of determining which is not specifically prescribed herein, the Trustee may for all purposes rely upon an Officer's Certificate as to such fact or matter. The Trustee shall not incur any liability to anyone in relying conclusively on, and in acting upon, any notice, consent, order, certificate,

warrant, opinion or other paper or instrument believed by it to be genuine or authentic and to be signed by the proper party or parties.

SECTION 8.8. Any money at any time paid to or held by the Trustee hereunder until paid out by the Trustee as herein provided may be carried by the Trustee on deposit with itself, without liability for interest thereon save as may be agreed upon between the Trustee and the Company.

At any time and from time to time, if at the time there shall be no default in respect of such Series under the terms of this Agreement, the Trustee, upon Request, shall invest and reinvest Deposited Cash and Replacement Funds held by it relating to any Series in such Investment Securities, and upon such terms, as are set forth in such Request, such Investment Securities to be held by the Trustee in trust for the benefit of the holders of the Trust Certificates of such Series.

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

The Trustee shall restore to the Deposited Cash or Replacement Funds, as the case may be, relating to each Series out of rent received by it for that purpose under the provisions of Section 5.4(B)(1)(b) hereof, an amount equal to any expenses incurred in connection with any purchase or sale of Investment Securities relating to such Series and also an amount equal to any loss of principal incident to the sale or redemption of such Investment Securities for a sum less than the amount paid therefor, including accrued interest. The Company, if not in default in respect of such Series under the terms of this Agreement, shall be entitled to receive any profit which may be realized from any sale or redemption of Investment Securities relating to any Series.

SECTION 8.9. The Trustee shall not be liable to anyone for any delay in the delivery of any of the Trust Equipment, or for any default on the part of the seller or

manufacturer thereof or of the Company, or for any defect in any of the Trust Equipment or in the title thereto, nor shall anything herein be construed as a warranty on the part of the Trustee in respect thereof or as a representation in respect of the value thereof or in respect of the title thereto.

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

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

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

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

SECTION 8.10. If at any time the Trustee or any successor to it in the trusts hereby created shall desire to divest itself of title to the Trust Equipment relating to any Series and to terminate its duties and obligations and rights hereunder relating to such Series and under the Trust Certificates of such Series, it shall so notify the Company in writing, and the Company shall thereupon designate in writing to the Trustee a national bank or a trust company, qualified as below specified, to serve until a successor is appointed by the holders of the Trust Certificates of such

Series as hereinafter provided, to which may be assigned the entire right, title and interest of the Trustee or such successor in such Trust Equipment, and in which may be vested the rights, powers, duties and obligations of the Trustee hereunder relating to such Series and under the Trust Certificates of such Series. Upon the transfer and delivery of all moneys, any Investment Securities in which any of said moneys may then be invested and all Trust Equipment relating to such Series held by the retiring trustee, and the execution by the retiring trustee of such instruments of transfer as may be reasonably requested by the successor trustee and upon acceptance by the successor trustee of the assignment and of the trust hereunder relating to such Series and under the Trust Certificates of such Series, the retiring trustee shall be relieved and discharged of all the title, rights, powers, duties and obligations of such trust, and the same shall become vested in such successor trustee and every provision hereof applicable to the retiring trustee shall apply to such successor trustee with like effect as if such successor trustee had been originally named herein in the place and stead of the Trustee as trustee for the holders of such Trust Certificates. In the event that the Company shall fail to designate such a successor trustee by instrument in writing delivered to the retiring trustee within 15 days from the time of receiving such notice in writing from the retiring trustee, the retiring trustee may thereupon designate such successor trustee, or apply to any court of competent jurisdiction for the appointment of a successor trustee. The foregoing provisions are, however, subject to the right of the holders of a majority in principal amount of the then outstanding Trust Certificates of such Series by an instrument in writing to appoint any successor trustee for the holders of such Trust Certificates, if such appointment is made within one year from the date of giving of such notice to the Company. The Company shall execute all writings recognizing the transfer of title as aforesaid and all instruments of further assurance or otherwise as reasonably may be requested by the successor trustee in the premises, and will do and perform any and all acts necessary to establish and maintain the title and rights of the successor trustee in and to the Trust Equipment relating to such Series. Every successor trustee shall be a bank or trust company doing business in the City of Baltimore, State of Maryland, or in the Borough of Manhattan, City and State of New York, having a capital and surplus aggregating at least \$50,000,000, if there be such bank or trust company willing and able to accept the trusts upon reasonable and

customary terms and duly qualified to act as such trustee.

SECTION 8.11. Any corporation resulting from any merger or consolidation to which the Trustee or any successor to it shall be a party, or any corporation in any manner succeeding to all or substantially all of the business of the Trustee or any successor trustee, provided such corporation shall be a bank or trust company doing business in the City of Baltimore, State of Maryland, or in the Borough of Manhattan, City and State of New York, and shall have a capital and surplus aggregating at least \$50,000,000, shall be the successor trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 8.12. In determining whether the holders of the requisite principal amount of the Trust Certificates have concurred in any direction, request or consent under this Agreement, Trust Certificates which are owned by the Company or by any Affiliate or by any other obligor on the Trust Certificates or any affiliate of 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.

#### ARTICLE IX.

##### Miscellaneous

SECTION 9.1. Any request or other instrument provided by this Agreement to be signed or executed by holders of Trust Certificates may be in any number of concurrent instruments of similar tenor, and may be executed by such holders in person or by an agent or attorney appointed by an instrument in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such agent or attorney, or of the holding by any person of Trust Certificates, shall be sufficient for any purpose hereof and shall be conclusive in favor of the Trustee with regard to any action taken by the Trustee under such request or other instrument if made in the following manner, viz.:

- (a) The fact and date of the execution by any

person of any such request or of any other instrument in writing may be proved by the affidavit of a witness to such execution, or by the certificate of any notary public or of any other officer authorized to take acknowledgements of deeds to be recorded in the state where the acknowledgements may be taken, certifying that the person signing such request or other instrument acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority.

(b) The ownership of Trust Certificates shall be determined by the registry books to be kept as provided in Section 8.3 hereof.

SECTION 9.2. Nothing expressed or implied herein is intended or shall be construed to confer upon or to give to any person, firm or corporation, other than the parties hereto and the holders of the Trust Certificates, 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, to the extent the same relate to a particular Series, for the equal and pro rata benefit of the holders of the Trust Certificates of such Series.

SECTION 9.3. Except as otherwise provided herein, the provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and assigns.

SECTION 9.4. Any provision of this Agreement, as it relates to any Series of Trust Certificates, may be amended or waived with the written consent of the holders of not less than 66-2/3% of the aggregate unpaid principal amount of the Trust Certificates of such Series then outstanding; provided, however, that without the consent of the holders of 100% of the aggregate unpaid principal amount of the Trust Certificates of such Series then outstanding, no such amendment or waiver shall (1) reduce the amount of principal, change the principal maturity date or reduce the rate or extend the time of payment of divi-

dends with respect to the Trust Certificates of such Series without the consent of the holders of each Trust Certificate so affected, (2) reduce the amount of or extend the time of payment of any rentals payable under this Agreement in respect of such Series or release or provide for the release of any of the Trust Equipment relating to such Series or any other property or cash relating to such Series held by the Trustee in trust for the benefit of the holders of the Trust Certificates of such Series, otherwise than as expressly permitted by the present terms of this Agreement, or (3) reduce the percent of the aggregate unpaid principal amount of Trust Certificates of such Series then outstanding, the holders of which are required to approve any amendment or to effect any waiver. Any Series Supplement executed and delivered pursuant to Section 2.2 or 2.3 hereof may modify any of the provisions hereof with respect to the Series of Trust Certificates authorized thereby, provided that such Series Supplement shall not modify or affect in any way any of the provisions hereof as they relate to any other Series of Trust Certificates.

SECTION 9.5. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered or mailed by the United States Mails (a) in the case of the Company or SCL, at 500 Water Street, Jacksonville, Florida 32202, Attention of Finance Department, or at such other address as hereafter may be furnished to the Trustee in writing by the Company or SCL, as the case may be, and (b) in the case of the Trustee, at P.O. Box 2258, 2 Hopkins Plaza, Baltimore, Maryland 21203, or at such other address as hereafter may be furnished to the Company and SCL in writing by the Trustee. An affidavit by any person representing or acting on behalf of the Company, SCL or the Trustee as to such mailing shall be conclusive evidence of the giving of such demand, notice or communication.

SECTION 9.6. This Agreement has been executed in several counterparts each of which shall be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

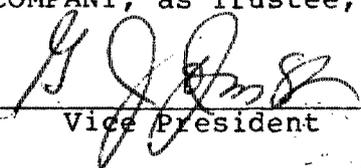
SECTION 9.7. The provisions of this Agreement, and all the rights and obligations of the parties here-

under, shall be governed by the laws of the Commonwealth of Kentucky.

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

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Trustee,

by

  
Vice President

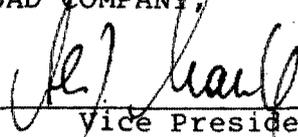
[Corporate Seal]

Attest:

  
Assistant Vice President

LOUISVILLE AND NASHVILLE RAILROAD COMPANY,

by

  
Vice President

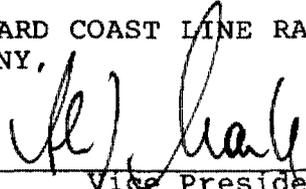
[Corporate Seal]

Attest:

  
Assistant Secretary

SEABOARD COAST LINE RAILROAD COMPANY,

by

  
Vice President

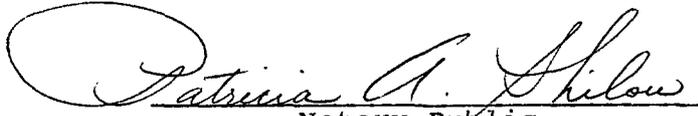
[Corporate Seal]

Attest:

  
Assistant Secretary

STATE OF MARYLAND, )  
 ) ss.:  
CITY OF BALTIMORE, )

On this <sup>2nd</sup> day of June, 1981, before me personally appeared G. J. Johnston, to me personally known, who, being by me duly sworn, says that he is a Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

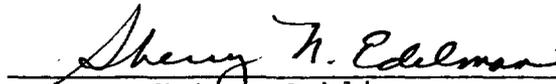
  
Notary Public

[Notarial Seal]

My Commission expires: 7-1-82

~~STATE OF NEW YORK~~  
~~COMMONWEALTH OF KENTUCKY,~~  
COUNTY OF NEW YORK ) ss.:  
~~CITY OF JEFFERSON,~~ )

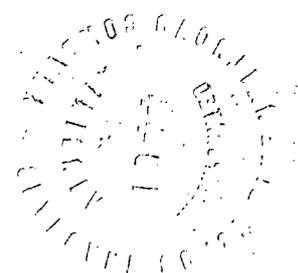
On this 10 day of June, 1981, before me personally appeared ALEX MANDL, to me personally known, who being by me duly sworn, says that he is a Vice President of LOUISVILLE AND NASHVILLE RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public

[Notarial Seal]

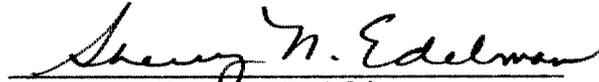
My Commission expires:

SHERRY N. EDELMAN  
NOTARY PUBLIC, State of New York  
No. 4730495  
Qualified in New York County  
Commission Expires March 30, 1982



STATE OF NEW YORK  
COMMONWEALTH OF VIRGINIA, )  
COUNTY OF NEW YORK ) ss.:  
CITY OF RICHMOND, )

On this 10 day of June, 1981, before me personally appeared **ALEX MANDL**, to me personally known, who being by me duly sworn, says that he is a Vice President of SEABOARD COAST LINE RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public

[Notarial Seal]

My Commission expires:

SHERRY N. EDELMAN  
NOTARY PUBLIC, State of New York  
No. 4730435  
Qualified in New York County  
Commission Expires March 30, 1982